Connected World.
Connected Experiences.

Tech Mahindra

EXPERIENCE **TECHMNXT**

SUBSIDIARY ANNUAL REPORT

2018-2019

(VOLUME - I-II & III)

Featuring Real TechMighties and their families. The fuel behind TechMNXt.

www.techmahindra.com

Last year, we introduced TechMNXt to build a future ready Tech Mahindra. Among other dimensions of TechMNXT, in the year 2018-2019, we extended that philosophy to the people function powered by our own drive to FUTURise together, to build TECHMHRNXT. This was envisaged as being disruptive, challenging all conventions and building a culture of innovation and empowerment for all our associates. We embarked on a journey focused on convergence of technology and empathy powering the next generation of human experiences. We embraced and empowered diversity, we launched programs that help our associates to live, learn and lead better lives.

Together we created our culture statement,
our light house to guide us everyday as TechMighties,

"We drive positive change, celebrate each moment
and empower all to RISE™."

INDEX

VOLUME - I

VOLUME - II

VOLUME - III

TECH MAHINDRA (AMERICAS) INC.

Board of Directors
Mr. Manish Vyas
Mr. Arvind Malhotra
Mr. Lakshmanan Chidambaram
Mr Guru Prasad R Iyengar

Registered Office
4965, Preston Park Boulevard,
Suite 500, Plano (Texas) 75093
United States of America

Bankers
HSBC Bank
JPMorgan Chase 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, 2019.

Financial Results:

For the year ended March 31	**2019 USD**	**2019 INR**	2018 USD	2018 INR
Income	**959,597,739**	**66,360,981,641**	905,335,184	62,608,454,650
Profit/(Loss) before tax	**47,304,949**	**3,271,373,748**	42,925,534	2,968,515,304
Profit/(Loss)after tax	**35,137,053**	**2,429,902,900**	37,393,925	2,585,976,884

Review of operations:

During the fiscal year under review, the Company achieved an income of US$ 959.60 Million (equivalent to INR 6,636 Crores). 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.

Acquisitions:

TMA acquired certain assets and liabilities of Nuovo Solutions LLC at a cash consideration of US$5,000,000

Mergers:

- In May 2018 Softgen Americas Inc was merged with the Corporation.
- In September 2018 Tech Mahindra IPR Inc was merged with the Corporation.

Board:

Mr. Manish Vyas, Mr. Arvind Malhotra, Mr. Lakshmanan Chidambaram and Guru Prasad R Iyengar 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.

Manish Vyas
Director

Place: Texas
Date: May 17, 2019

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Tech Mahindra (Americas), Inc. a New Jersey Corporation,
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, 2019 and 2018, and the related statements of operations, comprehensive income, stockholder's equity, 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.

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 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 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., Lightbridge Communications Corporation, and 88.77% owned Tech Mahindra Healthcare Systems Holdings, LLC have not been consolidated. The non-consolidation of the 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 matters 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, 2019 and 2018, 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 page 30 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
May 13, 2019

TECH MAHINDRA (AMERICAS) INC.

BALANCE SHEET AT MARCH 31,

	Notes	2019 $	2018 $
Current assets			**(Restated)**
Cash	3	**3,705,147**	3,930,762
Accounts receivable, net	4	**40,166,538**	34,542,313
Employee advances		**1,510,872**	1,087,583
Due from parent company	10	**197,314,270**	113,312,443
Due from affiliated companies	11	**7,405,383**	14,493,725
Prepaid expenses and other current assets		**9,225,147**	9,705,664
Income taxes receivable	5	**8,540,655**	15,006,441
Notes receivable from affiliated companies, current	11	**12,500,000**	14,500,000
		280,368,012	206,578,931
Non-current assets			
Property and equipment, net	6	**16,436,681**	21,064,630
Notes due from affiliated company, non-current	11	**9,500,000**	20,500,000
Deferred tax asset	5	**25,775,027**	26,929,918
Security deposits		**510,810**	360,642
Other receivables		**287,394**	493,677
Intangible assets, net	7	**13,661,334**	11,916,052
Goodwill, net		**65,596**	-
Investment in subsidiaries	8	**252,492,208**	254,229,810
Investment in financial asset	9	**-**	15,000,000
Investment in associated companies	9	**5,700,306**	3,033,676
		307,992,675	332,463,775
Total Assets		**604,797,368**	560,107,336
Current liabilities			
Accounts payable		**10,320,190**	5,134,133
Accrued expenses and other current liabilities		**87,923,592**	62,594,520
Deferred revenue		**103,716**	1,952,119
Due to parent company	10	**91,909,637**	85,235,115
Due to affiliated companies	11	**36,415,894**	57,046,417
Note payable, current portion	13	**75,000,000**	75,000,000
		301,673,029	286,962,304
Non current liabilities			
Other non current liabilities		**3,958,176**	4,900,000
Total liabilities		**305,631,205**	291,862,304
Commitments and contingencies (Note 16)			
Stockholder's Equity			
Equity attributable to stockholder's of the Company		**299,166,163**	268,245,032
Total Liabilities and Stockholder's Equity		**604,797,368**	560,107,336

STATEMENTS OF OPERATIONS YEARS ENDED MARCH 31,

	Schedules	2019 $	2018 $ (Restated)
Revenue	I	**959,597,739**	905,335,184
Operating expenses			
Personnel	II	**569,980,642**	565,690,523
General and administrative	III	**311,132,818**	282,973,543
Amortization		**1,819,052**	1,324,006
Depreciation		**13,052,215**	11,981,356
		895,984,727	861,969,428
Operating income		**63,613,012**	43,365,756
Non-operating income/(expenses):			
Other income		**193,203**	331,734
Impairment of other asset		**(3,033,676)**	-
Fair value adjustment of financial instrument		**(3,200,000)**	-
Interest expenses		**(967,897)**	(771,956)
Equity-method investment activity		**(9,299,693)**	-
Income before income tax expense		**47,304,949**	42,925,534
Income tax expense	Note 5	**12,167,896**	5,531,609
Net income		**35,137,053**	37,393,925

All revenue and profit for the year is generated from continuing operations.

STATEMENTS OF COMPREHENSIVE INCOME YEARS ENDED MARCH 31,

	2019 $	2018 $
		(Restated)
Net income	**35,137,053**	37,393,925
Other comprehensive income (loss): (1)		
(Loss) / gain on hedge activity	**(165,429)**	146,063
Comprehensive income	**34,971,624**	37,539,988

(1) There were no material taxes associated with other comprehensive income (loss) during the years ended March 31, 2019 and 2018.

STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY YEARS ENDED MARCH 31,

	Notes	Common Stock $	Additional paid in capital $	Accumulated Other Comprehensive Income / (Loss) $	Accumulated Retained Earnings $	Total Stockholder's Equity $
Balance at April 1, 2017, (restated)	14	170,521,745	-	-	107,173,613	277,695,358
Merger transaction with entity related by common control		-	(4,359,878)	-	-	(4,359,878)
Cash dividend on common stock	14	-	-	-	(42,630,436)	(42,630,436)
Net income for the period		-	-	-	37,393,925	37,393,925
Other comprehensive income	18	-	-	146,063	-	146,063
Balance at March 31, 2018, (restated)		**170,521,745**	**(4,359,878)**	**146,063**	**101,937,102**	**268,245,032**
Net income for the period		-	-	-	35,137,053	35,137,053
Merger transaction with entity related by common control		-	(4,050,493)	-	-	(4,050,493)
Other comprehensive loss	18	-	-	(165,429)	-	(165,429)
Balance at March 31, 2019		**170,521,745**	**(8,410,371)**	**(19,366)**	**137,074,155**	**299,166,163**

TECH MAHINDRA (AMERICAS) INC.

STATEMENTS OF CASH FLOWS YEARS ENDED MARCH 31,

	2019 $	2018 $
Cash flows from operating activities		(Restated)
Net income	**35,137,053**	37,393,925
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization	**1,819,052**	1,324,006
Depreciation	**13,052,215**	11,981,356
Impairment loss on investment in associate	**3,033,676**	-
Deferred income tax expense	**1,154,891**	(13,876,687)
Unrealized loss on year end fair valuation of financial instrument	**3,200,000**	-
Equity loss from investment in associated company	**9,299,694**	-
Changes in operating assets and liabilities:		
Increase in accounts receivable, net	**(5,624,225)**	(5,872,868)
(Increase) decrease in due from parent company	**(84,001,827)**	45,135,604
Decrease (increase) in due from affiliated companies	**7,088,342**	(2,206,100)
Decrease (increase) in employee advances	**(423,289)**	525,258
Increase in prepaid expenses and other current assets	**686,800**	(5,735,982)
Prepaid income taxes	**-**	(13,889,039)
Increase in security deposits and other assets	**(150,168)**	(16,027)
Increase in accrued expenses and other current liabilities	**21,187,249**	1,968,687
Increase in accounts payable	**5,186,056**	2,119,292
(Decrease) increase in unearned revenue	**(1,848,403)**	1,952,119
Income taxes payable	**6,465,786**	-
Increase in due to parent company	**6,674,522**	5,700,437
(Decrease) increase in due to affiliated companies	**(20,630,523)**	23,116,699
Net cash provided by operating activities	**1,306,901**	89,620,680
Cash flows from investing activities		
Capital expenditures	**(8,424,266)**	(15,996,044)
Payments for purchase of intangible assets	**(3,629,930)**	-
Investment in subsidiaries, associates and financial asset	**1,737,602**	(108,207,004)
Merger transaction with entity related by common control	**(4,050,493)**	-
Notes receivable from affiliated companies	**13,000,000**	(645,479)
Net cash used in investing activities	**(1,367,087)**	(124,848,527)
Cash flows from financing activities		
Proceeds from note payable	**-**	74,619,937
Payment of common stock dividend	**-**	(42,630,436)
Net cash provided by financing activities	**-**	31,989,501
Effect of (loss) gain on hedge activity	**(165,429)**	146,063
Decrease in cash and cash equivalents	**(60,186)**	(3,238,346)
Cash and cash equivalents at beginning of year	**3,930,762**	7,023,045
Cash and cash equivalents at end of year	**3,705,147**	3,930,762
Supplemental disclosure of cash flow information:		
Cash paid for interest	**2,843,477**	1,333,669
Cash paid for income taxes	**15,014,787**	18,248,176

NOTES TO SUPPLEMENTAL FINANCIAL STATEMENTS

March 31, 2019

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, fulfillment 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 May 7, 2014, TechT registered a branch office in Canada. On February 9, 2016, TechT registered a branch office in United Kingdom. The Canadian branch had no activity and United Kingdom branches had insignnificant activity since inception in the periods ended March 31, 2019 and 2017. During the period ended December 31, 2017 the shareholders of the Company and its Board of Directors decided to dissolve the Canadian Branch, with effective date March 20, 2018.

On June 24, 2013, TechM and Satyam Computer Technologies Ltd (MSAT) (incorporated in New Jersey), 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. In years 2014 and 2015 all the employees of MSAT branch transferred to TMA. In addition, all assets and liabilities that were merged into TechM were transferred to TMA. On August 1 and August 2, 2016, the shareholders of the TechM and its Board of Directors approved a merger of the Company and Satyam Computer Services Limited (MSATUS) an United Stated branch of MSAT. The effective date of the merger is the March 31, 2017.

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.

On May 4, 2017, TMA acquired 84.7% holding in Tech Mahindra Healthcare Systems Holdings, LLC (“Holdco”), a Delaware Limited Liability Company. An individual, resident of the State of Florida (“minority shareholder”), holds the 15.3 % minority interest in Holdco.

Total amount paid was $89.5 million which includes $7.5 million considered as a prepaid compensation to the minority shareholder resulting in net investment value of $82 million. If at any time on or before December 31, 2020, the employment agreement is terminated by either party, the minority shareholder is obligated to repay the $7.5 million.

TMA had a call option and the minority Shareholder had a put option to purchase/sale the remaining 15.3% of shares over a period of 3 years – December 2017, 2018 and 2019 at values which would be derived based on EBITDA and revenue achievement. TMA signed on March 1, 2019, an amended agreement with an effective date of December 31, 2018, resulting in a changed in vesting and exercise date starting from April 30, 2019. On March 20th 2019; TMA exercised first call option and purchased 4% shares from the minority shareholder. Currently the minority shareholder holds 11.3% of shares which TMA can purchase over a period of 2 years, 2019 and 2020. The estimated fair value of the remaining put and call options is $ 6.728 Million as at March 31, 2019.

On January 17, 2018 pursuant to the provisions of Sections 179 read with Section 186 (5) of the Companies Act, 2013, the Investment Committee of the Board of Directors to the TML approved the proposal to invest an amount not exceeding $15 million in Altiostar Networks Inc.’s (“Altiostar”) series C1 Preferred shares entitling 23.5% of the fully diluted stake in the Altiostar. Altiostar is the mobile telecommunication industry’s first provider of Virtual RAN (vRAN) with a Flexible Ethernet fronthaul. Altiostar is headquartered in Tewksbury, Massachusetts. In accordance with FASB ASC 323, Investments. TMA has significant influence in the investee resulting in TMA accounting for the investment on the equity basis.

Altiostar certified that TMA is entitled, subject to the terms and conditions set forth below, to purchase from Altiostar, 7,932,455 shares of Common stock, at a purchase price of $0.05 per share. The common shares are purchasable upon exercise of this Warrant, and the purchase price per share, each as adjusted from time to time pursuant to the provisions of this Warrant. The warrant shall vest and become exercisable only to the extent vesting conditions are satisfied. This Warrant is issued in connection with, and is an integral part of, the purchase of shares of Series C1 Convertible Preferred Stock of the Company.

The vesting conditions as seen below consist of target TMA direct and indirect revenue from the date of issuance of the warrants up to March 31, 2022:

TMA Target revenue	Number of shares
Less than $15,000,000	None
$15,000,000	2,379,736
More than $15,000,000 but less than $50,000,000	2,379,736 together with 158,649 shares for each additional $1,000,000 above $15,000,000
$50,000,000	7,932,455

1. NATURE OF OPERATIONS (CONTINUED)

During the quarter ended December 31, 2017 the shareholders of Tech Mahindra IPR Inc. ("TM IPR") and its Board of Directors come to a resolution to transfer the entire issued and outstanding capital of TM IPR to TMA. The extent of the transaction is subject to approval from the Reserve Bank of India. On April 05, 2018 the Reserve Bank of India approved the disinvestment of shareholdings of Tech Mahindra Limited. The transfer of the issued and outstanding capital of TM IPR to TMA occur during the period ending June 30, 2018. On August 1, 2018, the shareholder of the Company and its Board of Directors approved a Plan and Agreement of Merger whereby the Company and TM IPR, were merged with and into a single corporation. TMA is the surviving corporation. The separate existence of TM IPR ceased on September 1, 2018, the effective date of the merger.

On March 9, 2018, TMA acquired 100% of Sofgen Americas Inc. ("Sofgen"), a New Jersey corporation at a cost of $4.3 million from Sofgen Holdings Limited , Cyprus. The purchase is part of the rationalization of subsidiaries within the Tech Mahindra Group. Sofgen offer end-to-end banking IT services, both in and around core systems, ranging from requirements analysis and system selection to implementation and beyond. On March 27, 2018, the shareholder of the Company and its Board of Directors approved a Plan and Agreement of Merger whereby the Company and Sofgen America Inc. ("Sofgen"), a company related by common control, were merged with and into a single corporation. TMA is the surviving corporation. The separate existence of Sofgen ceased on May 31, 2018 the effective date of the merger.

On October 31, 2018, TMA acquired identifiable assets and liabilities in terms of the purchase agreement of Nuovo Solutions LLC, a New York limited liability company, in exchange for $5,000,000. This acquisition has helped the Company expand its business in United States.

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 SUBSIDIARIES

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 financial statements 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.

Tech Mahindra Healthcare Systems Holdings, LLC

TMA, a wholly owned subsidiary of TechM, has elected not to present consolidated financial statements for TMA and its 88.77% held subsidiary Holdco. 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 COMPANY

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 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, 2019 and 2018 the allowance for doubtful accounts was $9,863,762 and $8,670,051, 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 with lesser amounts expensed in the period 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 year ended March 31, 2019 and 2018.

Goodwill resulting from business combinations represents the excess of the fair value of the consideration transferred over the fair value of the net assets acquired and liabilities assumed as of the acquisition date. During 2015, the Company elected the private company accounting alternatives provided in Accounting Standards Update (ASU) 2014-02, Intangibles – Goodwill and Other (Topic 350): Accounting for Goodwill and ASU 2014-18, Business Combinations (Topic 805): Accounting for Identifiable Intangible Assets in a Business Combination (see New Accounting Pronouncements). Pursuant to these elections, the Company prospectively amortized goodwill on a straight-line basis over a ten-year period. Impairment testing will be performed at the entity level upon the occurrence of a triggering event. The Company amortizes intangible asset and customer lists on a straight-line basis over 3 to 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. For the year ended March 31, 2019, with amendment to initial agreement, this rate is changed from 5.75% to 7%.

The effect of the change in estimate on actual values during the current year is as follows:

An impact of an additional $8.3 million in ring-fencing revenue calculation for the first three quarters were recognized in the fourth quarter as a result of the amended agreement.

Effective October 1, 2013, the Company has entered into a contract with Tech Talenta, Inc. ("TT"), 100% owned subsidiary. Under the contract TMA, has agreed to reimburse TT all direct project expenses and all indirect costs plus 3% 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.

In accordance with guidance in ASC 740-10-30-27, the Company uses a “separate return” method to allocate current and deferred taxes or benefits to members of the consolidated return group (“TMA and subsidiaries”) by applying ASC 740 to each member as if they were separate tax payers. Under the “separate return” method, the subsidiary is assumed to file a separate return with the taxing authority, thereby reporting its taxable income or loss and paying the applicable tax to or receiving the appropriate refund from the parent.

L. RELATED PARTIES

Related parties are considered to be related if one party has the ability to control or jointly control the other party or exercise significant influence over the party in making financial and operational decisions. Key management personnel are also regarded as related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise).

M. FINANCIAL INSTRUMENTS

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial asset and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial assets or financial liability.

N. FAIR VALUE- DEFINITION AND HIERARCHY

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.

In determining fair value, the Company uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. The valuation techniques used by the Company to determine fair value are consistent with the income approaches. The Company determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Fundhas the ability to access.

Level 2 – Valuations based on inputs, other than quoted prices included in Level 1, that are observable either directly or indirectly.

Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

Fair value is a market-based measure, based on assumptions of prices and inputs considered from the perspective of a market participant that are current as of the measurement date, rather than an entity-specific measure. Therefore, even when observable inputs are not readily available, the Company’s own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date.

The availability of valuation techniques and observable inputs can vary from investment to investment and are affected by a wide variety of factors, including the type of investment, whether the investment is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Because of the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a ready market for the investments existed. Accordingly, the degree of judgment exercised by the Fund in determining fair value is greatest for investments categorized in Level 3. In some cases, the inputs used to measure fair value might be categorized within different levels of the fair value hierarchy. In such cases, the fair value measurement is generally categorized in its entirety in the fair value hierarchy based on the lowest level input that is significant to the fair value measurement.

O. BUSINESS COMBINATIONS

The Company allocates purchase consideration to the tangible assets acquired, liabilities assumed and intangible assets acquired based on their estimated fair values. The excess of the fair value of purchase consideration over the fair values of these identifiable assets and liabilities is recorded as goodwill. When determining the fair values of assets acquired and liabilities assumed, the Company makes significant estimates and assumptions, especially with respect to intangible assets. Estimates associated with the accounting for business combinations may change as additional information becomes available regarding the assets acquired and liabilities assumed, which could result in adjustments to the values of tangible assets acquired, liabilities assumed and intangible assets acquired or could result in future income or expenses if such changes in estimates are identified beyond one year from the date of acquisition.

P. RESTATEMENT

As stated in Note 1 above, on May 31, 2018 and September 1, 2018, the business of Sofgen Americas Inc. and Tech Mahindra IPR Inc. were merged with and into the Company as a single corporation. As a result, the accounts for Sofgen and TM IPR were merged with the Company's accounts as of those dates. To be consistent with the current year presentation, certain prior year amounts have been restated.

3. CASH

The following table summarizes cash that are measured at fair value on a recurring basis and are categorized using the fair value hierarchy.

	2019	2018
	$	$
		(Restated)
Cash	**3,705,147**	3,930,762

Cash and cash equivalents

The Company places its cash 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, 2019 and 2018, the Company had a balance with the financial institution that exceeded the Federal insured limit by $3,455,147 and $3,680,762, respectively.

4. ACCOUNTS RECEIVABLE, NET

The following table summarize, our accounts receivable, that approximate fair

value due to the immediate to short-term maturity of these financial instruments.

	2019	2018
	$	$
		(Restated)
Less: allowance for doubtful accounts	**(3,686,663)**	(2,642,423)
Amounts due for services rendered and billed, net	**30,668,821**	25,168,277
Amounts due for services rendered, not billed	**9,497,717**	9,374,036
	40,166,538	34,542,313

a) Trade receivables: credit risk

The entity's exposure to the credit risk inherent in its trade receivables and the associated risk management techniques that the entity deploys in order to mitigate this risk are discussed point c) below. The credit periods offered to customers vary according to the credit risk profiles of, and the invoicing conventions established in, the entity's markets. The contractual terms on invoices issued to customers vary and are payable upon receipt or immediate to within 120 days. The allowance for bad and doubtful receivables is calculated based on prior experience reflecting the level of uncollected receivables over the last year within each business.

On this basis, the billed aging analysis of trade receivables, is as follows:

	Less than 30 days	Between 30 to 60 days	More than 60 days	Total
	$	$	$	$
The carrying amounts reported as at March 31, 2019	24,208,750	568,903	9,577,831	34,355,484
The carrying amounts reported as at March 31, 2018, restated	10,474,891	15,152,794	2,183,015	27,810,700

b) Movement in the allowance account for bad and doubtful receivables

Bad debt allowance movement was $1,050,995 for the year ended March 31, 2019 for third party receivables, with $0 bad debt write off.

c) Revenue and accounts receivables concentration

The Company provides services to customers in diversified customer base and geographic regions and, therefore, has low concentration of credit risk. The Company continuously evaluates the credit worthiness of its customers and generally does not require collateral.

Revenue and Accounts receivable concentration:

Billed accounts receivable concentrations:	March 31,			
	2019		2018	
			(Restated)	
	Amount	Concentration	Amount	Concentration
Customer 1	$6,342,490	18%	$1,346,952	5%
Customer 2	$3,934,984	11%	$3,697,007	15%
Customer 3	$3,652,027	11%	$2,291,902	9%

Revenue

Revenue from the parent and affiliated companies ("contract revenue") for the year ended March 31, 2019 and 2018 was $164,077,173 and $131,939,019, representing 99% for both periods, 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.

	During the year ended March 31,			
	2019		2018	
			(Restated)	
	Amount	Concentration	Amount	Concentration
Customer 2	$23,702,104	16%	$11,394,781	8%
Customer 4	$15,680,355	11%	$9,374,108	7%
Customer 5	$42,090,337	29%	$52,176,567	37%

5. INCOME TAX NOTE

	2019	2018
	$	$
		(Restated)
TMA accounts for income taxes under the provisions of the FASB ASC 740, Income Taxes, as described in Note 2K above. The components of the provisions for the income taxes for the years in the year ended March 31, 2019 and 2018 are as follows:		
Current income tax expense / (benefit) consists of the following:		
Federal	**10,760,218**	(889,250)
State	**3,456,016**	2,657,533
	14,216,234	1,768,283
Deferred income tax expense / (benefit) consists of the following:		
Federal	**(1,104,712)**	4,137,932
State	**(943,626)**	(374,606)
	(2,048,338)	3,763,326
Total current and deferred income tax expense	**12,167,896**	5,531,609
Deferred tax asset consists of the following:		
Federal	**22,433,663**	24,292,871
State	**3,341,364**	2,637,047
	25,775,027	26,929,918

As of March 31, 2019 and 2018, TMA had utilized all federal net operating losses (NOLs) available to be utilized for the respective years which were carried forward from prior years. TMA had utilized all state net operating losses (NOLs) available to be utilized for the respective years which were carried forward from prior years. TMA expects to be able to utilize the entire deferred tax benefit, therefore, no valuation allowance has been recorded to reduce the asset.

As a result of mergers, TMA had approximately $5,443,887 of estimated federal and $1,065,685 of state net operating losses (NOLs) available to be carried forward.

In accordance with the tax sharing arrangement between the Company and its wholly owned subsidiary, LCC, the Company recorded an amount payable to LCC as of March 31, 2019 and 2018, of $32,409,683 and $42,372,089 for LCC's NOL that the Company is able to utilize as part of filing a consolidated Federal income tax return.

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. As of March 31, 2019, the Company's tax years from 2016 to 2019 are open for examination by Federal and state tax authorities.

6. PROPERTY AND EQUIPMENT

	2019 **$**	2018 $ (Restated)
Property and equipment, net, consisted of the following as of March 31,		
Plant and machinery	**30,685,967**	30,128,250
Computer and software	**38,913,411**	31,764,080
Furniture and equipment	**3,849,952**	3,587,136
Leasehold improvements	**3,268,726**	3,268,726
Office equipment	**1,932,068**	2,014,191
Less: accumulated depreciation	**(62,213,443)**	(49,697,753)
	16,436,681	21,064,630
Reconciliation of Carrying value		
Carrying value at the beginning of the year	**21,064,630**	17,049,942
Additions	**8,424,266**	15,996,044
Depreciation	**(13,052,215)**	(11,981,356)
Carrying value at the end of the year	**16,436,681**	21,064,630

Depreciation expense was $13,052,215 and $11,981,356 for the years ended March 31, 2019 and 2018, respectively. The depreciation policies followed by TMA are described in Note 2G.

7. INTANGIBLE ASSET, NET

	2019 **$**	2018 $
At March 31, 2019 and 2018, intangible assets are summarized as follows:		(Restated)
Customer lists	**23,424,422**	19,860,088
Less: accumulated amortization	**(9,763,088)**	(7,944,036)
	13,661,334	11,916,052

Amortization expense for the years ended March 31, 2019 and 2018 was $1,819,052 and $1,324,006, respectively. The amortization policies followed by the Company are described in Note 2H.

Amortization expense of intangible assets subject to amortization for the five years succeeding March 31, 2019, and thereafter is as follows:

Years ending March 31,	**$**	$
2019	**-**	1,324,006
2020	**2,512,114**	1,324,006
2021	**2,512,114**	1,324,006
2022	**2,017,078**	1,324,006
2023	**1,324,006**	1,324,006
2024	**1,324,006**	1,324,006
Thereafter	**3,972,016**	3,972,016
	13,661,334	11,916,052

8. INVESTMENTS IN SUBSIDIARIES

	2019 **$**	2018 $ (Restated)
Tech Talenta, Inc. (*)	**500,000**	500,000
Lightbridge Communication Corporation (**)	**159,021,946**	160,522,806
Tech Mahindra Healthcare Systems Holdings LLC (***)	**92,970,262**	88,900,004
Sofgen Holdings Limited (****)	**-**	4,307,000
	252,492,208	254,229,810

(*) 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 at March 31, 2019 and 2018. The subsidiary's stockholder's equity at March 31, 2019 and 2018 was $3,972,380 and $2,694,741, 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 and the transaction related acquisition costs were $2,772,263, which were included in the general and administrative expenses in the statement of operations. During the period ended March 31, 2017 and 2016, the Company received a refund of $3,241,872 and $6,235,322, respectively, from the investment escrow account. During the period ended March 31, 2019, the Company received a refund of $1,500,860 , from the investment escrow account. The balance of the investment was reported at $159,021,946 and $160,522,806 at March 31,2019 and 2018, respectively.

(***) As stated in Note 1, the Company indirectly acquired CJS by investing in Tech Mahindra Healthcare Systems Holding LLC. The present value of CJS is $100 million; with $84.7 million paid upfront in cash, for the acquisition of 84.7% membership units in CJS. There was an additional amount of $4.7 million paid to the minority shareholder as goodwill. Total amount paid including the goodwill is $89.5 million out of which $7.5 million is considered as a prepaid compensation to the minority shareholder resulting in net investment value of $82 million. If at any time on or before June 30, 2019, the employment agreement is terminated by either party, the minority shareholder is obligated to repay the $7.5 million. TMA also had a put option at fair value of $6.9 million resulting in a net investment of $88.9 million. On October 13, 2017 the Board of Directors of Tech Mahindra (Americas) Inc. approved to extend a corporate guarantee, for the working capital facility of CJS. TMA signed on March 1, 2019, an amended agreement with an effective date of December 31, 2018, resulting in a changed in vesting and exercise date starting from April 30, 2019. The amended agreement stated that the call option to purchase the remaining 15.3% of shares from the minority shareholder over a period of 3 years December 2019, 2020 and 2021 at values which will be derived based on EBITDA and revenue achievement. The minority shareholder has a put option on the remaining 15.3% of shares over a period of 3 years December 2019, 2020 and 2021 at values which will be derived based on EBITDA and revenue achievement. The estimated fair value of the put and call options is $6.728 million. As at March 31, 2019 the first option was exercised, resulting in a change in hold of 4.07%, TMA's newly acquired shares subsequent to exercising option was 88.77%.

(****) As stated in Note 1, On March 9, 2018, TMA acquired 100% of Sofgen Americas Inc. ("Sofgen"), a New Jersey corporation at a cost of $4.307 million from Sofgen Holdings Limited , Cyprus. The purchase is part of the rationalization of subsidiaries within the Tech Mahindra Group. Sofgen offer end-to-end banking IT services, both in and around core systems, ranging from requirements analysis and system selection to implementation and beyond. On March 27, 2018, the shareholder of the Company and its Board of Directors approved a Plan and Agreement of Merger whereby the Company and Sofgen America Inc. ("Sofgen"), a company related by common control, were merged with and into a single corporation. TMA is the surviving corporation. The separate existence of Sofgen ceased on May 31, 2018 the effective date of the merger.

9. INVESTMENTS IN ASSOCIATED COMPANIES AND FINANCIAL ASSET

	2019	2018
	$	$
		(Restated)
Avion Systems, Inc. (*)	**-**	3,033,676
Altiostar Networks, Inc.(**)	**5,700,306**	15,000,000
	5,700,306	18,033,676

(*) The Company owns 30% investment (600,000 Series A Preferred Stock shares of $0.001 par value) in Avion. The investment in Avion is accounted for on equity method. The carrying value of investment was reported at $3,033,676 and $3,033,676 at March 31, 2019 and 2018, respectively. The Company recognized $0 and $0 of after-tax income from Avion during years ended March 31, 2019 and 2018, respectively. As at May 12, 2019 management has carried out an impairment test which resulted in the impairment of the carrying value in Avion amounting to $3,033,676.

Company's investment in Avion Networks, Inc. ("Avion"), an associated entity and accounted for by the equity method, is carried at $3 million on the consolidated balance sheet as at March 31, 2019, and the Company's share of Avion's profit or losses of $33,676 is included in the consolidated statement of comprehensive income for the period then ended.

(**) The Company owns 23,5% of fully diluted stake amounting to $15 million in Altiostar Networks Inc.'s ("Altiostar"). Initially TMA accounted for the investment at cost as a result of management assessment at inception. TMA subsequently concluded that significant influence was exercised in the investee resulting in TMA accounting for the investment on the equity basis. The Company recognized $9,299,694 losses from Altiostar during the year ended March 31, 2019.

10. TRANSACTION WITH PARENT COMPANY

	2019 $	2018 $ (Restated)

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

	March 31,	(Restated)
Beginning balance, due from parent company	**28,062,859**	79,516,350
Contract revenue - parent company	**(164,077,173)**	(131,939,019)
Cost of services	**-**	(75,161)
Income from parent company	**959,440,572**	898,399,954
Payments to parent company	**167,138,619**	135,505,325
Collections from parent company	**(880,397,746)**	(958,031,904)
Expense reimbursement - debit/credit notes	**(4,762,498)**	4,701,783
Ending balance, due from parent company	**105,404,633**	28,077,328

Due (to) from parent consists of:	March 31,	
Amounts due to parent company	**(91,909,637)**	(85,235,115)
Amounts due from parent company	**197,314,270**	113,312,443
	105,404,633	28,077,328

All transactions with the parent are priced on an arm's length basis.

11. TRANSACTIONS WITH AFFILIATED COMPANIES

	2019 $	2018 $ (Restated)

During the years ended March 31, 2019 and 2018, TMA had inter-company transactions with Tech Mahindra Technologies, Inc. ("TechM Tech"), an affiliated company. Transaction with TechM Tech are summarized below:

	March 31,	
Beginning balance, due from TechM Tech	**115,269**	240,551
Contract revenue	**(112,102)**	-
Expense reimbursement - debit/credit notes	**1,377,879**	1,056,384
Collections from TechM Tech	**(1,409,175)**	(1,187,608)
Amount paid to TechM Tech	**105,681**	5,942
Ending balance, due from TechM Tech	**77,552**	115,269

Due from TechM Tech consists of:	March 31,	
Amounts due to TechM Tech	**(7,328)**	-
Amounts due from TechM Tech	**84,880**	115,269
	77,552	115,269

During the years ended March 31, 2019 and 2018, TMA had inter-company transactions with Tech Talenta, Inc. ("TechT"), its wholly owned subsidiary. Transaction with TechT are summarized below:

	March 31,	
Beginning balance, due to TechT	**(1,155,592)**	(78,318)
Subcontractor cost - TechT	**(13,239,849)**	(24,601,076)
Expense reimbursement - debit/ credit notes	**551,835**	917,698
Collections from TechT	**(1,234,855)**	(612,786)
Amounts paid to TechT	**13,058,151**	23,218,890
Ending balance, due to TechT	**(2,020,310)**	(1,155,592)

Due (to) from TechT consists of:	March 31,	
Amounts due to TechT	**(2,049,913)**	(1,868,215)
Amounts due from TechT	**29,603**	712,623
	(2,020,310)	(1,155,592)

During the years ended March 31, 2019 and 2018, TMA had inter-company transactions with Tech Mahindra IPR, Inc. ("TM IPR"), an affiliated company. Transaction with TM IPR are summarized below:

	March 31,	
Beginning balance, due from TM IPR	**1,886,962**	1,287,198
Income from TM IPR	**53,060**	599,764
Collections received from TM IPR	**(1,940,022)**	(1,886,962)
Ending balance, due from TM IPR	**-**	-

Due from TM IPR consists of:	March 31,	
Amounts due to TM IPR	**-**	(1,886,962)
Amounts due from TM IPR	**-**	1,886,962
	-	-

In the years ended March 31, 2019 and 2018, TMA had inter-company transactions with Leadcom Integrated Solutions, Ltd ("L.I.S"), an affiliated company. Transactions with L.I.S are summarized below:

	March 31,	
Beginning balance, due from L.I.S	**1,397,790**	-
Subcontractor cost L.I.S	**(257,522)**	(7,630)
Expense reimbursement - debit/ credit notes	**-**	1,397,790
Amounts paid to L.I.S	**169,894**	7,630
Ending balance, due from L.I.S	**1,310,162**	1,397,790

Due from L.I.S consists of:	March 31,	
Amounts due to L.I.S	**(87,628)**	-
Amounts due from L.I.S	**1,397,790**	1,397,790
	1,310,162	1,397,790

During the year ended March 31, 2018, TMA had inter-company transactions with Tech Mahindra Services De Mexico ("TM Mexico"), an affiliated company. Transactions with TM Mexico are summarized below:

	March 31,	
Beginning balance, due from (to) TM\ Mexico	**-**	(318)
Expense reimbursement - debit/ credit notes	**-**	710
Amounts paid to TM Mexico	**-**	318
Collections received from TM Mexico	**-**	(710)
Ending balance, due from (to) TM Mexico	**-**	-

Due (to) from TM Mexico consists of:	March 31,	
Amounts due to TM Mexico	**-**	-
Amounts due from TM Mexico	**-**	-
	-	-

During the years ended March 31, 2019 and 2018, TMA had inter-company transactions with Lightbridge Communications Corporation ("LCC"), an affiliated company. Transactions with LCC are summarized below:

	March 31,	
Beginning balance, due to LCC	**(43,372,089)**	(24,373,603)
Expense reimbursement - debit/ credit notes	**(308,013)**	(18,927,245)
Contract revenue	**-**	-
Collections from company	**11,270,420**	-
Ending balance, due (to) from LCC	**(32,409,682)**	(43,300,848)

Due (to) from LCC consists of:	March 31,	
Amounts due to LCC	**(32,409,682)**	(43,372,089)
Amounts due from LCC	**-**	71,241
	(32,409,682)	(43,300,848)

During the years ended March 31, 2019 and 2018, TMA had inter-company transactions with Tech Mahindra Network Services International, Inc. ("TMNSI"), an affiliated company. Transactions with TMNSI are summarized below:

	March 31,	
Beginning balance, due from TMNSI	**2,555,367**	1,774,841
Income from TMNSI	**104,108**	197,564
Cost of services	**(1,634,274)**	-
Payments from TMNSI	**2,614,966**	286,593
Expense reimbursement - debit/ credit notes	**(464,582)**	296,369

Collections from company	**(500,000)**	-
Ending balance, due from TMNSI	**2,675,585**	2,555,367
Due (to) from TMNSI consists of:	**March 31,**	
Amounts due to TMNSI	**(346,298)**	**(201,459)**
Amounts due from TMNSI	**3,021,883**	**2,756,826**
	2,675,585	2,555,367

During the years ended March 31, 2019 and 2018, TMA had inter-company transactions with Avion Networks, Inc. ("Avion"), an affiliated company. Transactions with Avion are summarized below:

	March 31,	
Beginning balance, due from Avion	**2,011,462**	4,406,051
Revenue from Avion	**11,080,157**	8,343,892
Amounts paid by Avion	**(10,889,868)**	(4,704,098)
Less: Allowance for doubtful accounts by Avion	**(142,716)**	(6,034,383)
Ending balance, due from Avion	**2,059,035**	2,011,462

Due from Avion consists of:	March 31,	
Amounts due to Avion	**-**	-
Amounts due from Avion	**2,059,035**	2,011,462
	2,059,035	2,011,462

	March 31,	
Beginning balance, due to TMNDES	**(2,945,091)**	(572,151)
Cost of services	**(7,331,067)**	(8,249,996)
Expense reimbursement - debit/ credit notes	**(100,467)**	-
Amount paid to TMDES	**9,111,815**	5,877,056
Ending balance, due to TMNDES	**(1,264,810)**	(2,945,091)

Due to TMNDES consists of:	March 31,	
Amounts due to TMNDES	**(1,264,810)**	(2,945,091)
Amounts due from TMNDES	**-**	-
	(1,264,810)	(2,945,091)

During the years ended March 31, 2019 and 2018, TMA had inter-company transactions with Pininfarina Extra SRL ("PinExtra"), an affiliated company. Transactions with PinExtra are summarized below:

	March 31,	
Beginning balance, due to PinExtra	**(6,012)**	(1,105)
Cost of services	**(38,650)**	(51,255)
Expense reimbursement - debit/ credit notes	**(3,306)**	(1,653)
Amounts paid to PinExtra	**43,177**	48,001
Ending balance, due to PinExtra	**(4,791)**	(6,012)

Due to PinExtra consists of:	March 31,	
Amounts due to PinExtra	**(4,791)**	(6,012)
Amounts due from PinExtra	**-**	-
	(4,791)	(6,012)

During the years ended March 31, 2019 and 2018, TMA had inter-company transactions with Fixstream Networks Inc. ("FIXNET"), an affiliated company. Transactions with FIXNET are summarized below:

	March 31,	
Beginning balance, due to FIXNET	**104,041**	223,958
Cost of services	**(2,867,527)**	(563,417)
Amounts paid to FIXNET	**3,663,621**	443,500
Amount due (to) from FIXNET	**900,135**	104,041

Due (to) from FIXNET consists of:	March 31,	
Amounts due from (to) FIXNET	**900,135**	(913,000)
Amount due from FIXNET	**-**	1,017,041
	900,135	104,041

During the years ended March 31, 2019 and 2018, TMA had inter-company transactions with CJS Solutions Group LLC ("CJS"), an affiliated company. Transactions with CJS are summarized below:

	March 31,	
Beginning balance, due to CJS	**405,000**	-
Expense reimbursement - debit/ credit notes	**(798,884)**	405,000
Amount due (to) from CJS	**(393,884)**	405,000

Due (to) from CJS consists of:	March 31,	
Amounts due to CJS	**(1,006,079)**	-
Amount due from CJS	**612,195**	405,000
	(393,884)	405,000

During the year ended March 31, 2018, TMA had inter-company transactions with Citisoft In. ("CITI"), an affiliated company. Transactions with CITI are summarized below:

	March 31,	
Beginning balance, due to CITI	**-**	(31,123)
Payment from CITI	**-**	31,123
Amount due (to) from CITI	**-**	-

Due (to) from CITI consists of:	March 31,	
Amounts due to CITI	**-**	-
Amount due from CITI	**-**	-
	-	-

During the years ended March 31, 2019 and 2018, TMA had inter-company transactions with LCC Mexio ("LCCM"), an affiliated company. Transactions with LCCM are summarized below:

	March 31,	
Beginning balance, due to LCCM	**(1,123)**	(380)
Cost of services	**-**	(743)
Amounts paid to LCCM	**1,123**	-
Amount due (to) from LCCM	**-**	(1,123)

Due (to) from LCCM consists of:	March 31,	
Amounts due to LCCM	**-**	(1,123)
Amount due from LCCM	**-**	-
	-	(1,123)

During the years ended March 31, 2019 and 2018, TMA had inter-company transactions with Tech Mahindra Healthcare Systems Holdings LLC ("Holdco"), an affiliated company. Transactions with Holdco are summarized below:

	March 31,	
Beginning balance, due to Holdco	**(72,550)**	-
Payable to Holdco	**-**	(72,550)
Amount due (to) from Holdco	**(72,550)**	(72,550)

Due (to) from Holdco consists of:	March 31,	
Amounts due to Holdco	**(72,550)**	(72,550)
Amount due from Holdco	**-**	-
	(72,550)	(72,550)

During the years ended March 31, 2019 and 2018, TMA had inter-company transactions with Tech Mahindra ICT Services (Malaysia) ("TMM"), an affiliated company. Transactions with TMM are summarized below:

	March 31,	
Beginning balance, due to TMM	**(1,566)**	-
Expense reimbursement - debit/ credit notes	**(2,587)**	(1,566)
Amount paid to TMM	**4,153**	-
Amount due (to) from TMM	**-**	(1,566)

Due (to) from TMM consists of:	March 31,	
Amounts due to TMM	**-**	(1,566)
Amount due from TMM	**-**	-
	-	(1,566)

During the years ended March 31, 2019 and 2018, TMA had inter-company transactions with LCC Middle East FZ LLC ("LCC ME"), an affiliated company. Transactions with LCC ME are summarized below:

	March 31,	
Beginning balance, due to LCC ME	**200,000**	-
Expense reimbursement - debit/ credit notes	**-**	200,000
Amount due (to) from LCC ME	**200,000**	200,000

Due (to) from LCC ME consists of:	March 31,	
Amounts due to LCC ME	**-**	-
Amount due from LCC ME	**200,000**	200,000
	200,000	200,000

During the years ended March 31, 2019 and 2018, TMA had inter-company transactions with Sofgen Holdings Inc. ("SofgenH"), an affiliated company. Transactions with SofgenH are summarized below:

	March 31,	
Beginning balance, due to SofgenH	**(1,269,098)**	(3,794,229)
Revenue	**-**	407,026
Cost of services	**(673,378)**	119,204
Expense reimbursement - debit/ credit notes	**(216,523)**	-
Amount due from SofgenH	**(3,885,138)**	(2,526,990)
Amount paid to SofgenH	**5,977,184**	3,936,150
Amount due (to) from SofgenH	**(66,953)**	(1,858,839)

Due (to) from SofgenH consists of:	March 31,	
Amounts due to SofgenH	**(66,953)**	(5,778,350)
Amount due from SofgenH	**-**	3,919,511
	(66,953)	(1,858,839)
Total amounts due to affiliated companies	**(36,415,894)**	(57,046,417)
Total amounts due from affiliated companies	**7,405,383**	14,493,725
	(29,010,511)	(42,552,692)

	2019 $	2018 $ (Restated)
NOTES RECEIVABLE FROM AFFILIATED COMPANIES		
During the years ended March 31, 2019 and 2018, notes due from affiliated companies consist of the following:		
Light Bridge Communication Corporation		
Note receivable from LCC. The note is unsecured. The outstanding principal loan balances of $10,000,000 was repaid in April 2017, the principal loan balance accrued interest of LIBOR plus 1.15% per annum and is payable quarterly. All accrued interest is still due at period ending March 31, 2019 amounting to $368,861. Accumulated interest income on the loan was $0 for the years ended March 31, 2019 and 2018, respectively.	**-**	368,861
Light Bridge Communication Corporation		
Note receivable from LCC. The note is unsecured. The outstanding principal loan balances of $10,000,000 was repaid on March 18, 2019, the principal loan balance accrues interest of LIBOR plus 1.75% per annum and is payable quarterly. Accumulated interest income on the loan was $315,386 for the year ended March 31, 2019 and $514,931 for the year ended March 31, 2018.	**-** **10,514,931**	
Tech Mahindra Servicos de Informatica Ltda.		
Note receivable from Tech Mahindra Servicos de Informatica Ltda. The note is unsecured. The outstanding balance includes principal loan balances of $1,500,000, was repaid in May 29, 2018, the principal loan balance accrues interest of LIBOR plus 1% per annum and is payable quarterly. All accrued interest was repaid at year ended March 31, 2019. Accumulated interest income on the loan was $69,922 and $61,474 for the years ended March 31, 2019 and 2018, respectively.	**-**	1,561,474
Tech Mahindra Servicos de Informatica Ltda.		
Note receivable from Tech Mahindra Servicos de Informatica Ltda. The note is unsecured. The outstanding balance includes principal loan balances of $3,000,000, the principal loan balance accrues interest of 3.41% per annum and is payable quarterly. This note matures on September 17, 2019. Accumulated interest income on the loan was $104,945 and $3,363 for the years ended March 31, 2019 and 2018, respectively.	**3,108,308**	3,003,363
Fixstream Networks Inc.		
Note receivable from FixStream Networks, Inc. The note is unsecured. The outstanding balance includes principal loan balances of $1,500,000, the principal loan balance accrues interest of 4.52% per annum and is payable upon repayment of loan. This note matures on August 20, 2019. Accumulated interest income on the loan was $176,837 and $109,037 for the years ended March 31, 2019 and 2018, respectively.	**1,676,837**	1,609,037
Fixstream Networks Inc.		
Note receivable from FixStream Networks, Inc. The note is unsecured. The outstanding balance includes principal loan balances of $1,500,000, the principal loan balance accrues interest of 3.90% per annum and is payable upon repayment of loan. This note matures on November 14, 2019. Accumulated interest income on the loan was $139,118 and $80,618 for the years ended March 31, 2019 and 2018, respectively.	**1,639,118**	1,580,618
Fixstream Networks Inc.		
Note receivable from FixStream Networks, Inc. The note is unsecured. The outstanding balance includes principal loan balances of $1,500,000, the principal loan balance accrues interest of 4.73% per annum and is payable upon repayment of loan. This note matures on January 19, 2020. Accumulated interest income on the loan was $155,896 and $84,946 for the years ended March 31, 2019 and 2018, respectively.	**1,655,896**	1,584,946

	2019 **$**	2018 $ (Restated)
Fixstream Networks Inc. Note receivable from FixStream Networks, Inc. The note is unsecured. The outstanding balance includes principal loan balances of $1,500,000, the principal loan balance accrues interest of 4.77% per annum and is payable upon repayment of loan. This note matures on April 27, 2019, management is in the process of extending. Accumulated interest income on the loan was $138,003 and $66,453 for the years ended March 31, 2019 and 2018, respectively.	**1,638,003**	1,566,453
Fixstream Networks Inc. Note receivable from FixStream Networks, Inc. The note is unsecured. The outstanding balance includes principal loan balances of $1,500,000, the principal loan balance accrues interest of 4.74% per annum and is payable upon repayment of loan. This note matures on July 26, 2019. Accumulated interest income on the loan was $119,604 and $48,504 for the years ended March 31, 2019 and 2018, respectively.	**1,619,604**	1,548,503
Fixstream Networks Inc. Note receivable from FixStream Networks, Inc. The note is unsecured. The outstanding balance includes principal loan balances of $1,500,000, the principal loan balance accrues interest of 4.36% per annum and is payable upon repayment of loan. This loan matures on October 4, 2019. Accumulated interest income on the loan was $97,473 and $32,073 for the years ended March 31, 2019 and 2018, respectively.	**1,597,473**	1,532,073
Fixstream Networks Inc. Note receivable from FixStream Networks, Inc. The note is unsecured. The outstanding balance includes principal loan balances of $1,500,000, the principal loan balance accrues interest of 4.86% per annum and is payable upon repayment of loan. This note matures on December 15, 2019. Accumulated interest income on the loan was $94,271 and $21,371 for the years ended March 31, 2019 and 2018, respectively.	**1,594,271** **1,521,371**	
Fixstream Networks Inc. Note receivable from FixStream Networks, Inc. The note is unsecured. The outstanding balance includes principal loan balances of $500,000, the principal loan balance accrues interest of 5.71% per annum and is payable upon repayment of loan. This note matures on April 6, 2020. Accumulated interest income on the loan was $28,159 for the year ended March 31, 2019.	**528,159**	-
Fixstream Networks Inc. Note receivable from FixStream Networks, Inc. The note is unsecured. The outstanding balance includes principal loan balances of $5,000,000, the principal loan balance accrues interest of 3.83% per annum and is payable upon repayment of loan. This note matures on July 3, 2021. Accumulated interest income on the loan was $142,707 for the year ended March 31, 2019.	**5,142,707** **-**	
Fixstream Networks Inc. Note receivable from FixStream Networks, Inc. The note is unsecured. The outstanding balance includes principal loan balances of $500,000, the principal loan balance accrues interest of 5.93% per annum and is payable upon repayment of loan. This note matures on July 27, 2023. Accumulated interest income on the loan was $20,146 for the year ended March 31, 2019.	**520,146**	-
Fixstream Networks Inc. Note receivable from FixStream Networks, Inc. The note is unsecured. The outstanding balance includes principal loan balances of $500,000, the principal loan balance accrues interest of 5.26% per annum and is payable upon repayment of loan. This note matures on September 21, 2019. Accumulated interest income on the loan was $13,835 for the year ended March 31, 2019.	**513,835**	-

	2019 $	2018 $ (Restated)
Fixstream Networks Inc. Note receivable from FixStream Networks, Inc. The note is unsecured. The outstanding balance includes principal loan balances of $500,000, the principal loan balance accrues interest of 5.42% per annum and is payable upon repayment of loan. This note matures on November 3, 2019. Accumulated interest income on the loan was $11,828 for the year ended March 31, 2019.	**511,828**	-
Fixstream Networks Inc. Note receivable from FixStream Networks, Inc. The note is unsecured. The outstanding balance includes principal loan balances of $500,000, the principal loan balance accrues interest of 5.50% per annum and is payable upon repayment of loan. This note matures on November 27, 2019. Accumulated interest income on the loan was $9,418 for the year ended March 31, 2019.	**509,418**	-
Fixstream Networks Inc. Note receivable from FixStream Networks, Inc. The note is unsecured. The outstanding balance includes principal loan balances of $500,000, the principal loan balance accrues interest of 5.57% per annum and is payable upon repayment of loan. This note matures on February 13, 2024. Accumulated interest income on the loan was $3,586 for the year ended March 31, 2019.	**503,586** **-**	
Fixstream Networks Inc. Note receivable from FixStream Networks, Inc. The note is unsecured. The outstanding balance includes principal loan balances of $500,000, the principal loan balance accrues interest of 5.12% per annum and is payable upon repayment of loan. This note matures on March 26, 2024. Accumulated interest income on the loan was $421 for the year ended March 31, 2019.	**500,421**	-
CJS Solution Group LLC Note receivable from CJS Solutions Group LLC. The note is unsecured. The outstanding balance includes principal loan balances of $5,000,000, the principal loan balance accrues interest of 2.75% per annum and is payable upon repayment of loan. This note was repaid on July 23, 2018. Accumulated interest income on the loan was $64,282 and $25,240 for the years ended March 31, 2019 and 2018, respectively.	**-** **5,025,240**	
CJS Solution Group LLC Note receivable from CJS Solutions Group LLC. The note is unsecured. The outstanding balance includes principal loan balances of $5,000,000, the principal loan balance accrues interest of LIBOR plus 2.94% per annum and is payable upon repayment of loan. This note was repaid on August 15, 2018. Accumulated interest income on the loan was $70,479 and $15,303 for the years ended March 31, 2019 and 2018, respectively.	**-**	5,015,303
Subtotal:	**23,259,610**	36,432,173
Less: current portion	**(12,500,000)**	(14,500,000)
Less: interest portion	**(1,259,610)**	(1,432,173)
Non-current portion	**9,500,000**	20,500,000

All transactions with related parties are priced on an arm's length basis.

12. SHORT TERM BORROWINGS

	2019 $	2018 $ (Restated)
Credit Facility	**-**	-

In January 2015, the Company entered into a credit facility agreement with a financial institution. The credit facility consists 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 facility is $33.5 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 balance outstanding at March 31, 2019 and 2018 was $0.

Credit Facility	**-**	-

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 with variable interest rate at LIBOR plus 1.1%. The balance outstanding at March 31, 2019 and 2018 was $0.

Short term borrowings covenants and compliance

As of March 31, 2019 and 2018, the balance due on both facilities is $0, covenants in place are only applicable so long as the facilities remain unpaid.

13. NOTE PAYABLE

At March 31, 2019 and 2018, note payable consists of the following:	2019 $	2018 $ (Restated)
Note payable	**75,000,000**	75,000,000
Subtotal:	**75,000,000**	75,000,000
Less: current portion	**(75,000,000)**	(75,000,000)
Non-current portion	**-**	-

Note payable to a financial institution dated April 20, 2018. The note is unsecured. The outstanding balance includes loan balance of $75,000,000, the principal balance accrues interest of LIBOR plus 0.65% per annum. This note matured on April 17, 2019 and was settled in full. Interest on the note was $2,186,406 and $1,678,668 for the years ended March 31, 2019 and 2018, respectively. Accrued interest due at years ended March 31, 2019 and 2018, was $70,000 and $345,000, respectively.

Short term borrowings covenants and compliance

As of March 31, 2019, the Company was in compliance with the covenants and other provisions of the short term borrowing.

14. COMMON STOCK

Ordinary shares of $1 each	Number	2019 $	2018 $ (Restated)
Issued and fully paid	170,521,745	**170,521,745**	170,521,745

The Company is authorized to issue 220,000,000 shares of common stock, par value $1 per share, of which 170,521,745 shares were issued and outstanding on March 31, 2019 and 2018.

On July 27, 2017, the Board of Directors proposed and approved the declaration and payment of dividend to the sole shareholder, Tech Mahindra Limited. The dividend was paid at the rate of $0.25 per share, the outstanding number of shares was 170,521,745 and the total amount of dividend paid pursuant to this resolution is $42,630,436.

15. 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 2014 and have not received any update. The Company is not responsible for any assessment by the authorities as TechM is the Plan Administrator and fully responsible for the Plan's compliance.

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.

On February 4, 2016 the Board of Directors approved the transfer of sponsorship of the Plan and the transfer all of its rights, title and interest in, under and to the related insurance, administrative and annuity contracts from TechM to the Company.

16. COMMITMENT AND CONTINGENCIES

Leases

TMA leases office space under operating leases. Rent expenses under these operating leases were $3,837,850 and $3,392,065 for the years ended March 31, 2019 and 2018, respectively.

Future minimum lease payments for leases for each of the next five years and thereafter at March 31, 2019 are as follows:

Years ended March 31,	**$**
2020	3,731,306
2021	3,029,430
2022	2,020,548
2023	949,990
2024	464,909
Thereafter	896,786
Lease obligations	11,092,969

Legal claims, proceedings and litigation

The Company is involved from time to time in claims, proceedings, and litigation. The outcome of legal proceedings and other contingencies are inherently unpredictable, subject to significant uncertainties. Based on current known facts and circumstances, the Company currently believe that any liabilities ultimately resulting from these ordinary course claims and proceedings will not individually or in aggregate, have a material adverse effect on the Company's financial position, results of operations or cash flows.

17 - MERGER WITH COMPANIES RELATED BY COMMON CONTROL AND ACQUISTIONS

Sofgen Americas Inc.

On March 27, 2018, the shareholders of TechM and its Board of Directors approved a merger of the Company and Sofgen Americas Inc. (Sofgen). Effective date of the merger is May 31, 2018.

The merger of Sofgen with and into TMA has been duly authorized in compliance with the provisions of the laws of the New Jersey Business Corporation Act. TMA continues to exist as a corporation under its present name pursuant to the provisions of the New Jersey Business Corporation Act.

The following table summarizes the fair market values of the assets acquired on May 31, 2018, 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 stepped up basis for the assets acquired.

	Net Value Acquired $
Assets	
Cash	185,937
Net accounts receivable	5,937,118
Other current assets	1,600
Other assets	196,039
Total assets	**6,320,694**
Liabilities	
Accounts payable	(6,169,385)
Accrued expenses	(463,727)
Deferred revenue	(139,902)
Total liabilities	**(6,773,014)**
Net value acquired	**(452,320)**

Tech Mahindra IPR Inc.

On August 1, 2018, the Board of Directors of Tech Mahindra IPR Inc.(IPR) approved the merger with TMA. Effective date of the merger is September 1st, 2018.

The merger of IPR with and into TMA has been duly authorized in compliance with the provisions of the laws of the Delaware General Corporation Law. TMA continues to exist as a corporation under its present name pursuant to the provisions of the Delaware General Corporation laws.

The following table summarizes the fair market values of the assets acquired on September 1, 2018, 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 stepped up basis for the assets acquired.

	Net Value Acquired $
Assets	
Cash	100,712
Other assets	1,478,934
	1,579,646
Liabilities	
Accounts payable	(6,083,300)
Net value acquired	**(4,503,654)**

Nuovo Solutions, LLC

Tech Mahindra (Americas) Inc. effective date October 31, 2018 acquired identified assets and liabilities from Nuovo Solutions, LLC.

Goodwill of $ 65,596 arising from the acquisition consisted largely of synergies and the cost savings resulting from the combining of the operations of the companies.

The fair values of the identifiable assets and liabilities of Nuovo Solutions, LLC as at October 31, 2018 the date of acquisition were:

	Fair value recognized on acquisition $
Assets	
Property and equipment	20,070
Net accounts receivable	3,100,985
Intangible asset	3,564,334
	6,685,389
Liabilities	
Contingent liabilities	246,358
Deferred consideration	1,504,627
Total identifiable net assets at fair value	4,934,404
Goodwill arising on acquisition	65,596
Purchase consideration transferred	**5,000,000**

18. FINANCIAL INSTRUMENTS

Call / Put Options

On May 4, 2017, TMA acquired 84.7% holding in Tech Mahindra Healthcare Systems Holdings, LLC ("Holdco"), a Delaware Limited Liability Company. An individual, resident of the State of Florida ("minority shareholder"), holds the 15.3 % minority interest in Holdco.

TMA signed on March , 2019, an amended agreement with an effective date of December 31, 2018, resulting in a changed in vesting and exercise date starting from April 30, 2019. The amended agreement stated that the call option to purchase the remaining 15.3% of shares from the minority shareholder over a period of 3 years – December 2019, 2020 and 2021 at values which will be derived based on EBITDA and revenue achievement. The minority shareholder has a put option on the remaining 15.3% of shares over a period of 3 years – December 2019, 2020 and 2021 at values which will be derived based on EBITDA and revenue achievement. The estimated fair value of the put and call options is $6.7 million. As at March 31, 2019 the first option was exercised, resulting in a change in hold of 4.07%, TMA's newly acquired shares subsequent to exercising option was 88.77%.

The potential cash payments related to put and call options issued as per the share purchase agreement over the equity of Holdco are accounted for as financial liabilities.

The below table summarizes the conditions for the call and put options:

Inputs	First Investment exercised on March 20, 2019	Second Investment	Third Investment
No of shares	425,621	425,621	744,837
Vesting Dates	January 1,2019	January 1,2020	January 1,2021
Exercise Dates	April 30, 2019	April 30, 2020	April 30, 2021

Liability		Fair value at March 31, 2019	Valuation Technique	Unobservable Inputs	Range of Inputs
Financial Instrument total	$	6,728,150	Monte Carlo Simulation	Market price of Risk attributable to EBITDA and volatility	15.3% and 35.0%
Less: current portion	$	(5,351,104)			
Long-term portion	$	1,377,046			

Interest rate swap - designated as a hedge

Derivative financial instruments are used by the Company principally in the management of its interest rate exposures. The Company does not hold or issue derivative financial instruments for trading purposes. For derivative instruments that are designated and qualify as cash flow hedges, the gain or loss on the effective portion of the derivative is reported as a component of Accumulated Other Comprehensive Income ("AOCI") and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings.

Interest Rate Swaps. The Company uses interest rate swaps to manage its interest rate risk. The swaps are designated as cash flow hedges with the changes in fair value recorded in AOCI and as a derivative asset or liability, as applicable. The swaps settle periodically in arrears with the related amounts for the current settlement period payable to, or receivable from, the counter-parties included in accrued liabilities or receivables, respectively, and recognized in earnings as an adjustment to Interest Expense from the underlying debt to which the swap is designated. As of March 31, 2019 and 2018, the Company had a series of U.S. dollar denominated interest rate swaps outstanding with effectively fixing the interest on variable rate debt, exclusive of lender spreads, at 3-month LIBOR on a floating leg for a notional principal amount of $12 million with a fixed rate of 2.12250 % and $20 million with a fixed rate of 2.63600 % through December 2020. The derivative net loss estimated to be reclassified from AOCI into earnings over the next 24 months is $19,366. The Companys interest rate swap derivative financial instruments at March 31, 2019 and 2018 are as follows:

	March 31, 2019		March 31, 2018 (Restated)	
	Notional Amount	**Remaining Years**	Notional Amount	Remaining Years
Interest rate swap	**$12,000,000**	**1.75**	$12,000,000	2
Interest rate swap	**$20,000,000**	**1.75**	$20,000,000	2

The fair values of derivative instruments as of March 31, 2019 and 2018 are as follows.

	March 31,	
	2019	2018
	Fair Value	Fair Value
		(Restated)
Derivative Assets	**$60,570**	$156,643
Derivative Liabilities	**(74,329)**	(10,580)
	$(13,759)	$146,063

The impact of the effective portions of designated hedges and the gain (loss) recognized in the Statement of Other Comprehensive Income for the years ended March 31, 2019 and 2018, was $165,429 and $146,063, respectively.

	Effective Portion		
For the year ended	**Gain (Loss)**	**Reclassified to Earnings**	
March 31, 2019	in OCI	Line Item	Gain (Loss)
Interest rate swaps	$ (165,429)	Interest expense	$ -
Total	**$ (165,429)**		**$ -**

	Effective Portion		
For the year ended	**Gain (Loss)**	**Reclassified to Earnings**	
March 31, 2018, restated	in OCI	Line Item	Gain (Loss)
Interest rate swaps	$146,063	Interest expense	$ -
Total	**$ 146,063**		$ -

The unrealized gain/ (loss) on derivative contracts in accumulated other comprehensive income expected to be recognized during the year ended March 31, 2019 and 2018 is $165,429 and $146,063, respectively.

19. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through May 13, 2019, the date the financial statements were available to be issued.

On April 24, 2019, notice for the approval of an acquisition was obtained between a third party investor and Altiostar and entity currently accounted for as an associate in the Company. The result of the new acquisition in Altiostar has diluted the investment hold of the Company from 23,5% to 10,2%.

Except as discussed above, no significant events occurred subsequent to the balance sheet date but prior to May 13, 2019, that would have a material impact on the financial statements.

SUPPLEMENTAL SCHEDULES

SUPPLEMENTAL SCHEDULES OF REVENUES AND EXPENSES YEARS ENDED MARCH 31,

	2019 $	2018 $ (Restated)
Schedule I		
REVENUE		
Contract revenue	**164,077,173**	131,939,019
Transfers to parent and affiliated companies	**(164,077,173)**	(131,939,019)
	-	-
Revenue from parent and affiliated companies	**959,597,739**	899,406,745
Revenue from third parties	**-**	5,928,439
	959,597,739	905,335,184
Schedule II		
PERSONNEL EXPENSES		
Payroll expenses	**481,885,548**	479,945,395
Employee benefits	**50,241,331**	47,300,779
Payroll Taxes	**37,853,763**	38,444,349
	569,980,642	565,690,523
Schedule III		
GENERAL AND ADMINISTRATIVE		
Contracted services	**218,836,616**	181,310,306
Travel	**34,806,251**	36,847,273
Project specific expenses	**23,003,258**	25,660,440
Professional fees	**13,258,766**	10,031,239
Communications	**6,910,153**	5,841,875
Rent	**3,824,650**	3,393,896
Office expenses	**3,699,642**	2,769,285
Employee cost	**2,839,506**	2,577,160
Sales and marketing	**2,806,953**	2,122,479
Bad debt expense / (recovery)	**1,193,711**	7,554,081
Entertainment	**1,234,746**	1,013,037
Miscellaneous	**994,862**	838,652
Insurance	**654,729**	811,506
Sales and other indirect taxes (refund) / expense	**(2,931,025)**	2,202,314
	311,132,818	282,973,543

SUPPLEMENTAL INFORMATION

SUPPLEMENTAL BALANCE SHEETS AT MARCH 31,

	Notes	2019 $	2019 INR	2018 $	2018 INR
Current assets				(Restated)	
Cash	3	**3,705,147**	**256,229,441**	3,930,762	271,831,846
Accounts receivable, net	4	**40,166,538**	**2,777,716,935**	34,542,313	2,388,773,656
Employee advances		**1,510,872**	**104,484,353**	1,087,583	75,211,802
Due from parent company	10	**197,314,270**	**13,645,268,342**	113,312,443	7,836,121,996
Due from affiliated companies	11	**7,405,383**	**512,119,261**	14,493,725	1,002,313,552
Prepaid expenses and other current assets		**9,225,147**	**637,965,041**	9,705,664	671,195,194
Income taxes receivable	5	**8,540,655**	**590,628,997**	15,006,441	1,037,770,427
Notes receivable from affiliated companies, current	11	**12,500,000**	**864,437,500**	14,500,000	1,002,747,500
		280,368,012	**19,388,849,870**	206,578,931	14,285,965,973
Non-current assets					
Property and equipment, net	6	**16,436,681**	**1,136,678,675**	21,064,630	1,456,724,488
Notes due from affiliated company, non-current	11	**9,500,000**	**656,972,500**	20,500,000	1,417,677,500
Deferred tax asset	5	**25,775,027**	**1,782,471,992**	26,929,918	1,862,338,479
Security deposits		**510,810**	**35,325,066**	360,642	24,940,198
Other receivables		**287,394**	**19,874,732**	493,677	34,140,233
Intangible assets, net	7	**13,661,334**	**944,749,553**	11,916,052	824,054,576
Goodwill, net		**65,596**	**4,536,291**	-	-
Investment in subsidiaries	8	**252,492,208**	**17,461,098,644**	254,229,810	17,581,262,511
Investment in financial asset	9	**-**	**-**	15,000,000	1,037,325,000
Investment in associated companies	9	**5,700,306**	**394,204,661**	3,033,676	209,793,864
		307,992,675	**21,299,233,439**	332,463,775	22,991,532,361
Total Assets		**604,797,368**	**41,824,761,984**	560,107,336	38,734,222,821
Current liabilities					
Accounts payable		**10,320,190**	**713,692,739**	5,134,133	355,050,968
Accrued expenses and other current liabilities		**87,923,592**	**6,080,356,005**	62,594,520	4,328,724,030
Deferred revenue		**103,716**	**7,172,480**	1,952,119	134,998,789
Due to parent company	10	**91,909,637**	**6,356,010,947**	85,235,115	5,894,434,378
Due to affiliated companies	11	**36,415,894**	**2,518,341,150**	57,046,417	3,945,044,968
Note payable, current portion	13	**75,000,000**	**5,186,625,000**	75,000,000	5,186,625,000
		301,673,029	**20,862,198,321**	286,962,304	19,844,878,133
Non current liabilities					
Other non current liabilities		**3,958,176**	**273,727,661**	4,900,000	338,859,500
Total liabilities		**305,631,205**	**21,135,925,982**	291,862,304	20,183,737,633
Commitments and contingencies (Note 16)					
Stockholder's Equity					
Equity attributable to stockholder's of the Company		**299,166,163**	**20,688,836,002**	268,245,032	18,550,485,188
Total Liabilities and Stockholder's Equity		**604,797,368**	**41,824,761,984**	560,107,336	38,734,222,821

SUPPLEMENTAL STATEMENTS OF OPERATIONS
YEARS ENDED MARCH 31,

	Schedules	2019 $	2019 INR	2018 $	2018 INR
Revenue	I	**959,597,739**	**66,360,981,641**	905,335,184	62,608,454,650
Operating expenses					
Personnel	II	**569,980,642**	**39,417,011,298**	565,690,523	39,120,328,118
General and administrative	III	**311,132,818**	**21,516,390,029**	282,973,543	19,569,035,366
Amortization		**1,819,052**	**125,796,541**	1,324,006	91,561,635
Depreciation		**13,052,215**	**902,625,928**	11,981,356	828,570,674
		895,984,727	**61,961,823,796**	861,969,428	59,609,495,793
Operating income		**63,613,012**	**4,399,157,845**	43,365,756	2,998,958,856
Non-operating income/(expenses):					
Other income		**193,203**	**13,360,953**	331,734	22,941,065
Impairment of other asset		**(3,033,676)**	**(209,793,864)**	-	-
Fair value adjustment of financial instrument		**(3,200,000)**	**(221,296,000)**	-	-
Interest expenses		**(967,897)**	**(66,934,917)**	(771,956)	(53,384,617)
Equity-method investment activity		**(9,299,693)**	**(643,120,269)**	-	-
Income before income tax expense		**47,304,949**	**3,271,373,748**	42,925,534	2,968,515,304
Income tax expense	Note 5	**12,167,896**	**841,470,848**	5,531,609	382,538,420
Net income		**35,137,053**	**2,429,902,900**	37,393,925	2,585,976,884

All revenue and profit for the year is generated from continuing operations.

SUPPLEMENTAL STATEMENTS OF COMPREHENSIVE INCOME YEARS ENDED MARCH 31,

	2019 $	**2019 INR**	2018 $	2018 INR
			(Restated)	
Net income	**35,137,053**	**2,429,902,900**	37,393,925	2,585,976,884
Other comprehensive income (loss): (1)				
(Loss) / gain on hedge activity	**(165,429)**	**(11,440,242)**	146,063	10,100,987
Comprehensive income	**34,971,624**	**2,418,462,658**	37,539,988	2,596,077,871

(1) There were no material taxes associated with other comprehensive income (loss) during the years ended March 31, 2019 and 2018.

SUPPLEMENTAL STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY YEARS ENDED MARCH 31,

	Notes	Common Stock $	Additional paid in capital $	Accumulated Other Comprehensive Income / (Loss) $	Accumulated Retained Earnings $	Total Stockholder's Equity $
Balance at April 1, 2017, (restated)	14	170,521,745	-	-	107,173,613	277,695,358
Merger transaction with entity related by common control		-	(4,359,878)	-	-	(4,359,878)
Cash dividend on common stock	14	-	-	-	(42,630,436)	(42,630,436)
Net income for the period		-	-	-	37,393,925	37,393,925
Other comprehensive income	18	-	-	146,063	-	146,063
Balance at March 31, 2018, (restated)		170,521,745	(4,359,878)	146,063	101,937,102	268,245,032
Net income for the period		-	-	-	35,137,053	35,137,053
Merger transaction with entity related by common control		-	(4,050,493)	-	-	(4,050,493)
Other comprehensive loss	18	-	-	(165,429)	-	(165,429)
Balance at March 31, 2019		**170,521,745**	**(8,410,371)**	**(19,366)**	**137,074,155**	**299,166,163**

	Notes	Common Stock INR	Additional paid in capital INR	Accumulated Other Comprehensive Income / (Loss) INR	Accumulated Retained Earnings INR	Total Stockholder's Equity INR
Balance at April 1, 2017, (restated)	14	11,792,431,275	-	-	7,411,591,207	19,204,022,482
Merger transaction with entity related by common control		-	(301,507,363)	-	-	(301,507,363)
Cash dividend on common stock	14	-	-	-	(2,948,107,802)	(2,948,107,802)
Net income for the period		-	-	-	2,585,976,884	2,585,976,884
Other comprehensive income	18	-	-	10,100,987	-	10,100,987
Balance at March 31, 2018, (restated)		**11,792,431,275**	**(301,507,363)**	**10,100,987**	**7,049,460,289**	**18,550,485,188**
Net income for the period		-	-	-	2,429,902,900	2,429,902,900
Merger transaction with entity related by common control		-	(280,111,844)	-	-	(280,111,844)
Other comprehensive loss	18	-	-	(11,440,242)	-	(11,440,242)
Balance at March 31, 2019		**11,792,431,275**	**(581,619,207)**	**(1,339,255)**	**9,479,363,189**	**20,688,836,002**

SUPPLEMENTAL STATEMENTS OF CASH FLOWS YEARS ENDED MARCH 31,

	2019 $	2019 INR	2018 $	2018 INR
Cash flows from operating activities			(Restated)	
Net income	**35,137,053**	**2,429,902,900**	37,393,925	2,585,976,883
Adjustments to reconcile net income to net cash provided by operating activities:				
Amortization	**1,819,052**	**125,796,541**	1,324,006	91,561,635
Depreciation	**13,052,215**	**902,625,928**	11,981,356	828,570,674
Impairment loss on investment in associate	**3,033,676**	**209,793,864**	-	-
Deferred income tax expense	**1,154,891**	**79,866,487**	(13,876,687)	(959,642,289)
Unrealized loss on year end fair valuation of financial instrument	**3,200,000**	**221,296,000**	-	-
Equity loss from investment in associated company	**9,299,694**	**643,120,339**	-	-
Changes in operating assets and liabilities:				-
Increase in accounts receivable, net	**(5,624,225)**	**(388,943,280)**	(5,872,868)	(406,138,187)
(Increase) decrease in due from parent company	**(84,001,827)**	**(5,809,146,346)**	45,135,604	3,121,352,695
Decrease (increase) in due from affiliated companies	**7,088,342**	**490,194,291**	(2,206,100)	(152,562,846)
Decrease (increase) in employee advances	**(423,289)**	**(29,272,551)**	525,258	36,324,217
Increase in prepaid expenses and other current assets	**686,800**	**47,495,654**	(5,735,982)	(396,671,835)
Prepaid income taxes	**-**	**-**	(13,889,039)	(960,496,492)
Increase in security deposits and other assets	**(150,168)**	**(10,384,868)**	(16,027)	(1,108,347)
Increase in accrued expenses and other current liabilities	**21,187,249**	**1,465,204,203**	1,968,687	136,144,551
Increase in accounts payable	**5,186,056**	**358,641,703**	2,119,292	146,559,638
(Decrease) increase in unearned revenue	**(1,848,403)**	**(127,826,309)**	1,952,119	134,998,789
Income taxes payable	**6,465,786**	**447,141,431**	-	-
Increase in due to parent company	**6,674,522**	**461,576,569**	5,700,437	394,213,721
(Decrease) increase in due to affiliated companies	**(20,630,523)**	**(1,426,703,818)**	23,116,699	1,598,635,319
Net cash provided by operating activities	**1,306,901**	**90,378,738**	89,620,680	6,197,718,126
Cash flows from investing activities				
Capital expenditures	**(8,424,266)**	**(582,580,115)**	(15,996,044)	(1,106,206,423)
Payments for purchase of intangible assets	**(3,629,930)**	**(251,027,809)**	-	-
Investment in subsidiaries, associates and financial asset	**1,737,602**	**120,163,866**	(108,207,004)	(7,483,055,362)
Merger transaction with entity related by common control	**(4,050,493)**	**(280,111,843)**	-	-
Notes receivable from affiliated companies	**13,000,000**	**899,015,000**	(645,479)	(44,638,100)
Net cash used in investing activities	**(1,367,087)**	**(94,540,901)**	(124,848,527)	(8,633,899,885)
Cash flows from financing activities				
Proceeds from note payable	**-**	**-**	74,619,937	5,160,341,743
Payment of common stock dividend	**-**	**-**	(42,630,436)	(2,948,107,802)
Net cash provided by financing activities	**-**		31,989,501	2,212,233,941
Effect of (loss) gain on hedge activity	**(165,429)**	**(11,440,242)**	146,063	10,100,987
Decrease in cash and cash equivalents	**(60,186)**	**(4,162,163)**	(3,238,346)	(223,947,818)
Cash and cash equivalents at beginning of year	**3,930,762**	**271,831,846**	7,023,045	485,678,677
Cash and cash equivalents at end of year	**3,705,147**	**256,229,441**	3,930,762	271,831,846
Supplemental disclosure of cash flow information:				
Cash paid for interest	**2,843,477**	**196,640,652**	1,333,669	92,229,880
Cash paid for income taxes	**15,014,787**	**1,038,347,595**	18,248,176	1,261,952,611

NOTES TO THE SUPPLEMENTAL FINANCIAL STATEMENTS YEARS ENDED MARCH 31,

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, fulfillment 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 May 7, 2014, TechT registered a branch office in Canada. On February 9, 2016, TechT registered a branch office in United Kingdom. The Canadian branch had no activity and United Kingdom branches had insignnificant activity since inception in the periods ended March 31, 2019 and 2017. During the period ended December 31, 2017 the shareholders of the Company and its Board of Directors decided to dissolve the Canadian Branch, with effective date March 20, 2018.

On June 24, 2013, TechM and Satyam Computer Technologies Ltd (MSAT) (incorporated in New Jersey), 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. In years 2014 and 2015 all the employees of MSAT branch transferred to TMA. In addition, all assets and liabilities that were merged into TechM were transferred to TMA. On August 1 and August 2, 2016, the shareholders of the TechM and its Board of Directors approved a merger of the Company and Satyam Computer Services Limited (MSATUS) an United Stated branch of MSAT. The effective date of the merger is the March 31,2017.

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 (INR 0.069) 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.

On May 4, 2017, TMA acquired 84.7% holding in Tech Mahindra Healthcare Systems Holdings, LLC ("Holdco"), a Delaware Limited Liability Company. An individual, resident of the State of Florida ("minority shareholder"), holds the 15.3 % minority interest in Holdco.

"Total amount paid was $89.5 million (INR 6,189.4 million) which includes $7.5 million (INR 518.7 million) considered as a prepaid compensation to the minority shareholder resulting in net investment value of $82 million (INR 5,670.7 million). If at any time on or before December 31, 2020, the employment agreement is terminated by either party, the minority shareholder is obligated to repay the $7.5 million(INR 518.7 million).

TMA had a call option and the minority Shareholder had a put option to purchase/sale the remaining 15.3% of shares over a period of 3 years – December 2017, 2018 and 2019 at values which would be derived based on EBITDA and revenue achievement. TMA signed on March 1, 2019, an amended agreement with an effective date of December 31, 2018, resulting in a changed in vesting and exercise date starting from April 30, 2019. On March 20th 2019; TMA exercised first call option and purchased 4% shares from the minority shareholder. Currently the minority shareholder holds 11,3% of shares which TMA can purchase over a period of 2 years, 2019 and 2020. The estimated fair value of the remaining put and call options is $ 6.728 Million (INR 465.275 million) as at March 31, 2019.

On January 17, 2018 pursuant to the provisions of Sections 179 read with Section 186 (5) of the Companies Act, 2013, the Investment Committee of the Board of Directors to the TML approved the proposal to invest an amount not exceeding $15 million (INR 1,037 million) in Altiostar Networks Inc.'s ("Altiostar") series C1 Preferred shares entitling 23,5% of the fully diluted stake in the Altiostar. Altiostar is the mobile telecommunication industry's first provider of Virtual RAN (vRAN) with a Flexible Ethernet fronthaul. Altiostar is headquartered in Tewksbury, Massachusetts. In accordance with FASB ASC 323, Investments. TMA has significant influence in the investee resulting in TMA accounting for the investment on the equity basis.

Altiostar certified that TMA is entitled, subject to the terms and conditions set forth below, to purchase from Altiostar, 7,932,455 shares of Common stock, at a purchase price of $0.05 (INR 3.46) per share. The common shares are purchasable upon exercise of this Warrant, and the purchase price per share, each as adjusted from time to time pursuant to the provisions of this Warrant. The warrant shall vest and become exercisable only to the extent vesting conditions are satisfied. This Warrant is issued in connection with, and is an integral part of, the purchase of shares of Series C1 Convertible Preferred Stock of the Company.

The vesting conditions as seen below consist of target TMA direct and indirect revenue from the date of issuance of the warrants up to March 31, 2022:

TMA Target revenue	**Number of shares**
Less than $15,000,000 (INR 1,037,325,000)	None
15000000 (INR 1,037,325,000)	2,379,736
More than $15,000,000 (INR 1,037,325) but less than $50,000,000 (INR 3,457,750,000)	2,379,736 together with 158,649 shares for each additional $1,000,000 (INR 69,155,000) above $15,000,000 (1,037,325,000)
50000000 (NR 3,457,750,000)	7,932,455

During the quarter ended December 31, 2017 the shareholders of Tech Mahindra IPR Inc. ("TM IPR") and its Board of Directors come to a resolution to transfer the entire issued and outstanding capital of TM IPR to TMA. The extent of the transaction is subject to approval from the Reserve Bank of India. On April 05, 2018 the Reserve Bank of India approved the disinvestment of shareholdings of Tech Mahindra Limited. The transfer of the issued and outstanding capital of TM IPR to TMA occur during the period ending June 30, 2018. On August 1, 2018, the shareholder of the Company and its Board of Directors approved a Plan and Agreement of Merger whereby the Company and TM IPR, were merged with and into a single corporation. TMA is the surviving corporation. The separate existence of TM IPR ceased on September 1, 2018, the effective date of the merger.

On March 9, 2018, TMA acquired 100% of Sofgen Americas Inc. ("Sofgen"), a New Jersey corporation at a cost of $4.3 million (INR 297.4 million) from Sofgen Holdings Limited , Cyprus. The purchase is part of the rationalization of subsidiaries within the Tech Mahindra Group. Sofgen offer end-to-end banking IT services, both in and around core systems, ranging from requirements analysis and system selection to implementation and beyond. On March 27, 2018, the shareholder of the Company and its Board of Directors approved a Plan and Agreement of Merger whereby the Company and Sofgen America Inc. ("Sofgen"), a company related by common control, were merged with and into a single corporation. TMA is the surviving corporation. The separate existence of Sofgen ceased on May 31, 2018 the effective date of the merger.

On October 31, 2018, TMA acquired identifiable assets and liabilities in terms of the purchase agreement of Nuovo Solutions LLC, a New York limited liability company, in exchange for $5,000,000 (INR 34,577,500). This acquisition has helped the Company expand its business in United States.

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 SUBSIDIARIES

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 financial statements 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.

Tech Mahindra Healthcare Systems Holdings, LLC

TMA, a wholly owned subsidiary of TechM, has elected not to present consolidated financial statements for TMA and its 88.77% held subsidiary Holdco. 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 COMPANY

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 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, 2019 and 2018 the allowance for doubtful accounts was $9,863,762 (INR 682,128,461) and $8,670,051 (INR 599,577,377), 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 34,578) with lesser amounts expensed in the period 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 year ended March 31, 2019 and 2018.

Goodwill resulting from business combinations represents the excess of the fair value of the consideration transferred over the fair value of the net assets acquired and liabilities assumed as of the acquisition date. During 2015, the Company elected the private company accounting alternatives provided in Accounting Standards Update (ASU) 2014-02, Intangibles – Goodwill and Other (Topic 350): Accounting for Goodwill and ASU 2014-18, Business Combinations (Topic 805): Accounting for Identifiable Intangible Assets in a Business Combination (see New Accounting Pronouncements). Pursuant to these elections, the Company prospectively amortized goodwill on a straight-line basis over a ten-year period. Impairment testing will be performed at the entity level upon the occurrence of a triggering event. The Company amortizes intangible asset and customer lists on a straight-line basis over 3 to 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. For the year ended March 31, 2019, with amendment to initial agreement, this rate is changed from 5.75% to 7%.

The effect of the change in estimate on actual values during the current year is as follows:

An impact of an additional $8.3 million (INR 574.0 million) in ring-fencing revenue calculation for the first three quarters were recognized in the fourth quarter as a result of the amended agreement.

Effective October 1, 2013, the Company has entered into a contract with Tech Talenta, Inc. ("TT"), 100% owned subsidiary. Under the contract TMA, has agreed to reimburse TT all direct project expenses and all indirect costs plus 3% 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.

In accordance with guidance in ASC 740-10-30-27, the Company uses a "separate return" method to allocate current and deferred taxes or benefits to members of the consolidated return group ("TMA and subsidiaries") by applying ASC 740 to each member as if they were separate tax payers. Under the "separate return" method, the subsidiary is assumed to file a separate return with the taxing authority, thereby reporting its taxable income or loss and paying the applicable tax to or receiving the appropriate refund from the parent.

L. RELATED PARTIES

Related parties are considered to be related if one party has the ability to control or jointly control the other party or exercise significant influence over the party in making financial and operational decisions. Key management personnel are also regarded as related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise).

M. FINANCIAL INSTRUMENTS

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial asset and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial assets or financial liability.

N. FAIR VALUE- DEFINITION AND HIERARCHY

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.

In determining fair value, the Company uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. The valuation techniques used by the Company to determine fair value are consistent with the income approaches. The Company determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

N. FAIR VALUE- DEFINITION AND HIERARCHY (CONTINUED)

Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access.

Level 2 – Valuations based on inputs, other than quoted prices included in Level 1, that are observable either directly or indirectly.

Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

Fair value is a market-based measure, based on assumptions of prices and inputs considered from the perspective of a market participant that are current as of the measurement date, rather than an entity-specific measure. Therefore, even when observable inputs are not readily available, the Company’s own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date.

The availability of valuation techniques and observable inputs can vary from investment to investment and are affected by a wide variety of factors, including the type of investment, whether the investment is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Because of the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a ready market for the investments existed. Accordingly, the degree of judgment exercised by the Fund in determining fair value is greatest for investments categorized in Level 3. In some cases, the inputs used to measure fair value might be categorized within different levels of the fair value hierarchy. In such cases, the fair value measurement is generally categorized in its entirety in the fair value hierarchy based on the lowest level input that is significant to the fair value measurement.

O. BUSINESS COMBINATIONS

The Company allocates purchase consideration to the tangible assets acquired, liabilities assumed and intangible assets acquired based on their estimated fair values. The excess of the fair value of purchase consideration over the fair values of these identifiable assets and liabilities is recorded as goodwill. When determining the fair values of assets acquired and liabilities assumed, the Company makes significant estimates and assumptions, especially with respect to intangible assets. Estimates associated with the accounting for business combinations may change as additional information becomes available regarding the assets acquired and liabilities assumed, which could result in adjustments to the values of tangible assets acquired, liabilities assumed and intangible assets acquired or could result in future income or expenses if such changes in estimates are identified beyond one year from the date of acquisition.

P. RESTATEMENT

As stated in Note 1 above, on May 31, 2018 and September 1, 2018, the business of Sofgen Americas Inc. and Tech Mahindra IPR Inc. were merged with and into the Company as a single corporation. As a result, the accounts for Sofgen and TM IPR were merged with the Company's accounts as of those dates. To be consistent with the current year presentation, certain prior year amounts have been restated.

3. CASH

	2019 USD	2019 INR	2018 USD	2018 INR
			(Restated)	
The following table summarizes cash that are measured at fair value on a recurring basis and are categorized using the fair value hierarchy.				
Cash	**3,705,147**	**256,229,441**	3,930,762	271,831,846

Cash and cash equivalents

The Company places its cash on deposit with financial institution in the United States of America. The Federal Deposit Insurance Corporation covers $250,000 (INR 17,288,750) for substantially all depository accounts. As of March 31, 2019 and 2018, the Company had a balance with the financial institution that exceeded the Federal insured limit by $3,455,147 (INR 238,940,691) and $3,680,762 (INR 254,543,096), respectively.

4. ACCOUNTS RECEIVABLE, NET

	2019 USD	2019 INR	2018 USD	2018 INR
			(Restated)	
The following table summarize, our accounts receivable, that approximate fair value due to the immediate to short-term maturity of these financial instruments.				
Amounts due for services rendered and billed	**34,355,484**	**2,375,853,496**	27,810,700	1,923,248,959
Less: allowance for doubtful accounts	**(3,686,663)**	**(254,951,180)**	(2,642,423)	(182,736,763)
Amounts due for services rendered and billed, net	**30,668,821**	**2,120,902,316**	25,168,277	1,740,512,196
Amounts due for services rendered, not billed	**9,497,717**	**656,814,619**	9,374,036	648,261,460
	40,166,538	**2,777,716,935**	34,542,313	2,388,773,656

a) Trade receivables: credit risk

The entity's exposure to the credit risk inherent in its trade receivables and the associated risk management techniques that the entity deploys in order to mitigate this risk are discussed point c) below. The credit periods offered to customers vary according to the credit risk profiles of, and the invoicing conventions established in, the entity's markets. The contractual terms on invoices issued to customers vary and are payable upon receipt or immediate to within 120 days. The allowance for bad and doubtful receivables is calculated based on prior experience reflecting the level of uncollected receivables over the last year within each business.

On this basis, the billed aging analysis of trade receivables, is as follows:

	Less than 30 days	Between 30 to 60 days	More than 60 days	Total
	$	$	$	$
The carrying amounts reported as at March 31, 2019	**24,208,750**	**568,903**	9,577,831	34,355,484
The carrying amounts reported as at March 31, 2019	**1,674,156,106**	**39,342,487**	662,354,903	2,375,853,496
The carrying amounts reported as at March 31, 2018, restated	**10,474,891**	**15,152,794**	2,183,015	27,810,700
The carrying amounts reported as at March 31, 2018, restated	**724,391,087**	**1,047,891,469**	150,966,403	1,923,248,959

b) Movement in the allowance account for bad and doubtful receivables

Bad debt allowance movement was $1,050,995 (INR 72,681,559) for the year ended March 31, 2019 for third party receivables, with $0 (INR 0) bad debt write off.

c) Revenue and accounts receivables concentration

The Company provides services to customers in diversified customer base and geographic regions and, therefore, has low concentration of credit risk. The Company continuously evaluates the credit worthiness of its customers and generally does not require collateral.

Revenue and Accounts receivable concentration:

Billed accounts receivable concentrations:

	March 31,			
	2019 USD		2018 (Restated) USD	
	Amount	**Concentration**	Amount	Concentration
Customer 1	**6,342,490**	**18%**	1,346,952	5%
Customer 2	**3,934,984**	**11%**	3,697,007	15%
Customer 3	**3,652,027**	**11%**	2,291,902	9%

	March 31,			
	2019 INR		2018 (Restated) INR	
	Amount	**Concentration**	Amount	Concentration
Customer 1	**438,614,896**	**18%**	93,148,466	5%
Customer 2	**272,123,819**	**11%**	255,666,519	15%
Customer 3	**252,555,927**	**11%**	158,496,483	9%

Revenue

Revenue from the parent and affiliated companies ("contract revenue") for the year ended March 31, 2019 and 2018 was $164,077,173 (INR 11,346,756,899) and $899,406,745 (9,124,242,859), representing 99% for both periods, 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.

	During the year ended March 31,			
	2019 USD		2018 (Restated) INR	
	Amount	**Concentration**	Amount	Concentration
Customer 2	**23,702,104**	**16%**	11,394,781	8%
Customer 4	**15,680,355**	**11%**	9,374,108	7%
Customer 5	**42,090,337**	**29%**	52,176,567	37%

	2019 USD		2018 (Restated) INR	
	Amount	**Concentration**	Amount	Concentration
Customer 2	**1,639,119,002**	**16%**	788,006,080	8%
Customer 4	**1,084,374,950**	**11%**	648,266,439	7%
Customer 5	**2,910,757,255**	**29%**	3,608,270,491	37%

5. INCOME TAX NOTE

	2019 USD	**2019 INR**	2018 USD	2018 INR
TMA accounts for income taxes under the provisions of the FASB ASC 740, Income Taxes, as described in Note 2K above.				(Restated)
The components of the provisions for the income taxes for the years in the year ended March 31, 2019 and 2018 are as follows:				
Current income tax expense / (benefit) consists of the following:				
Federal	**10,760,218**	**744,122,876**	(889,250)	(61,496,084)
State	**3,456,016**	**239,000,786**	2,657,533	183,781,695
	14,216,234	**983,123,662**	1,768,283	122,285,611
Deferred income tax expense / (benefit) consists of the following:				
Federal	**(1,104,712)**	**(76,396,358)**	4,137,932	286,158,687
State	**(943,626)**	**(65,256,456)**	(374,606)	(25,905,878)
	(2,048,338)	**(141,652,814)**	3,763,326	260,252,809
Total current and deferred income tax expense	**12,167,896**	**841,470,848**	5,531,609	382,538,420
Deferred tax asset consists of the following:				
Federal	**22,433,663**	**1,551,399,965**	24,292,871	1,679,973,494
State	**3,341,364**	**231,072,027**	2,637,047	182,364,985
	25,775,027	**1,782,471,992**	26,929,918	1,862,338,479

As of March 31, 2019 and 2018, TMA had utilized all federal net operating losses (NOLs) available to be utilized for the respective years which were carried forward from prior years. TMA had utilized all state net operating losses (NOLs) available to be utilized for the respective years which were carried forward from prior years. TMA expects to be able to utilize the entire deferred tax benefit, therefore, no valuation allowance has been recorded to reduce the asset.

As a result of mergers, TMA had approximately $5,443,887 (INR 2,241,291,628) of estimated federal and $1,065,685 (INR 2,930,241,815) of state net operating losses (NOLs) available to be carried forward.

In accordance with the tax sharing arrangement between the Company and its wholly owned subsidiary, LCC, the Company recorded an amount payable to LCC as of March 31, 2019 and 2018, of $32,409,683 (INR 2,241,291,628) and $42,372,089 (INR 2,930,241,815) for LCC's NOL that the Company is able to utilize as part of filing a consolidated Federal income tax return.

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. As of March 31, 2019, the Company's tax years from 2016 to 2019 are open for examination by Federal and state tax authorities.

6. PROPERTY AND EQUIPMENT

	2019 USD	**2019 INR**	2018 USD (Restated)	2018 INR (Restated)
Property and equipment, net, consisted of the following as of March 31,				
Plant and machinery	**30,685,967**	**2,122,088,048**	30,128,250	2,083,519,129
Computer and software	**38,913,411**	**2,691,056,938**	31,764,080	2,196,644,952
Furniture and equipment	**3,849,952**	**266,243,431**	3,587,136	248,068,390
Leasehold improvements	**3,268,726**	**226,048,747**	3,268,726	226,048,747
Office equipment	**1,932,068**	**133,612,163**	2,014,191	139,291,379
Less: accumulated depreciation	**(62,213,443)**	**(4,302,370,651)**	(49,697,753)	(3,436,848,109)
	16,436,681	**1,136,678,675**	21,064,630	1,456,724,488
Reconciliation of Carrying value				
Carrying value at the beginning of the year	**21,064,630**	**1,456,724,488**	17,049,942	1,179,088,739
Additions	**8,424,266**	**582,580,115**	15,996,044	1,106,206,423
Depreciation	**(13,052,215)**	**(902,625,928)**	(11,981,356)	(828,570,674)
Carrying value at the end of the year	**16,436,681**	**1,136,678,675**	21,064,630	1,456,724,488

Depreciation expense was $13,052,215 (INR 902,625,928) and $11,981,356 (INR 828,570,674) for the years ended March 31, 2019 and 2018, respectively. The depreciation policies followed by TMA are described in Note 2G.

7. INTANGIBLE ASSET, NET

	2019 USD	**2019 INR**	2018 USD (Restated)	2018 INR (Restated)
At March 31, 2019 and 2018, intangible assets are summarized as follows:				
Customer lists	**23,424,422**	**1,619,915,903**	19,860,088	1,373,424,386
Less: accumulated amortization	**(9,763,088)**	**(675,166,351)**	(7,944,036)	(549,369,810)
	13,661,334	**944,749,553**	11,916,052	824,054,576

Amortization expense for the years ended March 31, 2019 and 2018 was $1,819,052 (INR 125,796,541) and $1,324,006 (INR 91,561,635), respectively. The amortization policies followed by the Company are described in Note 2H.

Amortization expense of intangible assets subject to amortization for the five years succeeding March 31, 2019, and thereafter is as follows:

Years ending March 31,				
2019	**-**	**-**	1,324,006	91,561,635
2020	**2,512,114**	**173,725,244**	1,324,006	91,561,635
2021	**2,512,114**	**173,725,244**	1,324,006	91,561,635
2022	**2,017,078**	**139,491,029**	1,324,006	91,561,635
2023	**1,324,006**	**91,561,635**	1,324,006	91,561,635
2024	**1,324,006**	**91,561,635**	1,324,006	91,561,635
Thereafter	**3,972,016**	**274,684,766**	3,972,016	274,684,766
	13,661,334	**944,749,553**	11,916,052	824,054,576

8. INVESTMENTS IN SUBSIDIARIES

	2019 USD	**2019 INR**	2018 USD (Restated)	2018 INR (Restated)
Tech Talenta, Inc. (*)	**500,000**	**34,577,500**	500,000	34,577,500
Lightbridge Communication Corporation (**)	**159,021,946**	**10,997,162,676**	160,522,806	11,100,954,649
Tech Mahindra Healthcare Systems Holdings LLC (***)	**92,970,262**	**6,429,358,469**	88,900,004	6,147,879,777
Sofgen Holdings Limited (****)	**-**	**-**	4,307,000	297,850,585
	252,492,208	**17,461,098,644**	254,229,810	17,581,262,511

(*) The Company owns 100% investment (500,000 shares of $1.00 (INR 69.155) 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 at March 31, 2019 and 2018. The subsidiary's stockholder's equity at March 31, 2019 and 2018 was $3,972,380 (INR 274,709,939) and $2,694,741 (INR 186,354,814), 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 11,756 million) and the transaction related acquisition costs were $2,772,263 (INR 191,715,848), which were included in the general and administrative expenses in the statement of operations. During the period ended March 31, 2017 and 2016, the Company received a refund of $3,241,872 (INR 224,191,658) and $6,235,322 (INR 186,354,814), respectively, from the investment escrow account. During the period ended March 31, 2019, the Company received a refund of $1,500,860 (INR 103,791,973), from the investment escrow account. The balance of the investment was reported at $159,021,946 (INR10,997,162,676) and $160,522,806 (11,100,954,649) at March 31,2019 and 2018, respectively.

(***) As stated in Note 1, the Company indirectly acquired CJS by investing in Tech Mahindra Healthcare Systems Holding LLC. The present value of CJS is $100 million (INR 6,916 million); with $84.7 million (INR 5,857 million) paid upfront in cash, for the acquisition of 84.7% membership units in CJS. There was an additional amount of $4.7 million (INR 325 million) paid to the minority shareholder as goodwill. Total amount paid including the goodwill is $89.5 million out of which $7.5 million (INR 519 million) is considered as a prepaid compensation to the minority shareholder resulting in net investment value of $82 million (INR 5,671 million). If at any time on or before June 30, 2019, the employment agreement is terminated by either party, the minority shareholder is obligated to repay the $7.5 million (INR 519 million). TMA also had a put option at fair value of $6.9 million (INR 477 million) resulting in a net investment of $88.9 million (INR 6,148 million). On October 13, 2017 the Board of Directors of Tech Mahindra (Americas) Inc. approved to extend a corporate guarantee, for the working capital facility of CJS. TMA signed on March 1, 2019, an amended agreement with an effective date of December 31, 2018, resulting in a changed in vesting and exercise date starting from April 30, 2019. The amended agreement stated that the call option to purchase the remaining 15.3% of shares from the minority shareholder over a period of 3 years – December 2019, 2020 and 2021 at values which will be derived based on EBITDA and revenue achievement. The minority shareholder has a put option on the remaining 15.3% of shares over a period of 3 years – December 2019, 2020 and 2021 at values which will be derived based on EBITDA and revenue achievement. The estimated fair value of the put and call options is $6.728 million (INR 465.275 million). As at March 31, 2019 the first option was exercised, resulting in a change in hold of 4.07%, TMA's newly acquired shares subsequent to exercising option was 88.77%.

(****) As stated in Note 1, On March 9, 2018, TMA acquired 100% of Sofgen Americas Inc. ("Sofgen"), a New Jersey corporation at a cost of $4.307 million (INR 297.851 million) from Sofgen Holdings Limited , Cyprus. The purchase is part of the rationalization of subsidiaries within the Tech Mahindra Group. Sofgen offer end-to-end banking IT services, both in and around core systems, ranging from requirements analysis and system selection to implementation and beyond. On March 27, 2018, the shareholder of the Company and its Board of Directors approved a Plan and Agreement of Merger whereby the Company and Sofgen America Inc. ("Sofgen"), a company related by common control, were merged with and into a single corporation. TMA is the surviving corporation. The separate existence of Sofgen ceased on May 31, 2018 the effective date of the merger.

9. INVESTMENTS IN ASSOCIATED COMPANIES AND FINANCIAL ASSET

	2019 USD	**2019 INR**	2018 USD (Restated)	2018 INR (Restated)
Avion Systems, Inc. (*)	**-**	**-**	3,033,676	209,793,864
Altiostar Networks, Inc.(**)	**5,700,306**	**394,204,661**	15,000,000	1,037,325,000
	5,700,306	**394,204,661**	18,033,676	1,247,118,864

(*) The Company owns 30% investment (600,000 Series A Preferred Stock shares of $0.001 (INR 0.069) par value) in Avion. The investment in Avion is accounted for on equity method. The carrying value of investment was reported at $3,033,676 (INR 209,793,864) and $3,033,676 (INR 209,793,864) at March 31, 2019 and 2018, respectively. The Company recognized $0 and $0 of after-tax income from Avion during years ended March 31, 2019 and 2018, respectively. As at May 12, 2019 management has carried out an impairment test which resulted in the impairment of the carrying value in Avion amounting to $3,033,676 (INR 209,793,864).

Company's investment in Avion Networks, Inc. ("Avion"), an associated entity and accounted for by the equity method, is carried at $3 million (INR 207 million) on the consolidated balance sheet as at March 31, 2019, and the Company's share of Avion's profit or losses of $33,676 (INR 2,328,864) is included in the consolidated statement of comprehensive income for the period then ended.

(**) The Company owns 23,5% of fully diluted stake amounting to $15 million (INR 1,037,325) in Altiostar Networks Inc.'s ("Altiostar"). Initially TMA accounted for the investment at cost as a result of management assessment at inception. TMA subsequently concluded that significant influence was exercised in the investee resulting in TMA accounting for the investment on the equity basis. The Company recognized $9,299,694 (INR 643,120,339) losses from Altiostar during the year ended March 31, 2019.

10. TRANSACTION WITH PARENT COMPANY

	2019 USD	2019 INR	2018 USD (Restated)	2018 INR (Restated)

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

	March 31,		March 31,	
Beginning balance, due from parent company	**28,062,859**	**1,940,687,014**	79,516,350	5,498,953,184
Contract revenue - parent company	**(164,077,173)**	**(11,346,756,899)**	(131,939,019)	(9,124,242,859)
Cost of services	**-**	**-**	(75,161)	(5,197,759)
Income from parent company	**959,440,572**	**66,350,112,757**	898,399,954	62,128,848,819
Payments to parent company	**167,138,619**	**11,558,471,197**	135,505,325	9,370,870,750
Collections from parent company	**(880,397,746)**	**(60,883,906,125)**	(958,031,904)	(66,252,696,320)
Expense reimbursement - debit/credit notes	**(4,762,498)**	**(329,350,549)**	4,701,783	325,151,803
Ending balance, due from parent company	**105,404,633**	**7,289,257,395**	28,077,328	1,941,687,618

Due (to) from parent consists of:	March 31,		March 31,	
Amounts due to parent company	**(91,909,637)**	**(6,356,010,947)**	(85,235,115)	(5,894,434,378)
Amounts due from parent company	**197,314,270**	**13,645,268,342**	113,312,443	7,836,121,996
	105,404,633	**7,289,257,395**	28,077,328	1,941,687,618

All transactions with the parent are priced on an arm's length basis.

11. TRANSACTIONS WITH AFFILIATED COMPANIES

	2019 USD	2019 INR	2018 USD (Restated)	2018 INR (Restated)

During the years ended March 31, 2019 and 2018, TMA had inter-company transactions with Tech Mahindra Technologies, Inc. ("TechM Tech"), an affiliated company. Transaction with TechM Tech are summarized below:

	March 31,		March 31,	
Beginning balance, due from TechM Tech	**115,269**	**7,971,428**	240,551	16,635,304
Contract revenue	**(112,102)**	**(7,752,414)**	-	-
Expense reimbursement - debit/credit notes	**1,377,879**	**95,287,222**	1,056,384	73,054,236
Collections from TechM Tech	**(1,409,175)**	**(97,451,498)**	(1,187,608)	(82,129,031)
Amount paid to TechM Tech	**105,681**	**7,308,370**	5,942	410,919
Ending balance, due from TechM Tech	**77,552**	**5,363,108**	115,269	7,971,428

Due from TechM Tech consists of:	March 31,		March 31,	
Amounts due to TechM Tech	**(7,328)**	**(506,768)**	-	-
Amounts due from TechM Tech	**84,880**	**5,869,876**	115,269	7,971,428
	77,552	**5,363,108**	115,269	7,971,428

During the years ended March 31, 2019 and 2018, TMA had inter-company transactions with Tech Talenta, Inc. ("TechT"), its wholly owned subsidiary. Transaction with TechT are summarized below:

	March 31,		March 31,	
Beginning balance, due to TechT	**(1,155,592)**	**(79,914,965)**	(78,318)	(5,416,081)
Subcontractor cost - TechT	**(13,239,849)**	**(915,601,758)**	(24,601,076)	(1,701,287,411)
Expense reimbursement - debit/ credit notes	**551,835**	**38,162,149**	917,698	63,463,405
Collections from TechT	**(1,234,855)**	**(85,396,398)**	(612,786)	(42,377,216)
Amounts paid to TechT	**13,058,151**	**903,036,433**	23,218,890	1,605,702,339
Ending balance, due to TechT	**(2,020,310)**	**(139,714,539)**	(1,155,592)	(79,914,964)

Due (to) from TechT consists of:	**March 31,**		March 31,	
Amounts due to TechT	**(2,049,913)**	**(141,761,734)**	(1,868,215)	(129,196,408)
Amounts due from TechT	**29,603**	**2,047,195**	712,623	49,281,444
	(2,020,310)	**(139,714,539)**	(1,155,592)	(79,914,964)

	2019 USD	**2019 INR**	2018 USD	2018 INR
			(Restated)	

During the years ended March 31, 2019 and 2018, TMA had inter-company transactions with Tech Mahindra IPR, Inc. ("TM IPR"), an affiliated company. Transaction with TM IPR are summarized below:

	March 31,		March 31,	
Beginning balance, due from TM IPR	**1,886,962**	**130,492,857**	1,287,198	89,016,178
Income from TM IPR	**53,060**	**3,669,364**	599,764	41,476,679
Collections received from TM IPR	**(1,940,022)**	**(134,162,221)**	(1,886,962)	(130,492,857)
Ending balance, due from TM IPR	**-**	**-**	-	-
Due from TM IPR consists of:	**March 31,**		March 31,	
Amounts due to TM IPR	**-**	**-**	(1,886,962)	(130,492,857)
Amounts due from TM IPR	**-**	**-**	1,886,962	130,492,857
	-	**-**	-	-

In the years ended March 31, 2019 and 2018, TMA had inter-company transactions with Leadcom Integrated Solutions, Ltd ("L.I.S"), an affiliated company. Transactions with L.I.S are summarized below:

	March 31,		March 31,	
Beginning balance, due from L.I.S	**1,397,790**	**96,664,167**	-	-
Subcontractor cost L.I.S	**(257,522)**	**(17,808,934)**	(7,630)	(527,653)
Expense reimbursement - debit/ credit notes	**-**	**-**	1,397,790	96,664,167
Amounts paid to L.I.S	**169,894**	**11,749,020**	7,630	527,653
Ending balance, due from L.I.S	**1,310,162**	**90,604,253**	1,397,790	96,664,167
Due from L.I.S consists of:	**March 31,**		March 31,	
Amounts due to L.I.S	**(87,628)**	**(6,059,914)**	-	-
Amounts due from L.I.S	**1,397,790**	**96,664,167**	1,397,790	96,664,167
	1,310,162	**90,604,253**	1,397,790	96,664,167

During the year ended March 31, 2018, TMA had inter-company transactions with Tech Mahindra Services De Mexico ("TM Mexico"), an affiliated company. Transactions with TM Mexico are summarized below:

	March 31,		March 31,	
Beginning balance, due from (to) TM Mexico	**-**	**-**	(318)	(21,991)
Expense reimbursement - debit/ credit notes	**-**	**-**	710	49,100
Amounts paid to TM Mexico	**-**	**-**	318	21,991
Collections received from TM Mexico	**-**	**-**	(710)	(49,100)
Ending balance, due from (to) TM Mexico	**-**	**-**	-	-
Due (to) from TM Mexico consists of:	**March 31,**		March 31,	
Amounts due to TM Mexico	**-**	**-**	-	-
Amounts due from TM Mexico	**-**	**-**	-	-
	-	**-**	-	-

During the years ended March 31, 2019 and 2018, TMA had inter-company transactions with Lightbridge Communications Corporation ("LCC"), an affiliated company. Transactions with LCC are summarized below:

	March 31,		March 31,	
Beginning balance, due to LCC	**(43,372,089)**	**(2,999,396,815)**	(24,373,603)	(1,685,556,515)
Expense reimbursement - debit/ credit notes	**(308,013)**	**(21,300,639)**	(18,927,245)	(1,308,913,629)
Contract revenue	**-**	**-**	-	-
Collections from company	**11,270,420**	**779,405,895**	-	-
Ending balance, due (to) from LCC	**(32,409,682)**	**(2,241,291,559)**	(43,300,848)	(2,994,470,144)
Due (to) from LCC consists of:	**March 31,**		March 31,	
Amounts due to LCC	**(32,409,682)**	**(2,241,291,559)**	(43,372,089)	(2,999,396,815)
Amounts due from LCC	**-**	**-**	71,241	4,926,671
	(32,409,682)	**(2,241,291,559)**	(43,300,848)	(2,994,470,144)

During the years ended March 31, 2019 and 2018, TMA had inter-company transactions with Tech Mahindra Network Services International, Inc. ("TMNSI"), an affiliated company. Transactions with TMNSI are summarized below:

	March 31,		March 31,	
Beginning balance, due from TMNSI	**2,555,367**	**176,716,405**	1,774,841	122,739,129
Income from TMNSI	**104,108**	**7,199,589**	197,564	13,662,538
Cost of services	**(1,634,274)**	**(113,018,218)**	-	-
Payments from TMNSI	**2,614,966**	**180,837,974**	286,593	19,819,339
Expense reimbursement - debit/ credit notes	**(464,582)**	**(32,128,168)**	296,369	20,495,399
Collections from company	**(500,000)**	**(34,577,501)**	-	-
Ending balance, due from TMNSI	**2,675,585**	**185,030,081**	2,555,367	176,716,405
Due (to) from TMNSI consists of:	**March 31,**		March 31,	
Amounts due to TMNSI	**(346,298)**	**(23,948,238)**	(201,459)	(13,931,897)
Amounts due from TMNSI	**3,021,883**	**208,978,319**	2,756,826	190,648,302
	2,675,585	**185,030,081**	2,555,367	176,716,405

During the years ended March 31, 2019 and 2018, TMA had inter-company transactions with Avion Networks, Inc. ("Avion"), an affiliated company. Transactions with Avion are summarized below:

	March 31,		March 31,	
Beginning balance, due from Avion	**2,011,462**	**139,102,655**	4,406,051	304,700,457
Revenue from Avion	**11,080,157**	**766,248,257**	8,343,892	577,021,851
Amounts paid by Avion	**(10,889,868)**	**(753,088,822)**	(4,704,098)	(325,311,897)
Less: Allowance for doubtful accounts by Avion	**(142,716)**	**(9,869,525)**	(6,034,383)	(417,307,756)
Ending balance, due from Avion	**2,059,035**	**142,392,565**	2,011,462	139,102,655
Due from Avion consists of:	**March 31,**		March 31,	
Amounts due to Avion	**-**	**-**	-	-
Amounts due from Avion	**2,059,035**	**142,392,565**	2,011,462	139,102,655
	2,059,035	**142,392,565**	2,011,462	139,102,655

During the years ended March 31, 2019 and 2018, TMA had inter-company transactions with Tech Mahindra Network Design Services, Inc. ("TMNDES"), an affiliated company. Transactions with TMNDES are summarized below:

	March 31,		March 31,	
Beginning balance, due to TMNDES	**(2,945,091)**	**(203,667,768)**	(572,151)	(39,567,102)
Cost of services	**(7,331,067)**	**(506,979,938)**	(8,249,996)	(570,528,474)
Expense reimbursement - debit/ credit notes	**(100,467)**	**(6,947,796)**	-	-
Amount paid to TMDES	**9,111,815**	**630,127,566**	5,877,056	406,427,808
Ending balance, due to TMNDES	**(1,264,810)**	**(87,467,936)**	(2,945,091)	(203,667,768)
Due to TMNDES consists of:	**March 31,**		March 31,	
Amounts due to TMNDES	**(1,264,810)**	**(87,467,936)**	(2,945,091)	(203,667,768)
Amounts due from TMNDES	**-**	**-**	-	-
	(1,264,810)	**(87,467,936)**	(2,945,091)	(203,667,768)

During the years ended March 31, 2019 and 2018, TMA had inter-company transactions with Pininfarina Extra SRL ("PinExtra"), an affiliated company. Transactions with PinExtra are summarized below:

	March 31,		March 31,	
Beginning balance, due to PinExtra	**(6,012)**	**(415,760)**	(1,105)	(76,416)
Cost of services	**(38,650)**	**(2,672,841)**	(51,255)	(3,544,540)
Expense reimbursement - debit/ credit notes	**(3,306)**	**(228,626)**	(1,653)	(114,313)
Amounts paid to PinExtra	**43,177**	**2,985,905**	48,001	3,319,509
Ending balance, due to PinExtra	**(4,791)**	**(331,322)**	(6,012)	(415,760)
Due to PinExtra consists of:		**March 31,**	March 31,	
Amounts due to PinExtra	**(4,791)**	**(331,322)**	(6,012)	(415,760)
Amounts due from PinExtra	**-**	**-**	-	-
	(4,791)	**(331,322)**	(6,012)	(415,760)

During the years ended March 31, 2019 and 2018, TMA had inter-company transactions with Fixstream Networks Inc. ("FIXNET"), an affiliated company. Transactions with FIXNET are summarized below:

	March 31,		March 31,	
Beginning balance, due to FIXNET	**104,041**	**7,194,955**	223,958	15,487,815
Cost of services	**(2,867,527)**	**(198,303,829)**	(563,417)	(38,963,103)
Amounts paid to FIXNET	**3,663,621**	**253,357,710**	443,500	30,670,243
Amount due (to) from FIXNET	**900,135**	**62,248,836**	104,041	7,194,955

Due (to) from FIXNET consists of:	**March 31,**		March 31,	
Amounts due form (to) FIXNET	**900,135**	**62,248,836**	(913,000)	(63,138,515)
Amount due from FIXNET	**-**	**-**	1,017,041	70,333,470
	900,135	**62,248,836**	104,041	7,194,955

During the years ended March 31, 2019 and 2018, TMA had inter-company transactions with CJS Solutions Group LLC ("CJS"), an affiliated company. Transactions with CJS are summarized below:

	March 31,		March 31,	
Beginning balance, due to CJS	**405,000**	**28,007,775**	-	-
Expense reimbursement - debit/ credit notes	**(798,884)**	**(55,246,823)**	405,000	28,007,775
Amount due (to) from CJS	**(393,884)**	**(27,239,048)**	405,000	28,007,775

Due (to) from CJS consists of:	**March 31,**		March 31,	
Amounts due to CJS	**(1,006,079)**	**(69,575,393)**	-	-
Amount due from CJS	**612,195**	**42,336,345**	405,000	28,007,775
	(393,884)	**(27,239,048)**	405,000	28,007,775

During the year ended March 31, 2018, TMA had inter-company transactions with Citisoft In. ("CITI"), an affiliated company. Transactions with CITI are summarized below:

	March 31,		March 31,	
Beginning balance, due to CITI	**-**	**-**	(31,123)	(2,152,311)
Payment from CITI	**-**	**-**	31,123	2,152,311
Amount due (to) from CITI	**-**	**-**	-	-

Due (to) from CITI consists of:	**March 31,**		March 31,	
Amounts due to CITI	**-**	**-**	-	-
Amount due from CITI	**-**	**-**	-	-
	-	**-**	-	-

During the years ended March 31, 2019 and 2018, TMA had inter-company transactions with LCC Mexio ("LCCM"), an affiliated company. Transactions with LCCM are summarized below:

	March 31,		March 31,	
Beginning balance, due to LCCM	**(1,123)**	**(77,661)**	(380)	(26,279)
Cost of services	**-**	**-**	(743)	(51,382)
Amounts paid to LCCM	**1,123**	**77,661**	-	-
Amount due (to) from LCCM	**-**	**-**	(1,123)	(77,661)

Due (to) from LCCM consists of:	**March 31,**		March 31,	
Amounts due to LCCM	**-**	**-**	(1,123)	(77,661)
Amount due from LCCM	**-**	**-**	-	-
	-	**-**	(1,123)	(77,661)

During the years ended March 31, 2019 and 2018, TMA had inter-company transactions with Tech Mahindra Healthcare Systems Holdings LLC ("Holdco"), an affiliated company. Transactions with Holdco are summarized below:

	March 31,		March 31,	
Beginning balance, due to Holdco	**(72,550)**	**(5,017,195)**	-	-
Payable to Holdco	**-**	**-**	(72,550)	(5,017,195)
Amount due (to) from Holdco	**(72,550)**	**(5,017,195)**	(72,550)	(5,017,195)

Due (to) from Holdco consists of:	**March 31,**		March 31,	
Amounts due to Holdco	**(72,550)**	**(5,017,195)**	(72,550)	(5,017,195)
Amount due from Holdco	**-**	**-**	-	-
	(72,550)	**(5,017,195)**	(72,550)	(5,017,195)

	2019 USD	**2019 INR**	2018 USD	2018 INR
			(Restated)	

During the years ended March 31, 2019 and 2018, TMA had inter-company transactions with Tech Mahindra ICT Services (Malaysia) ("TMM"), an affiliated company. Transactions with TMM are summarized below:

	March 31,		March 31,	
Beginning balance, due to TMM	**(1,566)**	**(108,297)**	-	-
Expense reimbursement - debit/ credit notes	**(2,587)**	**(178,904)**	(1,566)	(108,297)
Amount paid to TMM	**4,153**	**287,201**	-	-
Amount due (to) from TMM	**-**	**-**	(1,566)	(108,297)

Due (to) from TMM consists of:	**March 31,**		March 31,	
Amounts due to TMM	**-**	**-**	(1,566)	(108,297)
Amount due from TMM	**-**	**-**	-	-
	-	**-**	(1,566)	(108,297)

During the years ended March 31, 2019 and 2018, TMA had inter-company transactions with LCC Middle East FZ LLC ("LCC ME"), an affiliated company. Transactions with LCC ME are summarized below:

	March 31,		March 31,	
Beginning balance, due to LCC ME	**200,000**	**13,831,000**	-	-
Expense reimbursement - debit/ credit notes	**-**	**-**	200,000	13,831,000
Amount due (to) from LCC ME	**200,000**	**13,831,000**	200,000	13,831,000
Due (to) from LCC ME consists of:	**March 31,**		March 31,	
Amounts due to LCC ME	**-**	**-**	-	-
Amount due from LCC ME	**200,000**	**13,831,000**	200,000	13,831,000
	200,000	**13,831,000**	200,000	13,831,000

During the years ended March 31, 2019 and 2018, TMA had inter-company transactions with Sofgen Holdings Inc. ("SofgenH"), an affiliated company. Transactions with SofgenH are summarized below:

	March 31,		March 31,	
Beginning balance, due to SofgenH	**(1,269,098)**	**(87,764,472)**	(3,794,229)	(262,389,906)
Revenue	**-**	**-**	407,026	28,147,883
Cost of services	**(673,378)**	**(46,567,456)**	119,204	8,243,553
Expense reimbursement - debit/ credit notes	**(216,523)**	**(14,973,649)**	-	-
Amount due from SofgenH	**(3,885,138)**	**(268,676,718)**	(2,526,990)	(174,753,993)
Amount paid to SofgenH	**5,977,184**	**413,352,160**	3,936,150	272,204,453
Amount due (to) from SofgenH	**(66,953)**	**(4,630,135)**	(1,858,839)	(262,389,906)
Due (to) from SofgenH consists of:	**March 31,**		March 31,	
Amounts due to SofgenH	**(66,953)**	**(4,630,135)**	(5,778,350)	(399,601,794)
Amount due from SofgenH	**-**	**-**	3,919,511	271,053,783
	(66,953)	**(4,630,135)**	(1,858,839)	(128,548,011)
Total amounts due to affiliated companies	**(36,415,894)**	**(2,518,341,150)**	(57,046,417)	(3,945,044,968)
Total amounts due from affiliated companies	**7,405,383**	**512,119,261**	14,493,725	1,002,313,552
	(29,010,511)	**(2,006,221,889)**	(42,552,692)	(2,942,731,416)

NOTES RECEIVABLE FROM AFFILIATED COMPANIES

	2019 USD	**2019 INR**	2018 USD	2018 INR
During the years ended March 31, 2019 and 2018, notes due from affiliated companies consist of the following:				
Light Bridge Communication Corporation				
Note receivable from LCC. The note is unsecured. The outstanding principal loan balances of $10,000,000 (INR 691,550,000) was repaid in April 2017, the principal loan balance accrued interest of LIBOR plus 1.15% per annum and is payable quarterly. All accrued interest is still due at period ending March 31, 2019 amounting to $368,861 (INR 25,508,582). Accumulated interest income on the loan was $0 (INR 0) for the years ended March 31, 2019 and 2018, respectively.	**-**	**-**	368,861	25,508,582
Light Bridge Communication Corporation				
Note receivable from LCC. The note is unsecured. The outstanding principal loan balances of $10,000,000 (INR 691,550,000) was repaid on March 18, 2019, the principal loan balance accrues interest of LIBOR plus 1.75% per annum and is payable quarterly. Accumulated interest income on the loan was $315,386 (INR 21,810,519) for the year ended March 31, 2019 and $514,931 (INR 35,610,053) for the year ended March 31, 2018.	**-**		10,514,931	727,160,053

NOTES RECEIVABLE FROM AFFILIATED COMPANIES

	2019 USD	2019 INR	2018 USD	2018 INR
Tech Mahindra Servicos de Informatica Ltda. Note receivable from Tech Mahindra Servicos de Informatica Ltda. The note is unsecured. The outstanding balance includes principal loan balances of $1,500,000 (INR 103,732,500) , was repaid in May 29, 2018, the principal loan balance accrues interest of LIBOR plus 1% per annum and is payable quarterly. All accrued interest was repaid at year ended March 31, 2019. Accumulated interest income on the loan was $69,922 (INR 4,835,456) and $61,474 (INR 4,251,234) for the years ended March 31, 2019 and 2018, respectively.	**-**	**-**	1,561,474	107,983,734
Tech Mahindra Servicos de Informatica Ltda. Note receivable from Tech Mahindra Servicos de Informatica Ltda. The note is unsecured. The outstanding balance includes principal loan balances of $3,000,000 (INR 207,465,000), the principal loan balance accrues interest of 3.41% per annum and is payable quarterly. This note matures on September 17, 2019. Accumulated interest income on the loan was $104,945 (INR 7,257,471) and $3,363 (INR 232,568) for the years ended March 31, 2019 and 2018, respectively.	**3,108,308**	**214,955,040**	3,003,363	207,697,568
Fixstream Networks Inc. Note receivable from FixStream Networks, Inc. The note is unsecured. The outstanding balance includes principal loan balances of $1,500,000 (INR 103,732,500), the principal loan balance accrues interest of 4.52% per annum and is payable upon repayment of loan. This note matures on August 20, 2019. Accumulated interest income on the loan was $176,837 (INR 12,229,163) and $109,037 (INR 7,540,454) for the years ended March 31, 2019 and 2018, respectively.	**1,676,837**	**115,961,663**	1,609,037	111,272,954
Fixstream Networks Inc. Note receivable from FixStream Networks, Inc. The note is unsecured. The outstanding balance includes principal loan balances of $1,500,000 (INR 103,732,500), the principal loan balance accrues interest of 3.90% per annum and is payable upon repayment of loan. This note matures on November 14, 2019. Accumulated interest income on the loan was $139,118 (INR 9,620,705) and $80,618 (INR 5,575,138) for the years ended March 31, 2019 and 2018, respectively.	**1,639,118**	**113,353,205**	1,580,618	109,307,638
Fixstream Networks Inc. Note receivable from FixStream Networks, Inc. The note is unsecured. The outstanding balance includes principal loan balances of $1,500,000 (INR 103,732,500), the principal loan balance accrues interest of 4.73% per annum and is payable upon repayment of loan. This note matures on January 19, 2020. Accumulated interest income on the loan was $155,896 (INR 10,780,988) and $84,946 (INR 5,874,441) for the years ended March 31, 2019 and 2018, respectively.	**1,655,896**	**114,513,488**	1,584,946	109,606,941

NOTES RECEIVABLE FROM AFFILIATED COMPANIES

	2019 USD	**2019 INR**	2018 USD	2018 INR
Fixstream Networks Inc. Note receivable from FixStream Networks, Inc. The note is unsecured. The outstanding balance includes principal loan balances of $1,500,000 (INR 103,732,500), the principal loan balance accrues interest of 4.77% per annum and is payable upon repayment of loan. This note matures on April 27, 2019, management is in the process of extending. Accumulated interest income on the loan was $138,003 (INR 9,543,597) and $66,453 (INR 4,595,557) for the years ended March 31, 2019 and 2018, respectively.	**1,638,003**	**113,276,097**	1,566,453	108,328,057
Fixstream Networks Inc. Note receivable from FixStream Networks, Inc. The note is unsecured. The outstanding balance includes principal loan balances of $1,500,000 (INR 103,732,500), the principal loan balance accrues interest of 4.74% per annum and is payable upon repayment of loan. This note matures on July 26, 2019. Accumulated interest income on the loan was $119,604 (INR 8,271,215) and $48,504 (INR 3,354,294) for the years ended March 31, 2019 and 2018, respectively.	**1,619,604**	**112,003,715**	1,548,503	107,086,725
Fixstream Networks Inc. Note receivable from FixStream Networks, Inc. The note is unsecured. The outstanding balance includes principal loan balances of $1,500,000 (INR 103,732,500), the principal loan balance accrues interest of 4.36% per annum and is payable upon repayment of loan. This loan matures on October 4, 2019. Accumulated interest income on the loan was $97,473 (INR 6,740,745) and $32,073 (INR 2,218,008) for the years ended March 31, 2019 and 2018, respectively.	**1,597,473**	**110,473,245**	1,532,073	105,950,508
Fixstream Networks Inc. Note receivable from FixStream Networks, Inc. The note is unsecured. The outstanding balance includes principal loan balances of $1,500,000 (INR 103,732,500), the principal loan balance accrues interest of 4.86% per annum and is payable upon repayment of loan. This note matures on December 15, 2019. Accumulated interest income on the loan was $94,271 (INR 6,519,311) and $21,371 (INR 1,477,912) for the years ended March 31, 2019 and 2018, respectively.	**1,594,271**	**110,251,811**	1,521,371	105,210,412
Fixstream Networks Inc. Note receivable from FixStream Networks, Inc. The note is unsecured. The outstanding balance includes principal loan balances of $500,000 (INR 34,577,500), the principal loan balance accrues interest of 5.71% per annum and is payable upon repayment of loan. This note matures on April 6, 2020. Accumulated interest income on the loan was $28,159 (INR 1,947,336) for the year ended March 31, 2019.	**528,159**	**36,524,836**	-	-

NOTES RECEIVABLE FROM AFFILIATED COMPANIES

	2019 USD	**2019 INR**	2018 USD	2018 INR
Fixstream Networks Inc. Note receivable from FixStream Networks, Inc. The note is unsecured. The outstanding balance includes principal loan balances of $5,000,000 (INR 345,775,000), the principal loan balance accrues interest of 3.83% per annum and is payable upon repayment of loan. This note matures on July 3, 2021. Accumulated interest income on the loan was $142,707 (INR 9,868,903) for the year ended March 31, 2019.	**5,142,707**	**355,643,903**	-	-
Fixstream Networks Inc. Note receivable from FixStream Networks, Inc. The note is unsecured. The outstanding balance includes principal loan balances of $500,000 (INR 34,577,500), the principal loan balance accrues interest of 5.93% per annum and is payable upon repayment of loan. This note matures on July 27, 2023. Accumulated interest income on the loan was $20,146 (INR 1,393,197) for the year ended March 31, 2019.	**520,146**	**35,970,697**	-	-
Fixstream Networks Inc. Note receivable from FixStream Networks, Inc. The note is unsecured. The outstanding balance includes principal loan balances of $500,000 (INR 34,577,500), the principal loan balance accrues interest of 5.26% per annum and is payable upon repayment of loan. This note matures on September 21, 2019. Accumulated interest income on the loan was $13,835 (INR 956,759) for the year ended March 31, 2019.	**513,835**	**35,534,259**	-	-
Fixstream Networks Inc. Note receivable from FixStream Networks, Inc. The note is unsecured. The outstanding balance includes principal loan balances of $500,000 (INR 34,577,500), the principal loan balance accrues interest of 5.42% per annum and is payable upon repayment of loan. This note matures on November 3, 2019. Accumulated interest income on the loan was $11,828 (INR 817,965) for the year ended March 31, 2019.	**511,828**	**35,395,465**	-	-
Fixstream Networks Inc. Note receivable from FixStream Networks, Inc. The note is unsecured. The outstanding balance includes principal loan balances of $500,000 (INR 34,577,500), the principal loan balance accrues interest of 5.50% per annum and is payable upon repayment of loan. This note matures on November 27, 2019. Accumulated interest income on the loan was $9,418 (INR 651,302) for the year ended March 31, 2019.	**509,418**	**35,228,802**	-	-
Fixstream Networks Inc. Note receivable from FixStream Networks, Inc. The note is unsecured. The outstanding balance includes principal loan balances of $500,000 (INR 34,577,500), the principal loan balance accrues interest of 5.57% per annum and is payable upon repayment of loan. This note matures on February 13, 2024. Accumulated interest income on the loan was $3,586 (INR 247,990) for the year ended March 31, 2019.	**503,586**	**34,825,490**	-	-

NOTES RECEIVABLE FROM AFFILIATED COMPANIES

	2019 USD	2019 INR	2018 USD	2018 INR
Fixstream Networks Inc.				
Note receivable from FixStream Networks, Inc. The note is unsecured. The outstanding balance includes principal loan balances of $500,000 (INR 34,577,500), the principal loan balance accrues interest of 5.12% per annum and is payable upon repayment of loan. This note matures on March 26, 2024. Accumulated interest income on the loan was $421 (INR 29,114) for the year ended March 31, 2019.	**500,421**	**34,606,614**	-	-
CJS Solution Group LLC				
Note receivable from CJS Solutions Group LLC. The note is unsecured. The outstanding balance includes principal loan balances of $5,000,000 (INR 345,775,000), the principal loan balance accrues interest of 2.75% per annum and is payable upon repayment of loan. This note was repaid on July 23, 2018. Accumulated interest income on the loan was $64,282 (INR 4,445,422) and $25,240 (INR 1,745,472) for the years ended March 31, 2019 and 2018, respectively.	**-**	**-**	5,025,240	347,520,472
CJS Solution Group LLC				
Note receivable from CJS Solutions Group LLC. The note is unsecured. The outstanding balance includes principal loan balances of $5,000,000 (INR 345,775,000), the principal loan balance accrues interest of LIBOR plus 2.94% per annum and is payable upon repayment of loan. This note was repaid on August 15, 2018. Accumulated interest income on the loan was $70,479 (INR 4,873,975) and $15,303 (INR 1,058,279) for the years ended March 31, 2019 and 2018, respectively.	**-**	**-**	5,015,303	346,833,279
Subtotal:	**23,259,610**	**1,608,518,330**	36,432,173	2,519,466,923
Less: current portion	**(12,500,000)**	**(864,437,500)**	(14,500,000)	(1,002,747,500)
Less: interest portion	**(1,259,610)**	**(87,108,330)**	(1,432,173)	(99,041,923)
Non-current portion	**9,500,000**	**656,972,500**	20,500,000	1,417,677,500

All transactions with related parties are priced on an arm's length basis.

12. SHORT TERM BORROWINGS

	2019 USD	2019 INR	2018 USD	2018 INR
			(Restated)	
Credit Facility			-	-

In January 2015, the Company entered into a credit facility agreement with a financial institution. The credit facility consists of 1) $12 million (INR 830 million) Documentary Letters of Credit; 2) $10 million (INR 692 million) Overdraft; 3) $10 million (INR 692 million) Revolving Credit Facility; 4) $1.5 million (INR 104 million) Business Card. The maximum borrowing of the credit facility is $33.5 million (INR 2,317 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 balance outstanding at March 31, 2019 and 2018 was $0 (INR 0).

Credit Facility			-	-

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 2,766) with variable interest rate at LIBOR plus 1.1%. The balance outstanding at March 31, 2019 and 2018 was $0 (INR 0).

Short term borrowings covenants and compliance

As of March 31, 2019 and 2018, the balance due on both facilities is $0 (INR 0), covenants in place are only applicable so long as the facilities remain unpaid.

13. NOTE PAYABLE

	2019 USD	2019 INR	2018 USD	2018 INR
At March 31, 2019 and 2018, note payable consists of the following:			(Restated)	
Note payable	**75,000,000**	**5,186,625,000**	75,000,000	5,186,625,000
Subtotal:	**75,000,000**	**5,186,625,000**	75,000,000	5,186,625,000
Less: current portion	**(75,000,000)**	**(5,186,625,000)**	(75,000,000)	(5,186,625,000)
Non-current portion	**-**	**-**	-	-

Note payable to a financial institution dated April 20, 2018. The note is unsecured. The outstanding balance includes loan balance of $75,000,000 (INR 5,186,625,000), the principal balance accrues interest of LIBOR plus 0.65% per annum. This note matured on April 17, 2019 and was settled in full. Interest on the note was $2,186,406 (INR 151,200,907) and $1,678,668 (INR 116,088,286) for the years ended March 31, 2019 and 2018, respectively. Accrued interest due at years ended March 31, 2019 and 2018, was $70,000 (INR 4,840,850) and $345,000 (INR 23,858,475), respectively.

Short term borrowings covenants and compliance

As of March 31, 2019, the Company was in compliance with the covenants and other provisions of the short term borrowing.

14. COMMON STOCK

Ordinary shares of $1 each	2019 USD	2019 INR	2018 USD	2018 INR
			(Restated)	
Issued and fully paid - 170,521,745 shares	**170,521,745**	**11,792,431,275**	170,521,745	11,792,431,275

The Company is authorized to issue 220,000,000 shares of common stock, par value $1 (INR 69.155) per share, of which 170,521,745 shares were issued and outstanding on March 31, 2019 and 2018.

On July 27, 2017, the Board of Directors proposed and approved the declaration and payment of dividend to the sole shareholder, Tech Mahindra Limited. The dividend was paid at the rate of $0.25 (INR 17.29) per share, the outstanding number of shares was 170,521,745 and the total amount of dividend paid pursuant to this resolution is $42,630,436 (INR 2,948,107,802).

15. 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 2014 and have not received any update. The Company is not responsible for any assessment by the authorities as TechM is the Plan Administrator and fully responsible for the Plan's compliance.

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.

On February 4, 2016 the Board of Directors approved the transfer of sponsorship of the Plan and the transfer all of its rights, title and interest in, under and to the related insurance, administrative and annuity contracts from TechM to the Company.

16. COMMITMENT AND CONTINGENCIES

Leases

TMA leases office space under operating leases. Rent expenses under these operating leases were $3,837,850 (INR 265,406,517) and $3,392,065 (INR 234,578,255)for the years ended March 31, 2019 and 2018, respectively.

Future minimum lease payments for leases for each of the next five years and thereafter at March 31, 2019 are as follows:

Years ended March 31,	USD	INR
2020	3,731,306	258,038,466
2021	3,029,430	209,500,232
2022	2,020,548	139,730,997
2023	949,990	65,696,558
2024	464,909	32,150,782
Thereafter	896,786	62,017,236
Lease obligations	11,092,969	767,134,271

Legal claims, proceedings and litigation

The Company is involved from time to time in claims, proceedings, and litigation. The outcome of legal proceedings and other contingencies are inherently unpredictable, subject to significant uncertainties. Based on current known facts and circumstances, the Company currently believe that any liabilities ultimately resulting from these ordinary course claims and proceedings will not individually or in aggregate, have a material adverse effect on the Company's financial position, results of operations or cash flows.

17. MERGER WITH COMPANIES RELATED BY COMMON CONTROL AND ACQUISTIONS

Sofgen Americas Inc.

On March 27, 2018, the shareholders of TechM and its Board of Directors approved a merger of the Company and Sofgen Americas Inc. (Sofgen). Effective date of the merger is May 31, 2018.

The merger of Sofgen with and into TMA has been duly authorized in compliance with the provisions of the laws of the New Jersey Business Corporation Act. TMA continues to exist as a corporation under its present name pursuant to the provisions of the New Jersey Business Corporation Act.

The following table summarizes the fair market values of the assets acquired on May 31, 2018, 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 stepped up basis for the assets acquired.

	Net Value Acquired USD	Net Value Acquired INR
Assets		
Cash	185,937	12,858,473
Net accounts receivable	5,937,118	410,581,395
Other current assets	1,600	110,648
Other assets	196,039	13,557,077
Total assets	**6,320,694**	**437,107,593**
Liabilities		
Accounts payable	(6,169,385)	(426,643,820)
Accrued expenses	(463,727)	(32,069,041)
Deferred revenue	(139,902)	(9,674,923)
Total liabilities	(6,773,014)	(468,387,784)
Net value acquired	**(452,320)**	**(31,280,191)**

Tech Mahindra IPR Inc.

On August 1, 2018, the Board of Directors of Tech Mahindra IPR Inc.(IPR) approved the merger with TMA. Effective date of the merger is September 1st, 2018.

The merger of IPR with and into TMA has been duly authorized in compliance with the provisions of the laws of the Delaware General Corporation Law. TMA continues to exist as a corporation under its present name pursuant to the provisions of the Delaware General Corporation laws.

The following table summarizes the fair market values of the assets acquired on September 1, 2018, 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 stepped up basis for the assets acquired.

	Net Value Acquired USD	Net Value Acquired INR
Assets		
Cash	100,712	6,964,738
Other assets	1,478,934	102,275,681
	1,579,646	**109,240,419**
Liabilities		
Accounts payable	(6,083,300)	(420,690,612)
Net value acquired	**(4,503,654)**	**(311,450,193)**

Nuovo Solutions, LLC

Tech Mahindra (Americas) Inc. effective date October 31, 2018 acquired identified assets and liabilities from Nuovo Solutions, LLC.

Goodwill of $ 65,596 (INR 4,536,291)arising from the acquisition consisted largely of synergies and the cost savings resulting from the combining of the operations of the companies.

The fair values of the identifiable assets and liabilities of Nuovo Solutions, LLC as at October 31, 2018 the date of acquisition were:

	Fair value recognized on acquisition USD	Fair value recognized on acquisition INR
Assets		
Property and equipment	20,070	1,387,941
Net accounts receivable	3,100,985	214,448,618
Intangible asset	3,564,334	246,491,518
	6,685,389	**462,328,077**
Liabilities		
Contingent liabilities	246,358	17,036,887
Deferred consideration	1,504,627	104,052,480
Total identifiable net assets at fair value	**4,934,404**	**341,238,710**
Goodwill arising on acquisition	65,596	4,536,291
Purchase consideration transferred	**5,000,000**	**345,775,001**

18. FINANCIAL INSTRUMENTS

Call / Put Options

On May 4, 2017, TMA acquired 84.7% holding in Tech Mahindra Healthcare Systems Holdings, LLC (“Holdco”), a Delaware Limited Liability Company. An individual, resident of the State of Florida (“minority shareholder”), holds the 15.3 % minority interest in Holdco.

TMA signed on March 1, 2019, an amended agreement with an effective date of December 31, 2018, resulting in a changed in vesting and exercise date starting from April 30, 2019. The amended agreement stated that the call option to purchase the remaining 15.3% of shares from the minority shareholder over a period of 3 years – December 2019, 2020 and 2021 at values which will be derived based on EBITDA and revenue achievement. The minority shareholder has a put option on the remaining 15.3% of shares over a period of 3 years – December 2019, 2020 and 2021 at values which will be derived based on EBITDA and revenue achievement. The estimated fair value of the put and call options is $6.7 million (INR 463.3 million). As at March 31, 2019 the first option was exercised, resulting in a change in hold of 4.07%, TMA’s newly acquired shares subsequent to exercising option was 88.77%.

The potential cash payments related to put and call options issued as per the share purchase agreement over the equity of Holdco are accounted for as financial liabilities.

The below table summarizes the conditions for the call and put options:

Inputs	**First Investment exercised on March 20, 2019**	**Second Investment**	**Third Investment**
No of shares	**425,621**	425,621	744,837
Vesting Dates	**January 1,2019**	January 1,2020	January 1,2021
Exercise Dates	**April 30, 2019**	April 30, 2020	April 30, 2021

Liability	Fair value at March 31, 2019 USD	Valuation Technique	Unobservable Inputs	Range of Inputs
Financial Instrument total	**6,728,150**	Monte Carlo Simulation	Market price of Risk attributable to EBITDA and volatility	15.3% and 35.0%
Less: current portion	**(5,351,104)**			
Long-term portion	**1,377,046**			

Liability	Fair value at March 31, 2019 INR	Valuation Technique	Unobservable Inputs	Range of Inputs
Financial Instrument total	**465,285,213**	Monte Carlo Simulation	Market price of Risk attributable to EBITDA and volatility	15.3% and 35.0%
Less: current portion	**(370,055,597)**			
Long-term portion	**95,229,616**			

Interest rate swap - designated as a hedge

Derivative financial instruments are used by the Company principally in the management of its interest rate exposures. The Company does not hold or issue derivative financial instruments for trading purposes. For derivative instruments that are designated and qualify as cash flow hedges, the gain or loss on the effective portion of the derivative is reported as a component of Accumulated Other Comprehensive Income ("AOCI") and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings.

Interest Rate Swaps. The Company uses interest rate swaps to manage its interest rate risk. The swaps are designated as cash flow hedges with the changes in fair value recorded in AOCI and as a derivative asset or liability, as applicable. The swaps settle periodically in arrears with the related amounts for the current settlement period payable to, or receivable from, the counter-parties included in accrued liabilities or receivables, respectively, and recognized in earnings as an adjustment to Interest Expense from the underlying debt to which the swap is designated. As of March 31, 2019 and 2018, the Company had a series of U.S. dollar denominated interest rate swaps outstanding with effectively fixing the interest on variable rate debt, exclusive of lender spreads, at 3-month LIBOR on a floating leg for a notional principal amount of $12 million (INR 830 million) with a fixed rate of 2.12250 % and $20 million (INR 1,383 million) with a fixed rate of 2.63600 % through December 2020. The derivative net loss estimated to be reclassified from AOCI into earnings over the next 24 months is $19,366 (INR 1,339,256). The Company's interest rate swap derivative financial instruments at March 31, 2019 and 2018 are as follows:

	March 31, 2019 USD		March 31, 2018 (Restated) USD	
	Notional Amount	**Remaining Years**	Notional Amount	Remaining Years
Interest rate swap	**12,000,000**	**1.75**	12,000,000	2
Interest rate swap	**20,000,000**	**1.75**	20,000,000	2

	March 31, 2019 INR		March 31, 2018 (Restated) INR	
	Notional Amount	**Remaining Years**	Notional Amount	Remaining Years
Interest rate swap	**829,860,000**	**1.75**	829,860,000	2
Interest rate swap	**1,383,100,000**	**1.75**	1,383,100,000	2

The fair values of derivative instruments as of March 31, 2019 and 2018 are as follows.

	March 31,		March 31, (Restated)	
	2019 Fair value	**2019 Fair value**	2018 Fair value	2018 Fair value
	USD	**INR**	USD	INR
Derivative Assets	60,570	4,188,718	156,643	10,832,647
Derivative Liabilities	**(74,329)**	**(5,140,222)**	(10,580)	(731,660)
	(13,759)	**(951,504)**	146,063	10,100,987

The impact of the effective portions of designated hedges and the gain (loss) recognized in the Statement of Other Comprehensive Income for the years ended March 31, 2019 and 2018, was $165,429 (INR 11,440,242) and $146,063 (INR 10,100,987), respectively.

	Effective Portion		
For the year ended	**Gain (Loss)**	**Reclassified to Earnings**	
March 31, 2019 USD	**in OCI**	**Line Item**	**Gain (Loss)**
Interest rate swaps	(165,429)	Interest expense	-
Total	**(165,429)**		**-**

March 31, 2019 INR	**in OCI**	**Line Item**	**Gain (Loss)**
Interest rate swaps	(11,440,242)	Interest expense	-
Total	**(11,440,242)**		**-**

	Effective Portion		
For the year ended	**Gain (Loss)**	**Reclassified to Earnings**	
March 31, 2018, restated USD	**in OCI**	**Line Item**	**Gain (Loss)**
Interest rate swaps	146,063	Interest expense	-
Total	146,063		**-**

March 31, 2018, restated INR	**in OCI**	**Line Item**	**Gain (Loss)**
Interest rate swaps	**10,100,987**	Interest expense	-
Total	**10,100,987**		-

The unrealized gain/ (loss) on derivative contracts in accumulated other comprehensive income expected to be recognized during the year ended March 31, 2019 and 2018 is $165,429 (INR 11,440,242) and $146,063 (INR 10,100,987), respectively.

19. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through May 13, 2019, the date the financial statements were available to be issued.

On April 24, 2019, notice for the approval of an acquisition was obtained between a third party investor and Altiostar and entity currently accounted for as an associate in the Company. The result of the new acquisition in Altiostar has diluted the investment hold of the Company from 23,5% to 10,2%.

Except as discussed above, no significant events occurred subsequent to the balance sheet date but prior to May 13, 2019, that would have a material impact on the financial statements.

SUPPLEMENTAL SCHEDULES OF REVENUES AND EXPENSES YEARS ENDED MARCH 31,

	2019 $	2019 INR	2018 $	2018 INR
Schedule I			(Restated)	
REVENUE				
Contract revenue	**164,077,173**	**11,346,756,899**	131,939,019	9,124,242,859
Transfers to parent and affiliated companies	**(164,077,173)**	**(11,346,756,899)**	(131,939,019)	(9,124,242,859)
	-	**-**	-	-
Revenue from parent and affiliated companies	**959,597,739**	**66,360,981,641**	899,406,745	62,198,473,450
Revenue from third parties	**-**	**-**	5,928,439	409,981,200
	959,597,739	**66,360,981,641**	905,335,184	62,608,454,650
Schedule II				
PERSONNEL EXPENSES				
Payroll expenses	**481,885,548**	**33,324,795,072**	479,945,395	33,190,623,791
Employee benefits	**50,241,331**	**3,474,439,245**	47,300,779	3,271,085,372
Payroll Taxes	**37,853,763**	**2,617,776,981**	38,444,349	2,658,618,955
	569,980,642	**39,417,011,298**	565,690,523	39,120,328,118
Schedule III				
GENERAL AND ADMINISTRATIVE				
Contracted services	**218,836,616**	**15,133,646,179**	181,310,306	12,538,514,211
Travel	**34,806,251**	**2,407,026,288**	36,847,273	2,548,173,164
Project specific expenses	**23,003,258**	**1,590,790,307**	25,660,440	1,774,547,728
Professional fees	**13,258,766**	**916,909,963**	10,031,239	693,710,333
Communications	**6,910,153**	**477,871,631**	5,841,875	403,994,866
Rent	**3,824,650**	**264,493,671**	3,393,896	234,704,878
Office expenses	**3,699,642**	**255,848,743**	2,769,285	191,509,904
Employee cost	**2,839,506**	**196,366,037**	2,577,160	178,223,500
Sales and marketing	**2,806,953**	**194,114,835**	2,122,479	146,780,035
Bad debt expense / (recovery)	**1,193,711**	**82,551,084**	7,554,081	522,402,472
Entertainment	**1,234,746**	**85,388,860**	1,013,037	70,056,574
Miscellaneous	**994,862**	**68,799,681**	838,652	57,996,979
Insurance	**654,729**	**45,277,784**	811,506	56,119,697
Sales and other indirect taxes (refund) / expense	**(2,931,025)**	**(202,695,034)**	2,202,314	152,301,025
	311,132,818	**21,516,390,029**	282,973,543	19,569,035,366

TECH TALENTA INC

Board of Directors
Mr. Manish M Vyas
Mr. Guru Prasad R Iyengar

Registered Office
4965, Preston Park Boulevard,
Suite 500, Plano (Texas) 75093
United States of America

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, 2019.

Financial Results:

For the year ended March 31	**2019 USD**	**2019 INR**	2018 USD	2018 INR
Income	**25,444,819**	**1,759,636,458**	37,181,758	2,571,304,474
Profit/(Loss) before tax	**1,711,115**	**118,332,157**	1,546,119	106,921,860
Profit/(Loss)after tax	**1,277,639**	**88,355,124**	988,343	68,348,861

Review of operations:

During the fiscal year under review the Company achieved an income of US$ 25.44 mn (equivalent to INR 176 Crores). The Company is engaged in the business of recruitment, fulfilment and on-going management of local temporary contractor resources in the areas of IT Development, Product Engineering and IT Systems Support Operations. Tech Talenta Inc is a wholly owned subsidiary of Tech Mahindra (Americas) Inc.

Board:

Mr. Manish M Vyas and Mr. Guru Prasad R Iyengar 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.

Manish M Vyas
Director

Place: Texas
Date: May 17, 2019

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Tech Talenta Inc.
a Texas Corporation,
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 Delaware Corporation, a wholly owned subsidiary of Tech Mahindra (Americas), Inc. which comprise the balance sheets as of March 31, 2019 and 2018, and the related statements of operations, 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.

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 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, 2019 and 2018, 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 6 and 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 page 12 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
May 13, 2019

BALANCE SHEETS

	Notes	**2019**	2018
		$	$
Current assets			
Cash		**422,030**	633,667
Accounts receivable, net	3	**2,162,883**	2,393,058
Employee advances		**20,205**	3,481
Prepaid income tax		**-**	59,037
Due from parent company	6	**2,049,913**	1,868,215
Due from affiliated companies	7	**718,210**	22,954
		5,373,241	4,980,412
Non-current assets			
Property and equipment, net	4	**899**	2,247
Deferred tax asset	5	**51,734**	29,173
Total Assets		**5,425,874**	5,011,832
Current liabilities			
Accrued expenses		**1,092,548**	1,032,646
Accounts payable		**205,429**	5,765
Due to parent company	6	**29,603**	712,623
Due to affiliate companies	7	**35,918**	566,057
Income tax payable		**89,996**	-
Total liabilities		**1,453,494**	2,317,091
Stockholder's Equity			
Common stock - $1 par value, 500,000 shares authorized, issued and outstanding	8	**500,000**	500,000
Retained earnings		**3,472,380**	2,194,741
Equity attributable to stockholder's of the Company		**3,972,380**	2,694,741
Total Liabilities and Stockholder's Equity		**5,425,874**	5,011,832

STATEMENTS OF OPERATIONS YEARS ENDED MARCH 31,

	Schedules	2019 $	2018 $
Revenue	I	**25,444,819**	37,181,758
Operating expenses			
Depreciation		**1,349**	1,349
Personnel	II	**20,309,836**	33,246,203
General and administrative	III	**3,441,591**	2,388,332
		23,752,776	35,635,884
Operating income		**1,692,043**	1,545,874
Non-operating income/(expenses):			
Other income		**19,342**	-
Foreign currency exchange (loss) gain		**(270)**	245
Income before income tax expense		**1,711,115**	1,546,119
Income tax expense	Note 5	**433,476**	557,776
Net Income		**1,277,639**	988,343
Retained earnings, beginning of period		**2,194,741**	1,206,398
Retained earnings, end of period		**3,472,380**	2,194,741

All revenue and profit for the year is generated from continuing operations

STATEMENTS OF CASH FLOWS YEARS ENDED MARCH 31,

	2019 $	2018 $
Cash flows from operating activities		
Net income	**1,277,639**	988,343
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation	**1,349**	1,349
Deferred income tax (benefit) expense	**(22,561)**	12,924
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable, net	**230,175**	266,825
Increase in employee advances	**(16,724)**	(1,372)
(Increase) decrease in prepaid income tax	**59,037**	14,280
Increase in due from parent company	**(181,698)**	(1,399,529)
Decrease in due from affiliate companies	**(695,256)**	141,878
Decrease in security deposits	**-**	3,752
Increase (decrease) in accounts payable	**199,663**	(2,967)
Increase (decrease) in accrued expenses	**59,902**	(357,773)
Decrease in due to parent company	**(683,020)**	(390,368)
(Decrease) increase in due to affiliated companies	**(530,139)**	15,291
Income tax payable	**89,996**	712,623
Net cash (used in) provided by operating activities	**(211,637)**	5,256
(Decrease) increase in cash and cash equivalents	**(211,637)**	5,256
Cash and cash equivalents at beginning of year	**633,667**	628,411
Cash and cash equivalents at end of year	**422,030**	633,667
Supplemental disclosure of cash flow information:		
Cash paid for income taxes	**309,214**	529,450

NOTES TO THE FINANCIAL STATEMENTS

1. NATURE OF OPERATIONS

Tech Talenta Inc. (the “Company” or “TechT”) is a wholly owned subsidiary of Tech Mahindra (Americas), Inc. (“TMA”). The Company was incorporated in the State of Texas on March 6, 2012. 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, IT Systems Support and Operations for clients across North America.

On February 9, 2016, the Company registered a branch office in the United Kingdom.

On May 7, 2014, the Company registered a branch office in Canada.

The Canadian had no activity and the United Kingdom branches had insignificant activity since inception and for the periods ended March 31, 2019 and 2018. During the period ended December 31, 2017 the shareholders of the Company and its Board of Directors passed a resolution to dissolve the Canadian Branch, with effective date March 20, 2018.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation of the financial statements

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.

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.

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For the purposes of the statements of cash flows, the Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalent.

The Company places its cash 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, 2019 and 2018, the Company had a balance with the financial institution that exceeded the Federal insured limit by $172,030 and $383,667, respectively.

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.

Revenue Recognition

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

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Revenue Recognition (Continued)

Revenue is derived from services that are provided under 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 time and material contracts not billed as of the period end where services are performed in accordance with agreed terms.

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.

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Property and equipment are recorded at cost. Depreciation is provided using the straight-line method over the three years estimated useful lives of the assets.

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.

Related parties

Related parties are considered to be related if one party has the ability to control or jointly control the other party or exercise significant influence over the party in making financial and operational decisions. Key management personnel are also regarded as related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise).

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. To increase the comparability of fair value measures, the following hierarchy prioritizes the inputs to valuation methodologies used to measure fair value:

Level 1—Valuations based on quoted prices for identical assets and liabilities in active markets.

Level 2—Valuations based on observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

Level 3—Valuations based on unobservable inputs reflecting our own assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment.

3. ACCOUNTS RECEIVABLE, NET

	2019 $	2018 $
The following table summarizes, our accounts receivable and other, that approximate fair value due to the immediate to short-term maturity of these financial instruments.		
Amounts due for services rendered, billed	**1,554,410**	1,947,651
Less: allowance for doubtful accounts	**(32,056)**	(22,918)
	1,522,354	1,924,733
Amounts due for services rendered, not billed	**640,529**	468,324
	2,162,883	2,393,058

a) Trade receivables: credit risk

The entity's exposure to the credit risk inherent in its trade receivables and the associated risk management techniques that the entity deploys in order to mitigate this risk are discussed in c) below. The credit periods offered to customers vary according to the credit risk profiles of, and the invoicing conventions established in, the entity's markets. The contractual terms on invoices issued to customers vary and are payable immediately or within 10 to 60 days. The allowance for bad and doubtful receivables is calculated based on prior experience reflecting the level of uncollected receivables over the last year within each business.

On this basis, the billed aging analysis of trade receivables, is as follows:

	Less than 30 days $	Between 30 to 60 days $	More than 60 days $	Total $
The carrying amounts reported as at March 31, 2019	1,226,504	216,913	110,993	1,554,410
The carrying amounts reported as at March 31, 2018	1,687,107	148,006	112,538	1,947,651

b) Movement in the allowance account for bad and doubtful receivables

Bad debt movement was $9,138 from the year ended March 31, 2019.

c) Revenue and accounts receivable concentrations

The Company provides services to customers in diversified customer base and geographic regions and, therefore, has low concentrations of credit risk. The Company continuously evaluates the creditworthiness of its customers and generally does not require collateral.

Revenue and Accounts receivable concentration:	March 31,			
Billed accounts receivable	**2019**		2018	
	Amount	**Concentration**	Amount	Concentration
Customer 1	**338,578**	**22%**	292,605	15%
Customer 2	**334,152**	**22%**	92,127	5%
Customer 3	**243,735**	**16%**	154,821	8%

	March 31,			
Revenue	**2019**		2018	
	Amount	**Concentration**	Amount	Concentration
Customer 4	**1,926,346**	**20%**	3,796,322	31%
Customer 2	**1,515,383**	**16%**	1,517,026	13%
Customer 1	**1,113,296**	**8%**	1,101,085	9%

4. PROPERTY AND EQUIPMENT, NET

	2019 $	2018 $
Property and equipment are summarized as follows at March 31, 2019 and 2018:		
Furniture and fixtures	**88,701**	88,701
Office equipment	**9,849**	9,849
Computers	**25,817**	25,817
Software	**6,693**	6,692
Less: accumulated depreciation	**(130,161)**	(128,812)
	899	2,247

	2019 $	2018 $
Depreciation expense was $1,349 and $1,349 for the years ended March 31, 2019 and 2018, respectively.		
Reconciliation of carrying value		
Carrying value at the beginning of the year	**2,247**	3,595
Additions	**-**	-
Depreciation	**(1,349)**	(1,349)
Carrying value at the end of the year	**899**	2,247

5. INCOME TAXES

	2019 $	2018 $

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

The components of the provisions for the income taxes for the years ended March 31, 2019 and 2018 are as follows:

	2019	2018
Current		
Federal	**361,684**	459,546
State	**92,649**	85,306
	454,333	544,852
Deferred		
Federal	**(22,561)**	12,387
State	**1,704**	537
	(20,857)	12,924
Total current and deferred income tax expense	**433,476**	557,776
Deferred tax asset consists of the following:		
Federal	**40,653**	22,826
State	**11,081**	6,347
Total deferred tax asset	**51,734**	29,173

As of March 31, 2019 and 2018, the Company had no federal or state net operating losses (NOLs) available to be carried forward.

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.

6. TRANSACTIONS WITH PARENT COMPANY

	2019 $	2018 $

In the years ended March 31, 2019 and 2018, TechT had inter-company transactions with Tech Mahindra (Americas), Inc. the parent company. Transactions with parent company are summarized below:

	2019	2018
Beginning balance, due from (to) parent company	**1,155,592**	78,318
Revenue from parent company	**13,239,849**	24,601,076
Expense reimbursement - debit/ credit notes	**(551,835)**	(917,698)
Payments to parent company	**2,848,422**	612,786
Collections from parent company	**(14,671,718)**	(23,218,890)
Ending balance, due from parent company	**2,020,310**	1,155,592

Due (to) from parent consists of:

	2019	2018
Amounts due to parent company	**(29,603)**	(712,623)
Amounts due from parent company	**2,049,913**	1,868,215
	2,020,310	1,155,592

All transactions with the related parties are priced on an arm's length basis.

7. TRANSACTIONS WITH AFFILIATED COMPANIES

	2019	2018
	$	$
In the years ended March 31, 2019 and 2018, TechT had inter-company transactions with Tech Mahindra Limited ("TechM"), an affiliated company. Transactions with TechM are summarized below:		
Beginning balance, due (to) from TechM	**22,954**	37,401
Revenue from TechM	**2,541,974**	482,608
Expense reimbursement - debit/ credit notes	**(37,387)**	(148,610)
Payments to affiliated company	**8,477**	158,159
Collections from affiliated company	**(1,850,074)**	(506,604)
Ending balance, due (to) from TechM	**685,944**	22,954
In the years ended March 31, 2019 and 2018, TechT had inter-company transactions with Mahindra Technologies Services, Inc. ("MTSI"), an affiliated company. Transactions with MTSI are summarized below:		
Beginning balance, due (to) from MTSI	**(566,057)**	(423,334)
Cost of services from MTSI	**.**	(30,869)
Expense reimbursement - debit/ credit notes	**(18,464)**	134,953
Payments to affiliated company	**580,868**	(246,807)
Collections from affiliated company		
Ending balance, due (to) from MTSI	**(3,653)**	(566,057)
Due (to) from affiliated companies consists of:		
Amounts due to affiliated companies	**(35,918)**	(566,057)
Amounts due from affiliated companies	**718,210**	22,954
	682,292	(543,103)

All transactions with related parties are priced on an arm's length basis.

8. COMMON STOCK

	Number	**2019**	2018
Ordinary shares of $1 each		**$**	$
Issued and fully paid	500,000	**500,000**	500,000

The Company is authorized to issue 500,000 shares of common stock at a par value of $1 per share, of which 500,000 shares were issued and outstanding at March 31, 2019 and 2018. No dividends were issued during the years ended March 31, 2019 and 2018.

9. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through May 13, 2019, the date the financial statements were available to be issued. No significant events occurred subsequent to the balance sheet date but prior to May 13, 2019, that would have a material impact on the financial statements.

SUPPLEMENTAL SCHEDULES

SUPPLEMENTAL SCHEDULES OF REVENUE AND EXPENSES YEARS ENDED MARCH 31,

	2019 $	2018 $
Schedule I		
REVENUE		
Revenue from parent company	**13,239,849**	24,601,076
Revenue from affiliated company	**2,541,974**	482,608
Revenue from third parties	**9,662,996**	12,098,074
	25,444,819	37,181,758
Schedule II		
PERSONNEL EXPENSES		
Personnel cost		
Software engineers	**18,806,624**	30,789,345
Payroll tax	**1,503,212**	2,456,858
	20,309,836	33,246,203
Schedule III		
GENERAL AND ADMINISTRATIVE		
Contracted services	**2,939,056**	1,813,846
Travel	**276,671**	243,774
Sales and marketing	**80,257**	167,258
Professional fees	**74,948**	79,879
Other taxes	**55,505**	50,478
Bad debts	**9,138**	22,918
Miscellaneous expense	**3,179**	1,468
Provision for doubtful salary advance	**2,412**	2,653
Communication	**425**	1,620
Office expense	**-**	4,438
	3,441,591	2,388,332

SUPPLEMENTAL INFORMATION

SUPPLEMENTAL BALANCE SHEETS

	Notes	2019		2018	
		$	**INR**	$	INR
Current assets					
Cash		**422,030**	**29,185,485**	633,667	43,821,241
Accounts receivable, net	3	**2,162,883**	**149,574,174**	2,393,058	165,491,926
Employee advances		**20,205**	**1,397,277**	3,481	240,729
Prepaid income tax		**-**	**-**	59,037	4,082,704
Due from parent company	6	**2,049,913**	**141,761,734**	1,868,215	129,196,408
Due from affiliated company	7	**718,210**	**49,667,813**	22,954	1,587,384
		5,373,241	**371,586,483**	4,980,412	344,420,392
Non-current assets					
Property and equipment, net	4	**899**	**62,170**	2,247	155,391
Deferred tax asset	5	**51,734**	**3,577,665**	29,173	2,017,459
Total Assets		**5,425,874**	**375,226,318**	5,011,832	346,593,242
Current liabilities					
Accrued expenses		**1,092,548**	**75,555,160**	1,032,646	71,412,633
Accounts payable		**205,429**	**14,206,442**	5,765	398,679
Due to parent company	6	**29,603**	**2,047,195**	712,623	49,281,444
Due to affiliate companies	7	**35,918**	**2,483,909**	566,057	39,145,672
Income tax payable		**89,996**	**6,223,673**	-	-
Total liabilities		**1,453,494**	**100,516,379**	2,317,091	160,238,428
Stockholder's Equity					
Common stock - $1 par value, 500,000 shares authorized, issued and outstanding	8	**500,000**	**34,577,500**	500,000	34,577,500
Retained earnings		**3,472,380**	**240,132,439**	2,194,741	151,777,314
Equity attributable to stockholder's of the Company		**3,972,380**	**274,709,939**	2,694,741	186,354,814
Total Liabilities and Stockholder's Equity		**5,425,874**	**375,226,318**	5,011,832	346,593,242

SUPPLEMENTAL STATEMENTS OF OPERATIONS YEARS ENDED MARCH 31,

		2019		2018	
	Schedules	$	INR	$	INR
Revenue	I	**25,444,819**	**1,759,636,458**	37,181,758	2,571,304,474
Operating expenses					
Depreciation		**1,349**	**93,290**	1,349	93,290
Personnel	II	**20,309,836**	**1,404,526,709**	33,246,203	2,299,141,168
General and administrative	III	**3,441,591**	**238,003,226**	2,388,332	165,165,099
		23,752,776	**1,642,623,225**	35,635,884	2,464,399,557
Operating income		**1,692,043**	**117,013,233**	1,545,874	106,904,917
Non-operating income/(expenses):					
Other income		**19,342**	**1,337,596**	-	-
Foreign currency exchange (loss) gain		**(270)**	**(18,672)**	245	16,943
Income before income tax expense		**1,711,115**	**118,332,157**	1,546,119	106,921,860
Income tax expense	Note 5	**433,476**	**29,977,033**	557,776	38,572,999
Net Income		**1,277,639**	**88,355,124**	988,343	68,348,861
Retained earnings, beginning of period		**2,194,741**	**151,777,314**	1,206,398	83,428,454
Retained earnings, end of period		**3,472,380**	**240,132,439**	2,194,741	151,777,314

All revenue and profit for the year is generated from continuing operations

SUPPLEMENTAL STATEMENTS OF CASH FLOWS YEARS ENDED MARCH 31,

	2019		2018	
	$	**INR**	$	INR
Cash flows from operating activities				
Net income	**1,277,639**	**88,355,125**	988,343	68,348,860
Adjustments to reconcile net income to cash provided by operating activities:				
Depreciation	**1,349**	**93,290**	1,349	93,290
Deferred income tax (benefit) expense	**(22,561)**	**(1,560,206)**	12,924	893,759
Changes in operating assets and liabilities:				
(Increase) decrease in accounts receivable, net	**230,175**	**15,917,752**	266,825	18,452,283
Increase in employee advances	**(16,724)**	**(1,156,548)**	(1,372)	(94,881)
(Increase) decrease in prepaid income tax	**59,037**	**4,082,704**	14,280	987,533
Increase in due from parent company	**(181,698)**	**(12,565,325)**	(1,399,529)	(96,784,428)
Decrease in due from affiliate companies	**(695,256)**	**(48,080,429)**	141,878	9,811,573
Decrease in security deposits	**-**	**-**	3,752	259,470
Increase (decrease) in accounts payable	**199,663**	**13,807,695**	(2,967)	(205,183)
Increase (decrease) in accrued expenses	**59,902**	**4,142,523**	(357,773)	(24,741,792)
Decrease in due to parent company	**(683,020)**	**(47,234,248)**	(390,368)	(26,995,899)
(Decrease) increase in due to affiliated companies	**(530,139)**	**(36,661,763)**	15,291	1,057,449
Income tax payable	**89,996**	**6,223,673**	712,623	49,281,444
Net cash (used in) provided by operating activities	**(211,637)**	**(14,635,757)**	5,256	363,478
(Decrease) increase in cash and cash equivalents	**(211,637)**	**(14,635,756)**	5,256	363,479
Cash and cash equivalents at beginning of year	**633,667**	**43,821,241**	628,411	43,457,763
Cash and cash equivalents at end of year	**422,030**	**29,185,485**	633,667	43,821,241
Supplemental disclosure of cash flow information:				
Cash paid for income taxes	**309,214**	**21,383,694**	529,450	36,614,115

NOTES TO SUPPLEMENTAL FINANCIAL STATEMENTS

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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.

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The Company records valuation allowances against deferred tax assets as deemed necessary.

In terms of 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.

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Related parties are considered to be related if one party has the ability to control or jointly control the other party or exercise significant influence over the party in making financial and operational decisions. Key management personnel are also regarded as related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise).

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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. To increase the comparability of fair value measures, the following hierarchy prioritizes the inputs to valuation methodologies used to measure fair value:

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Level 3—Valuations based on unobservable inputs reflecting our own assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment.

3. ACCOUNTS RECEIVABLE, NET

	2019		2018	
	USD	**INR**	USD	INR
The following table summarizes, our accounts receivable and other, that approximate fair value due to the immediate to short-term maturity of these financial instruments.				
Amounts due for services rendered, billed	**1,554,410**	**107,495,224**	1,947,651	134,689,805
Less: allowance for doubtful accounts	**(32,056)**	**(2,216,833)**	(22,918)	(1,584,894)
	1,522,354	**105,278,391**	1,924,733	133,104,911
Amounts due for services rendered, not billed	**640,529**	**44,295,783**	468,324	32,386,946
	2,162,883	**149,574,174**	2,393,058	165,491,857

a) Trade receivables: credit risk

The entity’s exposure to the credit risk inherent in its trade receivables and the associated risk management techniques that the entity deploys in order to mitigate this risk are discussed in c) below. The credit periods offered to customers vary according to the credit risk profiles of, and the invoicing conventions established in, the entity’s markets. The contractual terms on invoices issued to customers vary and are payable immediately or within 10 to 60 days. The allowance for bad and doubtful receivables is calculated based on prior experience reflecting the level of uncollected receivables over the last year within each business.

On this basis, the billed aging analysis of trade receivables, is as follows:

	Less than 30 days	Between 30 to 60 days	More than 60 days	Total
The carrying amounts reported as at March 31, 2019 USD	1,226,504	216,913	110,993	1,554,410
The carrying amounts reported as at March 31, 2019 INR	84,818,884	15,000,619	7,675,721	107,495,224
The carrying amounts reported as at March 31, 2018 USD	1,687,107	148,006	112,538	1,947,651
The carrying amounts reported as at March 31, 2018 INR	116,671,885	10,235,355	7,782,565	134,689,805

b) Movement in the allowance account for bad and doubtful receivables

Bad debt movement was $9,138 (INR 631,938) from the year ended March 31, 2019.

c) Revenue and accounts receivable concentrations

The Company provides services to customers in diversified customer base and geographic regions and, therefore, has low concentrations of credit risk. The Company continuously evaluates the creditworthiness of its customers and generally does not require collateral.

Revenue and Accounts receivable concentration:	**March 31, 2019**			
Billed accounts receivable	**USD**		**INR**	
	Amount	**Concentration**	**Amount**	**Concentration**
Customer 1	**338,578**	**22%**	**23,414,362**	**22%**
Customer 2	**334,152**	**22%**	**23,108,282**	**22%**
Customer 3	**243,735**	**16%**	**16,855,494**	**16%**

	March 31, 2018			
	USD		INR	
	Amount	Concentration	Amount	Concentration
Customer 1	292,605	31%	20,235,099	31%
Customer 2	92,127	30%	6,371,043	30%
Customer 3	154,821	19%	10,706,646	19%

Revenue	**March 31, 2019**			
	USD		**INR**	
	Amount	**Concentration**	**Amount**	**Concentration**
Customer 4	**1,926,346**	**20%**	**133,216,458**	**20%**
Customer 2	**1,515,383**	**16%**	**104,796,311**	**16%**
Customer 1	**1,113,296**	**8%**	**76,989,985**	**9%**

	March 31, 2018			
	USD		INR	
	Amount	Concentration	Amount	Concentration
Customer 4	3,796,322	21%	262,534,648	21%
Customer 2	1,517,026	17%	104,909,933	17%
Customer 1	1,101,085	12%	76,145,533	9%

4. PROPERTY AND EQUIPMENT, NET

	2019 USD	**2019 INR**	2018 USD	2018 INR
Property and equipment are summarized as follows at March 31, 2019 and 2018:				
Furniture and fixtures	**88,701**	**6,134,118**	88,701	6,134,118
Office equipment	**9,849**	**681,108**	9,849	681,108
Computers	**25,817**	**1,785,375**	25,817	1,785,375
Software	**6,693**	**462,854**	6,692	462,785
Less: Accumulated depreciation	**(130,161)**	**(9,001,284)**	(128,812)	(8,907,994)
	899	**62,171**	2,247	155,391

Depreciation expense was $1,349 (INR 93,290) and $1,349 (INR 93,290) for the years ended March 31, 2019 and 2018, respectively.

Reconciliation of carrying value	2019 USD	2019 INR	2018 USD	2018 INR
Carrying value at the beginning of the year	**2,247**	**155,461**	3,595	248,680
Additions	**-**	**-**	-	-
Depreciation	**(1,349)**	**(93,290)**	(1,349)	(93,290)
Carrying value at the end of the year	**899**	**62,171**	2,247	155,391

5. INCOME TAXES

	2019 USD	2019 INR	2018 USD	2018 INR

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

The components of the provisions for the income taxes for the years ended March 31, 2019 and 2018 are as follows:

	2019 USD	2019 INR	2018 USD	2018 INR
Current				
Federal	**361,684**	**25,012,257**	459,546	31,779,904
State	**92,649**	**6,407,142**	85,306	5,899,336
	454,333	**31,419,399**	544,852	37,679,240
Deferred				
Federal	**(22,561)**	**(1,560,206)**	12,387	856,623
State	**1,704**	**117,840**	537	37,136
	(20,857)	**(1,442,366)**	12,924	893,759
Total current and deferred income tax expense	**433,476**	**29,977,033**	557,776	38,572,999
Deferred tax asset consists of the following:				
Federal	**40,653**	**2,811,358**	22,826	1,578,532
State	**11,081**	**766,307**	6,347	438,927
Total deferred tax asset	**51,734**	**3,577,665**	29,173	2,017,459

As of March 31, 2019 and 2018, the Company had no federal or state net operating losses (NOLs) available to be carried forward.

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.

6. TRANSACTIONS WITH PARENT COMPANY

	2019 USD	2019 INR	2018 USD	2018 INR

In the years ended March 31, 2019 and 2018, Tech T had inter-company transactions with Tech Mahindra (Americas), Inc. the parent company. Transactions with parent company are summarized below:

	2019 USD	2019 INR	2018 USD	2018 INR
Beginning balance, due from (to) parent company	**1,155,592**	**79,914,965**	78,318	5,416,081
Revenue from parent company	**13,239,849**	**915,601,758**	24,601,076	1,701,287,411
Expense reimbursement - debit/ credit notes	**(551,835)**	**(38,162,149)**	(917,698)	(63,463,405)
Payments to parent company	**2,848,422**	**196,982,623**	612,786	42,377,216
Collections from parent company	**(14,671,718)**	**(1,014,622,658)**	(23,218,890)	(1,605,702,339)
Ending balance, due from parent company	**2,020,310**	**139,714,539**	1,155,592	79,914,964
Due (to) from parent consists of:				
Amounts due to parent company	**(29,603)**	**(2,047,195)**	(712,623)	(49,281,444)
Amounts due from parent company	**2,049,913**	**141,761,734**	1,868,215	129,196,408
	2,020,310	**139,714,539**	1,155,592	79,914,964

All transactions with the related parties are priced on an arm's length basis.

7. TRANSACTIONS WITH AFFILIATED COMPANIES

	2019 USD	2019 INR	2018 USD	2018 INR
In the years ended March 31, 2019 and 2018, TechT had inter-company transactions with Tech Mahindra Limited ("TechM"), an affiliated company. Transactions with TechM are summarized below:				
Beginning balance, due (to) from TechM	**22,954**	**1,587,384**	37,401	2,586,466
Revenue from TechM	**2,541,974**	**175,790,212**	482,608	33,374,756
Expense reimbursement - debit/ credit notes	**(37,387)**	**(2,585,498)**	(148,610)	(10,277,125)
Payments to affiliated company	**8,477**	**586,227**	158,159	10,937,486
Collections from affiliated company	**(1,850,074)**	**(127,941,867)**	(506,604)	(35,034,200)
Ending balance, due (to) from TechM	**685,944**	**47,436,458**	22,954	1,587,383
In the years ended March 31, 2019 and 2018, TechT had inter-company transactions with Mahindra Technologies Services, Inc. ("MTSI"), an affiliated company. Transactions with MTSI are summarized below:				
Beginning balance, due (to) from MTSI	**(566,057)**	**(39,145,672)**	(423,334)	(29,275,663)
Cost of services from MTSI	**.**	**-**	(30,869)	-
Expense reimbursement - debit/ credit notes	**(18,464)**	**(1,276,878)**	134,953	9,332,675
Payments to affiliated company	**580,868**	**40,169,927**	(246,807)	(17,067,938)
Collections from affiliated company	**-**	**-**	-	-
Ending balance, due (to) from MTSI	**(3,653)**	**(252,623)**	(566,057)	(37,010,926)
Due (to) from affiliated companies consists of:				
Amounts due to affiliated companies	**(35,918)**	**(2,483,909)**	(566,057)	(39,145,672)
Amounts due from affiliated companies	**718,210**	**49,667,813**	22,954	1,587,384
	682,292	**47,183,904**	(543,103)	(37,558,288)

All transactions with related parties are priced on an arm's length basis.

8. COMMON STOCK

Ordinary shares of $1 each	Number	2019 USD	2019 INR	2018 USD	2018 INR
Issued and fully paid	500,000	**500,000**	**34,577,500**	500,000	34,577,500

The Company is authorized to issue 500,000 shares of common stock at a par value of $1 (INR 69,155) per share, of which 500,000 shares were issued and outstanding at March 31, 2019 and 2018. No dividends were issued during the years ended March 31, 2019 and 2018.

9. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through May 13, 2019, the date the financial statements were available to be issued. No significant events occurred subsequent to the balance sheet date but prior to May 13, 2019, that would have a material impact on the financial statements.

SUPPLEMENTAL SCHEDULES

SUPPLEMENTAL SCHEDULES OF REVENUE AND EXPENSES YEARS ENDED MARCH 31,

	2019		2018	
	$	**INR**	$	INR
Schedule I				
REVENUE				
Revenue from parent company	**13,239,849**	**915,601,758**	24,601,076	1,701,287,411
Revenue from affiliated company	**2,541,974**	**175,790,212**	482,608	33,374,756
Revenue from third parties	**9,662,996**	**668,244,488**	12,098,074	836,642,307
	25,444,819	**1,759,636,458**	37,181,758	2,571,304,474
Schedule II				
PERSONNEL EXPENSES				
Personnel cost				
Software engineers	**18,806,624**	**1,300,572,083**	30,789,345	2,129,237,153
Payroll tax	**1,503,212**	**103,954,626**	2,456,858	169,904,015
	20,309,836	**1,404,526,709**	33,246,203	2,299,141,168
Schedule III				
GENERAL AND ADMINISTRATIVE				
Contracted services	**2,939,056**	**203,250,418**	1,813,846	125,436,520
Travel	**276,671**	**19,133,183**	243,774	16,858,191
Sales and marketing	**80,257**	**5,550,173**	167,258	11,566,727
Professional fees	**74,948**	**5,183,029**	79,879	5,524,032
Other taxes	**55,505**	**3,838,448**	50,478	3,490,806
Bad debts	**9,138**	**631,938**	22,918	1,584,894
Miscellaneous expense	**3,179**	**219,844**	1,468	101,520
Provision for doubtful salary advance	**2,412**	**166,802**	2,653	183,468
Communication	**425**	**29,391**	1,620	112,031
Office expense	**-**	**-**	4,438	306,910
	3,441,591	**238,003,226**	2,388,332	165,165,099

TECH MAHINDRA TECHNOLOGIES INC.

Board of Directors
Mr. Arvind Malhotra
Mr. Manish M Vyas
Mr. Lakshmanan Chidambaram

Registered Office
1220 N., Market Street,
806, Wilmington,
Delaware, USA 19801

India Branch Office
TMTC SEZ building, C/o. Tech Mahindra Limited
Bahadurpally, Medchal-Malkajgiri District
Hyderabad, INDIA - 500043

Bankers
HSBC Bank, USA and INDIA

HO Auditors
Chugh CPA's LLP,
California, USA

India Branch Auditors
M. Bhaskara Rao & Co.,
Chartered Accountants
Somajiguda, Hyderabad – 500 082

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors present their Report together with the audited accounts of your Company for the year ended March 31, 2019.

For the year ended March 31,	2019 US$	2018 US$
Income	**35,009,217**	32,942,918
Profit/(Loss) before tax	**4,933,389**	2,037,084
Profit/(Loss) after tax	**3,767,715**	1,183,728

Review of Operations:

During the year under review, your company recorded an income of US$ 35,009,217, an increase of 6% over the previous year income of 32,942,918. Profit after tax for the current year was increased to US$ 3,767,715 compared with previous year by US$ 1,183,728.

On January11, 2017 the Company has established an international branch in India at Hyderabad and transactions for this are included in these consolidated financial statements.

Board

During the year under review, there is no change in the constitution of Board.

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.

Arvind Malhotra
President, Director and CEO

Date: May 19, 2019

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholder of Tech Mahindra Technologies, Inc.

We have audited the accompanying consolidated financial statements of Tech Mahindra Technologies Inc., a Delaware corporation and its branch, which comprise the consolidated balance sheets as of March 31, 2019 and 2018 and the related consolidated statements of income, stockholder's equity, 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 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 India Branch of Tech Mahindra Technologies Inc, which statements reflect total assets of $2,189,000 and $660,000 as of March 31, 2019 and 2018, respectively and revenues of $2,823,000 and $515,000, respectively for the years then ended. 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 India Branch of Tech Mahindra Technologies Inc, 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 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 audit and the report of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Tech Mahindra Technologies, Inc. as of March 31, 2019 and 2018, 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.

Chugh CPA's LLP
Cerritos, California

May 20, 2019

CONSOLIDATED BALANCE SHEETS

March 31,	2019 $	2018 $
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	**2,733,983**	826,002
Fixed deposit, bank	**1,340,755**	-
Accounts receivable	**2,301,810**	2,947,654
Unbilled revenue	**1,014,604**	1,845,047
Prepaid expenses and other current assets	**68,364**	95,317
Income tax receivable	**148,608**	-
Deferred tax asset	**100,969**	97,054
TOTAL CURRENT ASSETS	**7,709,093**	5,811,074
NON CURRENT ASSETS		
Property and equipment, net of accumulated depreciation	**26,076**	-
Capital Work in Progress	**434,651**	119,925
TOTAL NON CURRENT ASSETS	**460,727**	119,925
TOTAL ASSETS	**8,169,820**	5,930,999
LIABILITIES AND STOCKHOLDER'S EQUITY		
CURRENT LIABILITIES		
Accounts payable	**697,037**	1,225,431
Accrued expenses and other current liabilities	**878,754**	1,715,093
Income tax payable	**-**	238,635
TOTAL CURRENT LIABILITIES	**1,575,791**	3,179,159
LONG TERM LIABILITIES		
Grants repayable	**161,820**	53,922
Other non current payables	**-**	24,276
TOTAL LONG TERM LIABILITIES	**161,820**	78,198
TOTAL LIABILITIES	**1,737,611**	3,257,357
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 earnings	**5,441,357**	1,677,171
Accumulated Other Comprehensive Income(Loss)		
Unrealized loss from foreign currency translation	**(190)**	(894)
Remeasurement of defined benefit plan	**(8,958)**	(2,635)
TOTAL STOCKHOLDER'S EQUITY	**6,432,209**	2,673,642
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	**8,169,820**	5,930,999

CONSOLIDATED STATEMENTS OF INCOME

For the years ended March 31,	2019 $	2018 $
REVENUE	35,009,217	32,542,918
LESS: COST OF REVENUE	(28,100,842)	(28,783,688)
GROSS PROFIT	6,908,375	3,759,230
LESS: OPERATING EXPENSES		
Selling, general and administrative expenses	(1,988,943)	(1,722,146)
INCOME FROM OPERATIONS	4,919,432	2,037,084
OTHER INCOME		
Interest income	13,957	-
INCOME BEFORE INCOME TAXES	4,933,389	2,037,084
LESS: PROVISION FOR INCOME TAXES		
Income tax - current	1,163,357	784,445
Income tax - deferred	(3,915)	(10,633)
Foreign tax	6,232	79,544
	1,165,674	853,356
NET INCOME	3,767,715	1,183,728

CONSOLIDATED STATEMENT OF STOCKHOLDER'S EQUITY FOR THE YEARS ENDED MARCH 31, 2019 AND 2018

	Common Stock		Additional Paid In Capital	Accumulated Earnings (Deficit)	Total Stockholder's Equity
	Shares	Amount			
Balance at April 1, 2017	100,000	$1,000	$999,000	$493,443	$1,493,443
Net Income				1,183,728	1,183,728
Other Comprehensive Income(Loss)					
Unrealized loss from foreign currency translation				(894)	(894)
Remeasurement of defined benefit plan				(2,635)	(2,635)
Balance at March 31, 2018	**100,000**	**$1,000**	**$999,000**	**$1,673,642**	**$2,673,642**
Net Income				3,767,715	3,767,715
Other Comprehensive Income(Loss)					
Unrealized loss from foreign currency translation				(190)	(190)
Remeasurement of defined benefit plan				(8,958)	(8,958)
Balance at March 31, 2019	**100,000**	**$1,000**	**$999,000**	**$5,432,209**	**$6,432,209**

TECH MAHINDRA TECHNOLOGIES INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended March 31,	2019 $	2018 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**3,767,715**	1,183,728
Adjustments to reconcile net income to net cash		
provided by operating activities:		
Other Comprehensive Income(Loss)		
Depreciation expense	**8,692**	-
Unrealized loss from foreign currency translation	**(190)**	(894)
Remeasurement of defiend benefit plan	**(8,958)**	(2,635)
Deferred tax	**(3,915)**	(10,636)
(Increase) decrease in assets:		
Account receivable	**645,844**	1,708,832
Fixed deposit, bank	**(1,340,755)**	-
Unbilled revenue	**830,443**	(1,385,034)
Prepaid expenses and other current assets	**26,952**	-
Prepaid income taxes	**(148,608)**	(689,333)
Increase (decrease) in liabilities:		
Accounts payable	**(528,394)**	(2,521,101)
Accrued expenses and other current liabilities	**(836,339)**	1,067,027
Provision for Income Taxes	**(238,634)**	833,884
Grants repayable	**107,898**	53,922
Other Non Current Liabilities	**(24,276)**	24,276
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	**2,257,475**	262,036
CASH FLOWS FROM INVESTING ACTIVIES		
Acquisition of property & equipment	**(349,494)**	(119,925)
CASH FLOWS FROM FINANCING ACTIVIES	**-**	-
Net increase(decrease) in Cash and cash equivalents	**1,907,981**	142,111
Cash and cash equivalents, beginning of year	**826,002**	683,891
Cash and cash equivalents, end of year	**2,733,983**	826,002
Supplementary disclosures:		
Income taxes paid	**1,556,832**	622,510

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2018 AND 2019

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. On January 11, 2017, the company has established an international branch in India, the transactions for this are included in these consolidated financial statements.

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 consolidated financial statements.

Basis of Presentation and Consolidation

The consolidated financial statements are presented on the accrual method of accounting as prescribed by the generally accepted accounting principles (GAAP) in the United States of America. The consolidated financial statements include the foreign branch in India. All inter-company balances and transactions have been eliminated.

Accounts Receivable

The Company carries it's 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, 2019, the Company considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required.

Cash and Cash Equivalents

For the purposes of the statements of cash flows, cash and cash equivalents are defined as demand deposits at banks and investments with maturity dates of three months or less.

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 consolidated 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 for the fiscal year ended March 31, 2016 through 2019. 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 consolidated 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 consolidated 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.

The Company also performs time bound fixed price engagements, under which revenue is recognized using the proportionate completion method of accounting, unless 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 estimates and can be reasonably estimated.

Employee Benefits:

The Company accounts for its gratuity liability, a defined retirement benefit plan covering eligible 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. Liabilities with regard to a Gratuity plan are determined based on the actuarial valuation carried out by an independent actuary as at the Balance Sheet date. Actuarial gains and losses are recognized in full in other comprehensive income and accumulated in equity in the period in which they occur.

Provident fund:

The eligible employees of the Company are entitled to receive the benefits of Provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently at 12% of the basic salary) which are charged to the Statement of Profit and Loss on accrual basis. The provident fund contributions are paid to the Regional Provident Fund Commissioner by the Company. The Company has no further obligations for future provident fund and superannuation fund benefits other than its annual contributions.

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 balance in excess of the FDIC limits at March 31, 2019 and 2018 was $2,476,067 and $529,011, respectively.

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 the year ended March 31, 2019, the Company had one major customer (the Company's parent company) who accounted for 63% and 46% of revenue and accounts receivable, respectively. For the year ended March 31, 2018, similarly, the Company had one major customer who accounted for 69% and 45% of revenue and accounts receivable, respectively.

Major Subcontractors

For the year ended March 31, 2019 and 2018, the Company had one major service provider which is a related party described in Note 4 Related Party transactions. For the year ended March 31, 2019, this supplier represents approximately 90% of the total subcontracting expense of about $4.2 million and 88% of accounts payable. For the year ended March 31, 2018, this supplier accounted for 55% and 3% of cost of revenue and accounts payable, respectively.

4. 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 Network Services International Inc. and Tech Mahindra Americas, Inc., which are subsidiaries of Tech Mahindra Ltd. (parent Company).

Transactions based upon terms agreed between the parties during the years ended March 31, 2019 and 2018 are as follows:

	2019	2018
Service Received/Operating Expense from:		
Satyam Venture Engineering Services	**$ -**	$ 4,146,200
(for consulting and other operating expenses)		
Tech Mahindra Americas Inc.	**1,378,786**	1,062,327
(for other operating and reimbursable expenses)		
Tech Mahindra Limited	**$ 3,270,982**	$ 3,340,386
(for subcontracting services)		
Tech Mahindra Network Services International, Inc. (for subcontracting services)	**600,876**	-
Tech Mahindra Limited (for rent of the foreign branch)	**673,205**	181,517

	2019	2018
Services Provided to:		
Tech Mahindra Limited	**$22,201,374**	$22,561,640
Tech Mahindra Americas Inc.	**112,102**	-

Related party accounts receivable and payable as at March 31, 2019 and March 31, 2018 as follows:

	2019	2018
Accounts receivable:		
Tech Mahindra Americas, Inc.	**$ 7,328**	$ -
Tech Mahindra Limited	**1,105,776**	1,728,716
Unbilled revenue:		
Tech Mahindra Limited	**433,927**	420,938
Accounts payable:		
Satyam Venture Engineering Services	**-**	$ 49,264
Tech Mahindra Limited	**612,157**	1,060,214
Tech Mahindra Americas Inc.	**84,880**	115,269
Accrued expenses and other current liabilities:		
Tech Mahindra Limited (for unbilled expenses)	**84,012**	217,126

5. Income Taxes

Deferred tax assets and liability consist of the following as of March 31, 2019 and 2018:

	2019	2018
Deferred Tax Assets:		
Accrued liabilities	**$ 12,519**	$ 6,514
Foreign tax credit	**-**	2,632
State deferred tax	**22,435**	26,705
Vacation accrual	**66,015**	61,203
Total Deferred Tax Assets	**$ 100,969**	$ 97,054
Deferred Tax Liability:		
State Tax Deferred	**$ -**	$ -
Net Deferred Tax Assets	**$ 100,969**	$ 97,054

Income tax (benefit)/expense consisted of the following as of March 31, 2019 and 2018:

	2019	2018
Current Income Tax		
- Federal	**$ 907,255**	$ 565,527
- State	**256,102**	218,918
- Foreign tax	**6,232**	79,544
	$ 1,169,589	$ 863,989

	2019	2018
Deferred Income Tax		
- Federal	**$ 4,071**	$ (368)
- State	**1,434**	(10,265)
- Foreign	**(9,420)**	-
	$ (3,915)	$ (10,633)

6. Grants repayable

The Company has obtained a conditional funding contract for the development of a commercial product for a 24-month period effective February 1, 2017. As per the contract the Company will periodically receive funds up to a maximum of $270,000. The Company has to return the same with time value based on 5% of the gross sale value realized from marketing this product expected to be refunded over a period of 5 years after completion of development of product. During the year ended March 31, 2019, the Company has received a total of $107,898. As of March 31, 2019, the product is in the development stage and is presented as a Capital Work in Progress.

7. Work in Progress

As described in Note 6 above, the Company has obtained a contract for the development of a commercial product. All costs incurred till the completion of this project are capitalized and reported as Work in Progress on the Balance Sheet.

8. 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, 2019 and 2018, the Company did not make any contribution to the plan.

9. Employee Benefit

A. Current and Non-current breakup:

Current liability	$	5,564
Non-current liability		37,040
Total Liability	$	42,604

B. Changes in defined benefit obligation:

Defined benefit obligation (DBO) at the end of prior period	$	27,098
Service cost		4,667
Interest cost on the DBO		1,957
Actuarial (gain)/loss		9,334
Benefits paid		(452)
DBO at end of current period	**$**	**42,604**

C. Expected benefit payments for the year ending March 31:

2020	$	5,721
2021		6,473
2022		7,377
2023		7,979
2024		8,581
2025 and thereafter		6,473
Total	**$**	**42,604**

D. Amounts recognized in statement of Profit & Loss:

Service Cost	$	5,042
Actuarial (gains)/losses		8,958
Net interest on net defined benefit liability / (asset)		1,957
Cost recognized in P&L	**$**	**15,957**

E. Amounts recognized in Other Comprehensive income (OCI):

Net Gain/(Loss)	$	8,958
Cumulative (Gain)/ Loss Recognized via OCI at Prior Period End		-
Cumulative (Gain)/ Loss Recognized via OCI at Current Period End	**$**	**8,958**

F. The Principal Assumptions used for the purposes of the actuarial valuation as follows

Discount Rate(s)	7.10%
Expected Rate(s) of salary increase	
Top Management	4.00%
Middle Management	4.00%
Other Staff	8.00%

10. 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, 2019 and March 31, 2018, the Company accrued a total of $276,824 and $313,010 respectively, of unused vacation and sick leave. This accrued compensated absence account is included in the accrued expenses and other liabilities account.

11. 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.

12. Commitments

The Company entered into a 3 years non-cancelable operating lease agreement for its branch office in Hyderabad, India with its parent company. The lease agreement expires on March 1, 2020. In addition, the Company also entered into a lease agreement for its USA office with an unrelated party effective April 1, 2019.

Future lease payments are as follows:

Year ended December 31	India branch	US office	Total
2020	$ 813,233	$ 68,040	$ 881,273
2021	-	69,050	69,050
2022	-	70,262	70,262
2023	-	11,744	11,744
2024 and thereafter	-	-	-
	$ 813,233	**$ 219,096**	**$ 1,032,329**

For the year ended March 31, 2019, the total rent expense associated with this lease is $673,205 which is included in selling, general and administrative expenses.

13. Unbilled revenue

Unbilled revenue refers to the revenue that was earned but not billed as of the end of the year.

14. Reclassifications

Some of the prior year amounts have been reclassed to conform to the current year presentation of the amounts.

15. Subsequent Events

Subsequent events for matters requiring recognition or disclosure in the financial statements have been evaluated through May 20, 2019, which is the date the consolidated financial statements were available to be issued.

TECHM IT-SERVICES GmbH

Directors
Marcel Buchner

Registered Office
Albertgasse 35, 1080 Vienna,
Austria

Bankers
Erste Bank der Oesterreichischen Sparkassen AG

Auditors
Deloitte Audit Wirtschaftsprüfungs GmbH

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS AS OF 31 MARCH, 2019

For the attention of the Director of

TechM IT-Services GmbH, Vienna

We have completed our audit of the financial statements for the year ended March 31, 2019 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 a private limited liability company and very small as defined by section 221 subsection 1a of the Austrian Company Code ("UGB"). There is no statutory requirement for the Company to engage a supervisory board. Hence there is no statutory requirement to subject the statutory financial statements of the Company to an audit. Nevertheless, the Company, represented by its director, ordered us – based on the terms of the engagement agreed upon in the audit contract – to audit the financial statements for the year ended March 31, 2019 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).

An 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. These standards require the application of International Standards on Auditing. An audit shall provide reasonable assurance as to 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 misstatements of financial statements remains undetected, even if material. 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 the period from March through June 2019 and completed it essentially on the date of this report.

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

The contract we entered into the company stipulates the terms of our engagement. The "General Conditions of Contract for the Public Accounting Professions" issued by the Chamber of Public Accountants and Tax Advisors on April 18, 2018 (the "General Conditions" as attached) form an integral 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. According to these General Conditions, 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 line items of 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 prepared in accordance with sections 236 et seqq. UGB. 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 were observed. In accordance with our risk and control based audit approach we tested internal control over financial reporting as far as deemed necessary for us to be able to form an opinion on the financial statements.

We finally concluded that the financial statements comply with statutory requirements.

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, accruals, deferrals, revenues, 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 accurate.

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

During the course of our audit we did not become aware of any matters that may endanger the ability of the Company to continue as a going concern or adversely affect its viability or may indicate serious non-compliance of the director or employees of the Company with 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 become aware of any material weaknesses in internal control over financial reporting.

4. Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of TechM IT-Services GmbH, Vienna, which comprise the balance sheet as of March 31, 2019, the profit and loss account for the year then ended, and notes to these financial statements, in accordance with the provisions of the Austrian Company Code (UGB) governing the audit of statutory financial statements (sections 269 et seqq. UGB).

In our opinion, the accompanying financial statements comply with statutory requirements and give a true and fair view of the financial position of TechM IT-Services GmbH as of March 31, 2019 and of its financial performance for the year then ended in accordance with the accounting framework applicable in Austria.

Basis for Opinion

We conducted our audit in accordance with the provisions of the Austrian Company Code applicable to audits of statutory financial statements and in accordance with auditing standards applicable in Austria. These standards require the application of International Standards on Auditing (ISAs).Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are independent of the Company in accordance with the requirements of the Austrian Company Code and professional guidelines, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The performance of this audit including our responsibility also in relation to any third party, 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 18 April 2018 (AAB 2018), 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, which refers to section 275 subsection 2 UGB in this respect.

Responsibilities of the Director for the Financial Statements

The director of the Company is responsible for the preparation and fair presentation of the financial statements in accordance with Austrian statutory provisions, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards applicable in Austria, which require application of ISAs, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards applicable in Austria, which require the application of ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control intended to prevent or to detect and correct misstatements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.
- Conclude on the appropriateness of the director' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate or omitted, to modify our opinion. We based our conclusions on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Vienna, June 28, 2019

Deloitte Audit Wirtschaftsprüfungs GmbH

Dr. Leopold Fischl m.p.
Certified Public Accountant

The financial statements together with our report shall be passed on to any third party only in the version attached to this report and only if such third party has agreed that the terms and conditions of our engagement as stipulated in the audit contract including the provision relating to the limitation of our liability and the "General Conditions of Contract for the Public Accounting Professions" shall apply to any of our relations to such third party, which may arise from our audit engagement.

Note: The German-language report is the solely valid version. This English translation is provided for convenience only.

BALANCE SHEET AS OF MARCH 31, 2019*

Assets

	March 31, 2019 EUR	March 31, 2018 EUR
A. Current Assets		
I. Debtors		
1. Amounts owed by affiliated undertakings	**16.204,54**	32.422,00
2. Other debtors	**20.727,78**	17.203,00
thereof amounts falling due after more than one year	**9.406,80**	9.407,00
	36.932,32	49.625,00
II. Cash at bank	**80.707,37**	81.323,00
	117.639,69	130.948,00
B. Deferred Tax Asset	**79,00**	899,00
	117.718,69	131.847,00

Liabilities and Capital and Reserves

	March 31, 2019 EUR	March 31, 2018 EUR
A. Capital and Reserves		
I. Nominal capital		
subscribed capital	**35.000,00**	35.000,00
amount not paid in pursuant to section 10b subsection 4 Private Limited Company Act	**-25.000,00**	-25.000,00
privileged initial investors' shares	**10.000,00**	10.000,00
contributions not yet called in	**-5.000,00**	-5.000,00
contributions called in and paid in	**5.000,00**	5.000,00
II. Accumulated profit available for distribution to shareholders	**84.158,80**	72.051,00
thereof brought forward	**72.051,00**	62.650,24
	89.158,80	77.051,00
B. Provisions for liabilities and charges		
1. Provisions for taxation	**918,96**	4.028,00
2. Provisions for other liabilities and charges	**24.743,53**	48.356,00
	25.662,49	52.384,00
C. Creditors		
1. Trade creditors falling due within one year	**404,86**	1,00
2. Other creditors falling due within one year	**2.492,54**	2.411,00
thereof from taxation	**288,57**	254,00
thereof from social security	**2.203,97**	2.157,00
	2.897,40	2.412,00
thereof falling due within one year	**2.897,40**	2.412,00
	117.718,69	131.847,00

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PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2019*

			FY2019 EUR	FY2018 EUR
1.	Revenue from services		**226.719,16**	218.828,00
2.	Other operating income		**995,00**	7.740,76
3.	Expenses for employee benefits			
	a)	Salaries	**-116.186,26**	-123.214,00
	b)	Expenses for other employee benefits and for statutory social security contributions and other salary related taxe sand contributions	**-32.245,70**	-27.666,00
			-148.431,96	-150.880,00
4.	Other operating charges		**-63.731,40**	-63.155,00
5.	Sub total of the lines 1 through 4 = Profit before tax		**15.550,80**	12.533,76
6.	Corporate income tax expense			
	a)	current income tax expense	**-2.623,00**	-6.102,00
	b)	deferred tax expense/benefit	**-820,00**	2.969,00
			-3.443,00	-3.133,00
7.	Profit for the year		**12.107,80**	9.400,76
8.	Accumulated profit brought forward from previous year		**72.051,00**	62.650,24
9.	Accumulated profit available for distribution to shareholders		**84.158,80**	72.051,00

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FINANCIAL STATEMENTS AS OF 31 MARCH 2019

NOTES

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 are 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 amount.

In case of credit risks only the amount deemed to be collectible is recognized. Amounts owed by affiliated undertakings result from services provided by the Company to the respective affiliates.

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 are provided for.

Provisions for other liabilities and charges were recognized in respect of the following accrued liabilities:

	31 March 2019 EUR	31 March 2018 EUR
Employee vacation earned but not yet taken	**3,007.12**	22,599.00
Outstanding invoices for services obtained	**14,370.86**	20,750.00
salaries (vacation subsidy and Christmas remuneration)	**7,365.55**	5,007.00
Total	**24,743.53**	48,356.00

Creditors

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

Consolidated financial statements

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

Number of employees

The Company employed 0.75 salaried employees on average in the financial year under report (FY 2018: 1.33 employees).

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TECH MAHINDRA (SINGAPORE) PTE. LIMITED

Board of Directors

Mr. Lim Tiong Beng (Resigned- 24-08-2018)
Mr. Suresh Bhat Hosdrug (Resigned- 01-12-2018)
Mr. Hrishikesh Mahesh Pandit
Mr. Manish Goenka
Mr. Tay Hua Nguan (Resigned- 31-12-2018)
Mr. Ayush Keshan (Appointed w.e.f. 22-4-2019)

Registered Office

No. 17, Changi Business Park,
Central 1 #06-01, Honeywell Building,
Singapore 486073

Bankers

HSBC Bank

Auditors

Deloitte & Touche LLP

DIRECTORS' STATEMENT

The directors present their statement together with the audited financial statements of the company for the financial year ended March 31, 2019.

In the opinion of the directors, the accompanying financial statements of the company as set out on in the ensuing pages are drawn up so as to give a true and fair view of the financial position of the company as at March 31, 2019, and the financial performance, changes in equity and cash flows of the company for the financial year then ended and at the date of this statement there are reasonable grounds to believe that the company will be able to pay its debts when they fall due.

1 DIRECTORS

The directors of the company in office at the date of this statement are:

Hrishikesh Mahesh Pandit
Manish Goenka
Ayush Keshan (Appointed on April 22, 2019)

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors to acquire benefits by means of the acquisition of shares or debentures in the company or any other body corporate.

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the company holding office at the end of the financial year had no interests in the share capital and debentures of the company and related corporations as recorded in the register of directors' shareholdings kept by the company under Section 164 of the Singapore Companies Act except as follows:

	Shareholdings registered in the name of directors	
Name of directors and company in which interests are held	At beginning of year	At end of year
Tech Mahindra Limited (Holding company) (Ordinary shares of Indian Rupees 5 each)		
Hrishikesh Mahesh Pandit	1,223	1,223

4 SHARE OPTIONS

(a) Options to take up unissued shares

During the financial year, no option to take up unissued shares of the company was granted.

(b) Options exercised

During the financial year, there were no shares of the company issued by virtue of the exercise of an option to take up unissued shares.

(c) Unissued shares under option

At the end of the financial year, there were no unissued shares of the company under option.

ON BEHALF OF BOARD

Manish Goenka **Hrishikesh Mahesh Pandit**

May 31, 2019

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Tech Mahindra (Singapore) Pte. Limited (the "company"), which comprise the statement of financial position as at March 31, 2019, 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 notes to the financial statements, including a summary of significant accounting policies, as set out on pages 6 to 32.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs"), so as to give a true and fair view of the financial position of the company as at March 31, 2019 and of the financial performance, changes in equity and cash flows of the company for the year then ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the Directors' Statement as set out on pages 1 to 2.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors 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 Act and FRSs, 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 financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit 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.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

Deloitte & Touche LLP

Public Accountants and
Chartered Accountants

Singapore
May 31, 2019

STATEMENT OF FINANCIAL POSITION

March 31, 2019

	Note	2019	2018
		$	$
ASSETS			
Current assets			
Cash and cash equivalents	7	**4,347,296**	1,830,988
Trade receivables	8	**4,052,241**	5,045,525
Other receivables	9	**1,579,452**	1,568,754
Contract assets	10	**146,250**	-
Total current assets		**10,125,239**	8,445,267
Non-current assets			
Plant and equipment	11	**22,939**	46,392
Intangible assets	12	**-**	-
Deferred tax assets	13	**269,129**	159,200
Total non-current assets		**292,068**	205,592
Total assets		**10,417,307**	8,650,859
LIABILITIES AND EQUITY			
Current liabilities			
Trade payables	14	**2,836,181**	2,534,721
Other payables	15	**1,354,809**	766,341
Income tax payables		**228,617**	-
Total current liabilities		**4,419,607**	3,301,062
Capital and reserves			
Share capital	16	**50,000**	50,000
Accumulated profits		**5,947,700**	5,299,797
Total equity		**5,997,700**	5,349,797
Total liabilities and equity		**10,417,307**	8,650,859

See accompanying notes to financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended March 31, 2019

	Note	**2019**	2018
		$	$
Revenue	17	**7,145,744**	7,083,307
Other operating income	18	**313,757**	49,555
Employee benefits expense		**(5,572,603)**	(4,958,089)
Depreciation and amortisation expense		**(25,003)**	(158,575)
Other operating expenses	19	**(1,104,229)**	(1,588,806)
Profit before income tax	20	**757,666**	427,392
Income tax (expense) credit	21	**(109,763)**	38,158
Profit for the year, representing total comprehensive income for the year		**647,903**	465,550

See accompanying notes to financial statements.

STATEMENT OF CHANGES IN EQUITY

Year ended March 31, 2019

	Share capital	Accumulated profits	Total
	$	$	$
Balance at April 1, 2017	**50,000**	**4,834,247**	**4,884,247**
Profit for the year, representing total comprehensive income for the year	-	465,550	465,550
Balance at March 31, 2018	**50,000**	**5,299,797**	**5,349,797**
Profit for the year, representing total comprehensive income for the year	-	647,903	647,903
Balance at March 31, 2019	**50,000**	**5,947,700**	**5,997,700**

See accompanying notes to financial statements.

TECH MAHINDRA (SINGAPORE) PTE. LIMITED

STATEMENT OF CASH FLOWS

Year ended March 31, 2019

	2019	2018
	$	$
Operating activities		
Profit before income tax	**757,666**	427,392
Adjustments for:		
(Reversal) Loss allowance on trade receivables	**(46,692)**	68,435
Bad debts written off	**700**	-
Loss allowance on other receivables	**15,730**	-
Depreciation expense	**25,003**	23,585
Amortisation expense	**-**	134,990
Interest income	**(39,065)**	(31,753)
Operating cash flows before movements in working capital	**713,342**	622,649
Trade receivables	**1,039,276**	1,197,957
Other receivables	**(26,428)**	22,066
Contract assets	**(146,250)**	-
Trade payables	**301,460**	83,105
Other payables	**588,468**	(215,373)
Cash generated from operations	**2,469,868**	1,710,404
Income tax refund (paid)	**8,925**	(11,900)
Net cash from operating activities	**2,478,793**	1,698,504
Investing activities		
Purchase of plant and equipment	**(1,550)**	(5,820)
Loan to related company	**-**	(1,500,000)
Interest received	**39,065**	-
Net cash from (used in) investing activities	**37,515**	(1,505,820)
Net increase in cash and cash equivalents	**2,516,308**	192,684
Cash and cash equivalents at beginning of year	**1,830,988**	1,638,304
Cash and cash equivalents at end of year	**4,347,296**	1,830,988

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

March 31, 2019

1 GENERAL

The company (Registration No. 200203658M) is incorporated in Republic of Singapore with its registered office and principal place of business at 17, Changi Business Park Central 1, #06-01 Honeywell Building, Singapore 486073. The financial statements are expressed in Singapore dollars.

The principal activities of the company are that providing consultancy and services relating to information technology and development of software solutions and products.

The financial statements of the company for the year ended March 31, 2019 were authorised for issue by the Board of Directors on May 31, 2019.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provision of Singapore Companies Act and Financial Reporting Standards in Singapore (“FRSs”).

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in this financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 102 Share-based Payment, leasing transactions that are within the scope of FRS 17 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 Inventories or value in use in FRS 36 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entity, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

ADOPTION OF NEW AND REVISED STANDARDS - On April 1, 2018, the company adopted all the new and revised FRSs that are effective from that date and are relevant to its operations. Other than the changes to the accounting policies as disclosed below, the adoption of these new/revised FRSs does not result in changes to the company’s accounting policies and has no material effect on the amounts reported for the current or prior years.

FRS 109 Financial Instruments

FRS 109 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) impairment of financial assets and 3) general hedge accounting. Details of these new requirements as well as their impact on the financial statements are described below. The company applied FRS 109 with an initial application date of April 1, 2018. The company has not restated the comparative information, which continues to be reported under FRS 39.

(a) Classification and measurement of financial assets and financial liabilities

The company has applied the requirements of FRS 109 to instruments that have not been derecognised as at April 1, 2018 and has not applied the requirements to instruments that have already been derecognised as at April 1, 2018. The classification of financial assets is based on two criteria: the company’s business model for managing the assets and whether the instruments’ contractual cash flows represent ‘solely payments of principal and interest’ on the principal amount outstanding. There are no changes in classification and measurement of the company’s financial assets and financial liabilities.

(b) Impairment of financial assets

FRS 109 requires an expected credit loss model as opposed to an incurred credit loss model under FRS 39. The expected credit loss model requires the company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. It is no longer necessary for a credit event to have occurred before credit losses are recognised.

Specifically, FRS 109 requires the company to recognise a loss allowance for expected credit losses on i) debt investments subsequently measured at amortised cost or at fair value through other comprehensive income ("FVTOCI"), ii) lease receivables, iii) contract assets and iv) loan commitments and financial guarantee contracts to which the impairment requirements of FRS 109 apply.

FRS 115 Revenue from Contracts with Customers

FRS 115 supersedes FRS 18 Revenue and the related Interpretations. FRS 115 introduces a 5-step approach to revenue recognition. Far more prescriptive guidance has been added in FRS 115 to deal with specific scenarios. Details of these new requirements as well as their impact on the financial statements are described below.

The company has applied FRS 115 using the modified retrospective method with the cumulative effect of initially applying this Standard recognised at the date of initial application (April 1, 2018) as an adjustment to the opening balance of retained earnings. Therefore, the comparative information was not restated and continues to be reported under FRS 18 and the related Interpretations. The company has elected to apply this Standard retrospectively only to contracts that are not completed contracts at the date of initial application.

FRS 115 uses the terms 'contract asset' to describe what might more commonly be known as 'accrued revenue', however the Standard does not prohibit an entity from using alternative descriptions in the statement of financial position. The company has adopted the terminology used in FRS 115 to describe such balances.

The company's significant accounting policies for its revenue streams are disclosed in Note 2 below. Apart from providing more extensive disclosures on the company's revenue transactions, the amount of adjustment for each financial statement line item affected by the application of FRS 115 for the current year is illustrated below.

Impact on the statement of financial position as at April 1, 2018 (date of initial application)

	Previously reported as at March 31, 2018	**Adoption of FRS 115**	**Note**	**Adjusted as at April 1, 2018**
	$	$		$
Current assets				
Trade receivables	695,755	(695,755)	(a)	-
Contract assets	-	695,755	(a)	695,755

(a) Under FRS 115, revenue recognised prior to the date on which it is invoiced to the customer is recognised as contract asset. This balance was previously presented as part of trade receivables and so has been reclassified. There was no impact on the statement of profit or loss as a result of these reclassifications.

At the date of authorisation of these financial statements, the following new/revised FRS that is relevant to the company was issued but not effective:

- FRS 116 Leases1

1 Applies to annual periods beginning on or after January 1, 2019, with early application permitted if FRS 115 is adopted.

The management anticipates that the adoption of the above FRS will not have a material impact on the financial statements of the company in the period of their initial adoption.

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the statement of financial position when the company becomes a party to the contractual provisions of the instrument.

The accounting for financial instruments before April 1, 2018 are as follows:

Effective interest method

The effective interest method is a 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, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income or expense is recognised on an effective interest basis for debt instruments.

Financial assets

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 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 effect of discounting is immaterial.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of the reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the financial assets have been impacted.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, 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, as well as observable changes in 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 receivables where the carrying amount is reduced through the use of an allowance account. When a trade 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.

For financial assets measured at amortised cost, 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 loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the financial asset 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 risk and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the assets 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.

The accounting for financial instruments from April 1, 2018 are as follows:

Financial assets

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of financial assets is under a contract whose terms require delivery of assets within the time frame established by the market concerned.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments mainly comprise cash and bank balances and trade and other receivables that meet the following conditions and are subsequently measured at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised cost and 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.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest is recognised using the effective interest method for debt instruments measured subsequently at amortised cost, except for short-term balances when the effect of discounting is immaterial.

Impairment of financial assets

The company always recognises lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL ("12m ECL"). The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the company considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

The company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the company has reasonable and supportable information that demonstrates otherwise.

The company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The company considers that default has occurred when a financial asset is more than 90 days past due unless the company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

Write-off policy

The company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the company expects to receive, discounted at the original effective interest rate.

If the company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the company measures the loss allowance at an amount equal to 12m ECL at the current reporting date.

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.

Offsetting arrangements

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the company has a legal enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

IMPAIRMENT OF NON-FINANCIAL ASSETS - At the end of each reporting period, the company reviews the carrying amounts of its non-financial 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.

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 for which the estimates of future cash flows have not been adjusted. 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.

Where an impairment loss subsequently reverses, the carrying amount of the asset 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 in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

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 the 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.

REVENUE RECOGNITION (before April 1, 2018) - Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Service income

The company entered into a service agreement with the ultimate holding company for reimbursement of costs incurred plus a markup (“cost plus method”) which forms part of the revenue.

REVENUE RECOGNITION (from April 1, 2018) – The company recognises revenue when it transfers control of a product or service to a customer.

Rendering of Service

The company entered into a service agreement with the ultimate holding company for reimbursement of costs incurred plus a mark-up (“cost plus method”) which forms part of the revenue. Revenue is recognised as performance obligation is satisfied over a period of time based on the stage of completion of the contract.

Payment for services rendered is not due from the customer until the services are complete and therefore a contract asset is recognised over the period in which the services are performed representing the entity’s right to consideration for the services performed to date.

RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the company’s obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

BORROWING COSTS - Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is reduced from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

EMPLOYEE LEAVE ENTITLEMENT - 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 the reporting period.

INCOME TAX - Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The company’s liability for current tax is calculated using tax rate (and tax law) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or equity, respectively), in which case the tax is also recognised.

FOREIGN CURRENCY TRANSACTIONS - The financial statements are measured and presented in Singapore dollar, which is the currency of the primary economic environment in which the company operates (its functional currency).

Transactions in currencies other than the company's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

Cash and cash equivalents in the statement of cash flows - Cash and cash equivalents in the statement of cash flows comprise cash at bank which are subject to an insignificant risk of changes in value.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	2019	2018
	$	$
Financial assets		
At amortised cost	**10,105,264**	8,423,674
Financial liabilities		
At amortised cost	**4,190,990**	3,301,062

(b) Financial risk management policies and objectives

The company's overall financial risk management programme seeks to minimise potential adverse effects of financial performance of the company. The company does not hold or issue derivative financial instruments for speculative purposes.

There has been no change to the company's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

(i) Credit risk management

The company has adopted procedures in extending credit terms to customers and in monitoring its credit risk. The company only grants credit to creditworthy counterparties.

At the end of the reporting period, 20% (2018 : 18%) of the trade receivables are due from holding company. The risk management process includes assessing corresponding credit standing and monitoring of collections.

The carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the company's maximum exposure to credit risk.

Further details of credit risks on trade receivables are disclosed in Note 8 to the financial statements.

The company places its cash and fixed deposits with reputable financial institutions.

The company's current credit risk grading framework comprises the following categories:

Category	**Description**	**Basis for recognising expected credit losses (ECL)**
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	Trade receivables: Lifetime ECL - not credit impaired Other receivables: 12-month ECL
Doubtful	Amount is >1 year past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired
In default	Amount is >1 year past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the company has no realistic prospect of recovery.	Amount is written off

The table below details the credit quality of the company's financial assets as well as maximum exposure to credit risk by credit risk rating grades:

	Note	**Internal credit assessment**	**12-month or lifetime ECL**	**Gross carrying amount (i)**	**Loss allowance**	**Net carrying amount**
				$	$	$
March 31, 2019						
Trade receivables from outside parties	8	(i)	Lifetime ECL (simplified approach)	3,284,486	(70,427)	3,214,059
Trade receivables from holding company	8	(i)	Lifetime ECL (simplified approach)	838,182	-	838,182
Loan to related company	9	Performing	12-month ECL	1,503,529	-	1,503,529
Other receivables	9	Performing	12-month ECL	109,020	(53,072)	55,948
Contract assets	10	(i)	Lifetime ECL (simplified approach)	146,250	-	146,250

(i) The company determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

(ii) Interest rate risk management

The company does not have any interest bearing financial assets and liabilities except for its fixed deposits and loan to related company. Fixed deposits and loan to related company are all short-term, hence, with the current interest rate level, any future variations in interest rates will not have a material impact on net profit.

No sensitivity analysis is prepared as the company does not expect any material effect on the company's profit or loss arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the reporting period.

(iii) Foreign exchange risk management

Foreign exchange 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 exchange risk as most transaction are done in the functional currency which is in Singapore dollars.

(iv) Liquidity risk management

Liquidity risk is managed by matching the payment and receipt cycle. The company's operations are financed mainly through equity and accumulated profits.

All financial liabilities in 2019 and 2018 are either repayable on demand or due within 1 year from the end of the reporting period.

(v) Fair value of financial assets and financial liabilities

The carrying amounts of the financial assets and financial liabilities recorded in the financial statements at amortised costs approximate their fair values due to the relatively short-term maturity of these financial instruments.

(c) Capital management policies and objectives

The company reviews its capital structure at least annually to ensure that the company will be able to continue as a going concern. The capital structure of the company comprises only of share capital and retained earnings. The company's overall strategy remains unchanged from prior years.

5 HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS

The company is a wholly owned subsidiary of Tech Mahindra Limited, incorporated in India, which is also the ultimate holding company. Related companies in these financial statements refer to members of the holding company's group of companies.

Some of the company's transactions and arrangements and terms thereof are arranged by or between members of the group and the effects of these on the basis determined between the parties are reflected in these financial statements. The intercompany balances are unsecured, interest-free and repayable on demand unless otherwise stated.

The company entered into the following trading transactions with immediate holding company:

	2019	2018
	$	$
Rendering of services	**(7,145,744)**	(7,083,307)

6 RELATED PARTY TRANSACTIONS

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

Compensation of directors

	2019	2018
	$	$
Short-term benefits	**217,743**	298,100

The remuneration disclosed above include only directors as there is no personnel other than directors who are considered to be members of key management of the company.

7 CASH AND CASH EQUIVALENTS

	2019	2018
	$	$
Cash at bank	**1,847,296**	530,988
Fixed deposits	**2,500,000**	1,300,000
Total	**4,347,296**	1,830,988

Fixed deposits bear interest at 1.58% (2018 : 0.90%) per annum and for a tenure of approximately 10 days (2018 : 10 days). The fixed deposits can be converted into cash balances within a short notice and with minimum charges.

8 TRADE RECEIVABLES

	2019	2018
	$	$
Outside parties	**3,284,486**	3,561,410
Less: Loss allowance	**(70,427)**	(117,119)
	3,214,059	3,444,291
Holding company	**838,182**	905,479
Total	**4,052,241**	4,349,770

The movements in credit loss allowance are as follows:

At beginning of year	**117,119**	48,684
(Reversal) Loss allowance recognised in profit or loss during the year	**(46,692)**	68,435
At end of year	**70,427**	117,119

The credit period on services rendered ranges from 30 to 60 days (2018 : 30 to 60 days). No interest is charged on the outstanding balance.

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

Loss allowance for trade receivables is measured at an amount equal to lifetime expected credit losses (ECL). The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

The following table details the risk profile of trade receivables from contracts with customers based on the company's provision matrix. As the company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the company's different customer base.

	Trade receivables - days past due						
	Not past due	< 30 days	31 – 60 days	61 – 90 days	91 – 365 days	> 365 days	Total
	$	$	$	$	$	$	$
March 31, 2019							
Expected credit loss rate	0%	0%	0%	0%	0%	100%	
Estimated total gross carrying amount at default	306,812	-	115,072	118,954	2,673,221	70,427	3,284,486
Lifetime ECL	-	-	-	-	-	(70,427)	(70,427)
	306,812	**-**	**115,072**	**118,954**	**2,673,221**	**-**	**3,214,059**

Previous accounting policy for impairment of trade receivables

In 2018, trade receivables are provided for based on estimated irrecoverable amounts from the service rendered, determined by reference to past default experience. Allowance of $117,119 were made based on individual assessment of receivables over 365 days because historical experience is such that receivables that are past due beyond 365 days are generally not recoverable.

The table below is an analysis of trade receivables as at the end of the reporting period:

	2018
	$
Not past due and not impaired	1,146,732
Past due but not impaired (i)	2,297,559
	3,444,291
Impaired receivables - individually assessed (ii):	
- Past due and no response to repayment demands	117,119
Less: Allowance for impairment	(117,119)
Total trade receivables, net	**3,444,291**

(i) Aging of receivables that are past due but not impaired:

	2018
	$
< 3 Months	467,623
> 3 Months	1,829,936
Total	**2,297,559**

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 to the end of the reporting period.

Included in the company's trade receivables balance are debtors with a carrying amount of $2,297,559, which are past due at the end of the reporting period for which the company has not provided an allowance for impairment as there has not been a significant change in credit quality and the amounts are still considered recoverable. Accordingly, the management believes that no further credit allowance is required.

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

9 OTHER RECEIVABLES

	2019	2018
	$	$
Advance to employees	**99,527**	52,429
Less: Allowance for doubtful debts on advance to employees	**(53,072)**	(37,342)
Prepayments	**19,975**	21,593
Loan to a related company	**1,503,529**	1,531,753
Other receivables	**9,493**	321
Total	**1,579,452**	1,568,754

Movement in the allowance for doubtful advances to employees:

Balance at beginning of year	**37,342**	53,577
Charge to profit or loss (Note 19)	**15,730**	-
Written off during the year	**-**	(16,235)
Balance at end of year	**53,072**	37,342

Loan to a related company is unsecured and will mature on April 23, 2019. The interest rate on the loan ranges between 2.14% to 2.77% (2018 : 2.14% to 2.77%) per annum.

For the purpose of impairment assessment, other receivables and loan to a related company are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for other receivables and loan to a related company, the loss allowance is measured at an amount equal to 12-month expected credit losses (ECL).

There has been no significant change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for other receivables and loan to a related company.

Based on the company's historical credit loss experience with the relevant counterparties, as well as available forward-looking information, the company has assessed the expected credit loss rate on other receivables and loan to a related company to be insignificant.

Loss allowance for advance to employees is measured at an amount equal to 12-month expected credit losses. The ECL on advance to employees is estimated by reference to past default experience of the employees and an analysis of the employee's current financial position. An allowance has been made for estimated irrecoverable amounts for advance to employees of $53,072 (2018: $37,342).

10 CONTRACT ASSETS

	2019	2018
	$	$
Unbilled software installation services	**146,250**	-

Payment for installation of software services is not due from the customer until the installation services are completed and therefore a contract asset is recognised over the period in which the installation services are performed to represent the company's right to consideration for the services transferred to date.

Management estimates the loss allowance on amounts due from customers at an amount equal to lifetime ECL, taking into account the historical default experience and the future prospects of the relevant customers' industry. None of the amounts due from customers at the end of the reporting period is past due. Based on the company's historical credit loss experience with the relevant customers, as well as available forward-looking information, the company has assessed the expected credit loss rate on contract assets to be insignificant.

There has been no significant change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for the contract assets.

11 PLANT AND EQUIPMENT

	Equipment	Renovation	Total
	$	$	$
Cost:			
At April 1, 2017	488,990	236,032	725,022
Additions	5,820	-	5,820
At March 31, 2018	**494,810**	**236,032**	**730,842**
Additions	1,550	-	1,550
At March 31, 2019	**496,360**	**236,032**	**732,392**
Accumulated depreciation:			
At April 1, 2017	**424,833**	**236,032**	**660,865**
Depreciation	23,585	-	23,585
At March 31, 2018	448,418	236,032	684,450
Depreciation	25,003	-	25,003
At March 31, 2019	473,421	236,032	709,453
Carrying amount:			
At March 31, 2019	**22,939**	**-**	**22,939**
At March 31, 2018	**46,392**	**-**	**46,392**

12 INTANGIBLE ASSETS

	Software
	$
Cost:	
At April 1, 2017, March 31, 2018 and March 31, 2019	1,605,978
Accumulated amortisation:	
At April 1, 2017	1,470,988
Amortisation	134,990
At March 31, 2018	1,605,978
Amortisation	-
At March 31, 2019	1,605,978
Carrying amount:	
At March 31, 2019	-
At March 31, 2018	-

13 DEFERRED TAX ASSETS

	2019	2018
	$	$
Deferred tax assets	**269,129**	159,200

The following are the deferred tax assets recognised by the company during the year:

	Excess of book over tax depreciation
	$
At April 1, 2017	109,142
Credit to profit and loss (Note 21)	50,058
At March 31, 2018	159,200
Credit to profit and loss (Note 21)	109,929
At March 31, 2019	269,129

14 TRADE PAYABLES

	2019	2018
	$	$
Outside parties	**46,589**	296,237
Holding company	**2,789,592**	2,238,484
Total	**2,836,181**	2,534,721

The average credit period on trade payables is 30 days (2018 : 30 days). No interest is charged on the outstanding balance.

15 OTHER PAYABLES

	2019	2018
	$	$
Accruals	1,354,809	679,068
Other payables	-	87,273
Total	1,354,809	766,341

16 SHARE CAPITAL

	2019	2018	**2019**	2018
	Number of ordinary shares		**$**	$
Issued and paid up:				
At beginning and end of year	**50,000**	5,000	**50,000**	50,000

The ordinary shares, which have no par value, carry one vote per share and a right to dividends as and when declared by the company.

17 REVENUE

	2019	2018
	$	$
Service income - immediate holding company	**7,145,744**	7,083,307

The service income is recognised over time.

Management expects that 100% of the transaction price allocated to the unsatisfied contracts as of

March 31, 2019 will be recognised as revenue during the next reporting period.

18 OTHER OPERATING INCOME

	2019	2018
	$	$
Productivity and innovation credit incentives	**-**	17,047
Interest income	**39,065**	31,753
Write back of sundry payable	**260,749**	-
Others	**13,943**	755
Total	**313,757**	49,555

19 OTHER OPERATING EXPENSES

	2019	2018
	$	$
(Reversal) Loss allowance on trade receivables	**(46,692)**	68,435
Loss allowance on other receivables	**15,730**	-
Bad debts written off	**700**	-
Conveyance expenses	**43,262**	70,895
Rates and taxes	**-**	1,595
Entertainment expense	**97,695**	96,432
Insurance	**82,652**	85,698
Professional fees	**28,040**	48,797
Subcontractor	**(471)**	133,578
Travelling	**678,362**	845,194
Telecommunication	**46,728**	82,053
Others	**158,223**	156,129
Total	**1,104,229**	1,588,806

20 PROFIT BEFORE INCOME TAX

This has been arrived at after charging (crediting) :

	2019	2018
	$	$
(Reversal) Allowance on trade receivables (Notes 8 and 19)	**(46,692)**	68,435
Employee benefits expense	**5,379,590**	4,716,783
Cost of defined contribution plans	**193,013**	241,306

21 INCOME TAX EXPENSE (CREDIT)

	2019	2018
	$	$
Income tax:		
Current	219,692	11,900
Deferred tax:		
Current	(109,929)	(50,058)
Total	109,763	(38,158)

Domestic income tax is calculated at 17% (2018 : 17%) of the estimated assessable income for the year.

The total charge for the year can be reconciled to the accounting profit as follows:

	2019	2018
	$	$
Profit before income tax	757,666	427,392
Tax at the domestic income tax rate at 17%	128,803	72,657
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	-	(109,591)
Effect of tax concessions	(25,925)	(25,925)
Tax effect of non-deductible items	6,885	(1,224)
	109,763	(38,158)

TECH MAHINDRA (THAILAND) LIMITED

Board of Directors

Mr. Pranab Roy Choudhury
Mr. Amitava Ghosh
Mr. Sanjeev Pinto
Mr. Hrishikesh Pandit

Registered Office

BB Building, 13th Floor, Unit No. 1304, Sukhumvit
21 Road (Asok), North Klongteoy Sub-district,
Wattana District, Bangkok

Bankers

HSBC Limited

Auditors

Deloitte Touche Tohmatsu Jaiyos Co., Ltd.

DIRECTORS ' REPORT

Your directors present their report together with the audited accounts of your company for the year ended March 31, 2019.

Financial Results

For the years ended March 31	**2019 THB**	2018 THB
Income	**200,654,515**	700,215,935
Profit/(Loss) before tax	**3,042,260**	29,177,203
Profit/(Loss) after tax	**1,336,216**	15,814,088

Review of Operations:

The income for the year reported as THB 200,654,515. The loss/profit before tax for the year recorded as THB 3,042,260.

Directors:

The following are the directors of the company

Mr. Pranab Choudhury
Mr. Amitava Ghosh
Mr. Sanjeev Pinto
Mr. Hrishikesh Pandit

Outlook for the Current Year:

The Company is optimistic of increasing its local business in future.

Acknowledgments:

Your Directors thank the customers, suppliers, bankers, State and Federal Government Authorities and the shareholders for the cooperation and assistance received from them.

For Tech Mahindra (Thailand) Limited

Pranab Roy Choudhury
Chairman

Place: Bangkok
Date : May 31, 2019

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS TECH MAHINDRA (THAILAND) LIMITED

Opinion

We have audited the financial statements of Tech Mahindra (Thailand) Limited (the "Company"), which comprise the statement of financial position as at March 31, 2019, and the related statements of income and changes in shareholders' equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Tech Mahindra (Thailand) Limited as at March 31, 2019, and its financial performance for the year then ended in accordance with Thai Financial Reporting Standard for Non-Publicly Accountable Entities.

Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing ("TSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Federation of Accounting Professions' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standard 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with TSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Lasita Magut
Certified Public Accountant (Thailand)
Registration No. 9039
DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

BANGKOK
June 1, 2019

TECH MAHINDRA (THAILAND) LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2019

UNIT : BAHT

	Notes	**2019**	2018
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	**73,105,765**	-
Trade and other receivables	5	**54,656,497**	32,558,288
Other current assets	6	**20,722,821**	18,609,750
Total Current Assets		**148,485,083**	51,168,038
NON-CURRENT ASSETS			
Leasehold improvement and equipment	7	**54,723**	87,509
Deferred tax assets	8	**218,049**	343,696
Non-current assets - deposits		**354,773**	327,240
Total Non-current Assets		**627,545**	758,445
TOTAL ASSETS		**149,112,628**	51,926,483

Notes to the financial statements form an integral part of these statements

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT MARCH 31, 2019

UNIT : BAHT

	Notes	2019	2018
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Bank Overdraft	14.1.1	**-**	5,752,801
Trade and other payables	9	**116,367,252**	16,083,626
Other current liabilities	10	**4,211,844**	2,372,631
Total Current Liabilities		**120,579,096**	24,209,058
NON-CURRENT LIABILITIES			
Employee benefit obligations	11	**1,340,811**	1,860,920
Total Non-current Liabilities		**1,340,811**	1,860,920
TOTAL LIABILITIES		**121,919,907**	26,069,978
SHAREHOLDERS' EQUITY			
SHARE CAPITAL			
Authorized share capital			
60,000 ordinary shares of Baht 100 each		**6,000,000**	6,000,000
Paid-up share capital			
60,000 ordinary shares of Baht 100 each, fully paid		**6,000,000**	6,000,000
RETAINED EARNINGS			
Unappropriated		**21,192,721**	19,856,505
TOTAL SHAREHOLDERS' EQUITY		**27,192,721**	25,856,505
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**149,112,628**	51,926,483

Notes to the financial statements form an integral part of these statements

TECH MAHINDRA (THAILAND) LIMITED

STATEMENT OF INCOME

FOR THE YEAR ENDED MARCH 31, 2019

UNIT : BAHT

	Notes	2019	2018
REVENUES			
Revenue from rendering services	13	**199,478,546**	689,825,604
Gain on exchange rate - net		**1,175,969**	10,388,781
Other income		**-**	1,550
Total Revenues		**200,654,515**	700,215,935
EXPENSES			
Cost of rendering services		**185,878,469**	650,991,038
Administrative expenses		**11,698,354**	19,986,737
Total Expenses		**197,576,823**	670,977,775
PROFIT (LOSS) BEFORE FINANCE COSTS			
AND INCOME TAX EXPENSES		**3,077,692**	29,238,160
FINANCE COSTS		**35,432**	60,957
PROFIT BEFORE INCOME TAX EXPENSES		**3,042,260**	29,177,203
INCOME TAX EXPENSES	8	**1,706,044**	13,363,115
NET PROFIT		**1,336,216**	15,814,088

Notes to the financial statements form an integral part of these statements

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED MARCH 31, 2019

UNIT : BAHT

	Paid-up Share Capital	Retained Earnings Unappropriated	Total Shareholders' Equity
Beginning balance as at April 1, 2017	6,000,000	4,042,417	10,042,417
Net profit	-	15,814,088	15,814,088
Ending balance as at March 31, 2018	6,000,000	19,856,505	25,856,505
Beginning balance as at April 1, 2018	6,000,000	19,856,505	25,856,505
Net profit	-	1,336,216	1,336,216
Ending balance as at March 31, 2019	6,000,000	21,192,721	27,192,721

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

1. OPERATIONS AND GENERAL INFORMATION OF THE COMPANY

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

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

The Company's major shareholder is Tech Mahindra Limited, which is incorporated in India and owns 99.99% of the Company's paid-up share capital and is the ultimate parent company of the group

The Company has extensive transactions and relationships with the related party. Accordingly, the financial statements may not necessarily reflect the conditions that would have existed or the results of operations that would have occurred if the Company had operated without such affiliations.

2. BASIS FOR PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS

The Company maintains its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in accordance with Thai Financial Reporting Standard for Non-Publicly Accountable Entities ("TFRS for NPAEs") issued by the Federation of Accounting Professions and accounting practices generally accepted in Thailand.

The financial statements of the Company are prepared in compliance with the Notification of the Department of Business Development dated September 28, 2011 regarding "The Brief Particulars in the Financial Statements B.E. 2554".

TFRS for NPAEs does not require the Company to adopt Thai Financial Reporting Standards ("TFRSs"). However, the Company elected to adopt Thai Accounting Standard No. 12 (Revised 2017) "Income Taxes" in the preparation and presentation of the financial statements.

The Federation of Accounting Professions has issued the Notifications regarding Thai Accounting Standard No. 12 (Revised 2018) "Income Taxes" which is effective for the accounting periods beginning on or after January 1, 2019. The Company's management will adopt such standard in the preparation of the Company's financial statements when it becomes effective. The Company's management is currently assessing the impact on the Company's financial statements in the period of initial application.

The financial statements have been prepared on an accrual basis under the measurement basis of historical cost except as disclosed in the significant accounting policies (see Note 3).

3. SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies are as follows:

3.1 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand balances and all types of deposits at banks with original maturities of not exceeding 3 months from acquisition date, and excluding deposits at banks used as collateral (if any).

3.2 Trade receivables

Trade receivables are stated at their invoice values less allowance for doubtful accounts.

The allowance for doubtful accounts is provided at the estimated collection losses on receivables at the end of the year. Such estimated losses are based on an analysis of payment histories and future expectations of debtor payments. Debtors are written off as bad debts when incurred.

3.3 Leasehold improvement and equipment

Leasehold improvement and equipment are stated at cost less accumulated depreciation and allowance for diminution in value (if any).

Depreciation is calculated by the straight-line method, based on the estimated useful lives of the assets as follows:

Leasehold improvement	Period of lease
Office equipment	2 years
Computer	3 years

3.4 Employee benefit

3.4.1 Post-employment benefit obligations

The Company records employee benefits obligation under the Labor Protection Act under the Company's employment policy which are calculated based on the employee's salaries, turnover rate, years of services and other factors determined by the Company as at the statement of financial position date.

3.4.2 Employee benefit obligations

Employee benefit obligations are provisions for employees in case of provided unused leave according to the Company's policy. Employee benefit obligations are calculated by the Company by using assumptions at the end of the reporting period such as employee salary at the end of reporting period and leave carry balance.

Gain or loss from change in estimate related to the post-employment benefits amendment is recognized as an expense in the statement of income when such amendment is effective.

3.5 Revenues and expenses recognition

Revenues from rendering services

Revenues from rendering services are recognised when the outcome of contracts for the rendering services can be estimated reliably. Revenues from contracts are recognized on the percentage of completion method, based on the proportion of total labour hours incurred to date to the estimated total labour hours of each contract. Loss on an unprofitable contract will be immediate by recognized in the statement of income.

Where amount recognized as revenue on the stage of completion of the contract over progress billing to customers, the net balance is presented as unbilled revenues under trade and other receivables in the statements of financial position.

Other income and expenses

Other income and expenses are recognized on an accrual basis.

3.6 Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax.

3.6.1 Current income tax

Current income tax represents tax currently payable which is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The current tax liability is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

3.6.2 Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit (tax base). Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for temporary differences to the extent that it is probable that taxable profits will be available against which those temporary differences can be utilized. The carrying amount of a deferred tax asset is reviewed at the end of each reporting period. Deferred tax asset shall be reduced to the extent that utilized taxable profits decreased. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available to allow total or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted at the end of reporting period.

3.7 Foreign currency transactions

Transactions denominated in foreign currencies incurred during the year are translated into Baht at the rates of exchange on transaction dates. Monetary assets and liabilities outstanding at the end of reporting period denominated in foreign currencies are translated into Baht at the reference exchange rates established by the Bank of Thailand on that date. Gains and losses on foreign exchange arising on settlements or translation are recognized as income or expense when incurred in the statement of income.

3.8 Use of management's judgments

The preparation of financial statements in accordance with TFRS for NPAEs and generally accepted accounting principles also requires the Company's management to exercise judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the end of the reporting period and the reported amounts of revenue and expense during the reporting period. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at March 31, consist of the following:

	2019	2018
	Baht	Baht
Current account	73,105,765	-

5. TRADE AND OTHER RECEIVABLES

Trade and other receivables as at March 31, consist of the following:

	2019	2018
	Baht	Baht
Trade receivables - other parties	**46,511,894**	16,536,590
Less Allowance for doubtful accounts	**(1,605,000)**	(2,942,500)
	44,906,894	13,594,090
Trade receivables - a related party	**-**	13,578,814
Other receivables - other parties	**288,918**	2,172,473
Unbilled revenues - other parties	**9,460,685**	3,212,911
	54,656,497	32,558,288

7. LEASEHOLD IMPROVEMENT AND EQUIPMENT

Leasehold improvement and equipment as at March 31, consist of the following:

As at March 31, 2019

	Balance as at April 1, 2018	**Additions**	**Balance as at March 31, 2019**
	Baht	**Baht**	**Baht**
Cost			
Leasehold improvement	1,098,525	-	1,098,525
Office equipment	16,262	-	16,262
Computer	667,947	60,100	728,047
Total cost	1,782,734	60,100	1,842,834
Accumulated depreciation			
Leasehold improvement	(1,098,524)	-	(1,098,524)
Office equipment	(13,846)	(2,414)	(16,260)
Computer	(582,855)	(90,472)	(673,327)
Total accumulated depreciation	(1,695,225)	(92,886)	(1,788,111)
Leasehold improvement and equipment	**87,509**	**-**	**54,723**

	As at March 31, 2018		
	Balance as at April 1, 2017	Additions	Balance as at March 31, 2018
	Baht	Baht	Baht
Cost			
Leasehold improvement	1,098,525	-	1,098,525
Office equipment	16,262	-	16,262
Computer	667,947	-	667,947
Total cost	1,782,734	-	1,782,734
Accumulated depreciation			
Leasehold improvement	(1,098,524)	-	(1,098,524)
Office equipment	(8,053)	(5,793)	(13,846)
Computer	(396,035)	(186,820)	(582,855)
Total accumulated depreciation	(1,502,612)	(192,613)	(1,695,225)
Leasehold improvement and equipment	280,122		87,509
Depreciation for the years ended March 31,			
2019		Baht	92,886
2018		Baht	192,613

8. DEFERRED TAX ASSETS AND INCOME TAX EXPENSES

The deferred tax assets as at March 31, consist of the following temporary differences:

As at March 31, 2019

	Balance as at April 1, 2018	Transactions recognized in statement of income		Balance as at March 31, 2019
		Addition	Utilized	
	Baht	Baht	Baht	Baht
Deferred tax assets				
Depreciation	(28,488)	-	(21,625)	(50,113)
Employee benefit obligations	372,184	-	(104,022)	268,162
Total	343,696	-	(125,647)	218,049

As at March 31, 2018

	Balance as at April 1, 2017	Transactions recognized in statement of income		Balance as at March 31, 2018
		Addition	Utilized	
	Baht	Baht	Baht	Baht
Deferred tax assets				
Depreciation	(18,749)	-	(9,739)	(28,488)
Employee benefit obligations	232,600	139,584	-	372,184
Total	213,851	139,584	(9,739)	343,696

Income tax for the years ended March 31, consist of the following:

	2019	2018
	Baht	Baht
Adjustment of current income tax	**1,580,397**	367,799
Adjustment of prior year income tax	**-**	13,125,161
Deferred tax income	**125,647**	(129,845)
Income tax expenses in the statements of income	**1,706,044**	13,363,115

Reconciliations of income tax expense for the years ended March 31, were as follows:

	2019 Baht	2018 Baht
Accounting profit before income tax	**3,042,260**	29,177,203
Permanent differences	**208,472**	(5,690,766)
Temporary differences	**(628,233)**	(649,225)
Loss (income) that is exempt from taxable		
- Promoted business	**5,279,486**	(22,837,212)
Taxable profit	**7,901,985**	-
Tax currently payable		
- Income tax rate (20%)	**1,580,397**	-
Tax effects of :		
Temporary differences		
Depreciation	**21,625**	9,739
Employee benefit obligations	**104,022**	(139,584)
	125,647	(129,845)
Adjustment of current income tax	**1,580,397**	367,799
Adjustment of prior year income tax(1)	**-**	13,125,161
Income tax expense	**1,706,044**	13,363,115
Effective tax rate	**56%**	46%

(1) Adjustment of prior year income tax was resulted from reversal of refundable withholding tax of prior year because the Company's management considered that refundable period will take long time and potential expenses from this refund are not worth for such refundable withholding tax amounts.

9. TRADE AND OTHER PAYABLES

Trade and other payables as at March 31, consist of the following:

	2019 Baht	**2018 Baht**
Trade payables - a related party	66,781,692	3,186
Trade payables - other parties	14,556,314	660,159
Accrued expenses - a related party	-	5,019,735
Accrued expenses - other parties	10,387,624	10,400,546
Unearned revenue	24,641,622	-
	116,367,252	16,083,626

10. OTHER CURRENT LIABILITIES

Other current liabilities as at March 31, consist of the following:

	2019 Baht	2018 Baht
Value-added-tax payable	3,357,000	2,014,108
Withholding tax payable	854,844	358,523
	4,211,844	2,372,631

11. EMPLOYEE BENEFIT OBLIGATIONS

Employee benefit obligations as at March 31, consist of the following:

	2019 Baht	2018 Baht
Beginning balances as at April 1,	1,860,920	1,163,001
Increase (decrease) during the years		
- recognized as expense for the years	407,368	697,919
- payment made during the year	(927,477)	-
Ending balances as at March 31,	1,340,811	1,860,920

12. PROMOTIONAL PRIVILEGES

By virtue of the provisions of the Industrial Investment Promotion Act B.E. 2520, the Company has been granted privileges by the Board of Investment relating to the investment in enterprise software and digital content with certificate no. 1044(7)/2556, dated January 15, 2013. The privileges granted included the exemption of import duty on machinery that approved by the Board and the exemption of corporate income tax for net profit from the promoted activities for a period of eight years from the date when income is first derived.

As a promoted company, the Company must comply with certain conditions and restrictions provided in the promotional certificate.

13. REVENUES REPORTING OF A PROMOTED INDUSTRY

In accordance with the Notification of the Board of Investment No. Por. 14/2541 dated December 30, 1998, regarding revenue reporting of a promoted industry, the Company is required to report revenues separately for domestic and export and from the promoted and non-promoted businesses. For the years ended March 31, all sales were domestic sales and such information is as follows:

	2019	2018
	Baht	Baht
Domestic		
Non-promoted business	107,169,575	603,000,000
Promoted business	92,308,971	86,825,604
Total	199,478,546	689,825,604

14. SIGNIFICANT AGREEMENTS

14.1 Banking Facility Agreements

14.1.1 On April 7, 2017, the Company entered into banking facility agreements without collateral with the Hongkong and Shanghai Banking Corporation Limited. The combined limit for facilities is Baht 17.5 million with sublimits of overdraft and short-term loan and guarantees of Baht 10 million. As at March 31, 2018, the Company has drawn down overdraft of Baht 5.75 million. (As at March 31, 2019 : Nil)

14.2 Service Agreements

14.2.1 On October 26, 2016, the Company had service agreement with a company to provide accounting services with monthly fee and the agreement can be amended to reflect the change in increasing of accounting transactions of the Company.

14.2.2 On January 27, 2014, the Company had service agreement with a company to provide taxation and BOI compliance services with monthly fee.

14.2.3 On March 21, 2007, the Company had service agreement with a company to provide legal consultant services with service fees at the agreed rates and conditions specified in the agreement.

15. COMMITMENTS AND CONTINGENT LIABILITIES

As at March 31, the Company has non-cancellable lease commitments for building rental to be paid in the future as follows:

Remaining period	**2019**	2018
	Baht	Baht
Less than 1 year	1,122,000	1,343,116
Over 1 year but not over 5 years	236,745	1,263,758
Total	1,358,745	2,606,874

For the years ended March 31, 2019 and 2018, rentals applicable to long-term lease agreements have been recorded as expenses in the statements of income of Baht 1.39 million and Baht 1.30 million, respectively.

16. LETTERS OF GUARANTEE

As at March 31, 2019 and 2018, the Company has letter of guarantees without collateral issued by a bank on behalf of the Company in respect of the contractual compliance with a company amounting to Baht 1.46 million and Baht 1.09 million, respectively.

17. EVENT AFTER THE REPORTING PERIOD

The Labor Protection Act (No. 7) B.E. 2562 has been announced in the Royal Gazette on April 5, 2019, which will be effective after 30 days from the date announced in Royal Gazette. This Labor Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than 400 days at the employees' latest wage rate. This change is considered an amendment to post-employment benefits plan. The Company will recognize the effect of the change in such estimate in the financial statements when the law is effective.

18. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved for issuance by the authorized director of the Company on June …., 2019.

PT TECH MAHINDRA INDONESIA

Board of Directors
Mr. Manish Goenka
Mr. Suresh Bhat (Resigned on 1st December, 2018)
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.
Bank Mandiri Indonesia
Bank Negara Indonesia

Auditors
Osman Bing Satrio & Eny

DIRECTORS ' REPORT

Your directors present their report together with the audited accounts of your company for the year ended March 31, 2019.

Financial Results

For the years ended March 31	**2019**	**2019**	2018	2018
	US $	**INR**	US $	INR
Income	**20,717,517**	**1429,508,673**	17,827,156	1230,073,764
Profit/(Loss) before tax	**(7,274,580)**	**(501,946,020)**	1,191,562	82,217,778
Profit/(Loss) after tax	**(5,996,177)**	**(413,736,213)**	(499,164)	(34,442,316)

*Average conversion rate considered is INR 69 per USD.

Review of Operations:

During the year under review, your company recorded an income of US$ 20,717,517 (equivalent to INR 1429,508, 673) increase of 0.16% over the previous year. Loss before tax was US$ (7,274,580) (equivalent to INR 501,946,020). The Company continues to invest in strengthening its marketing infrastructure in Indonesia.

Outlook for the Current Year:

The Company is optimistic of increasing its business in future.

Acknowledgments:

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

Manish Goenka
Director

Pranab Choudhary
Director

Place: Jakarta
Date : 8th July, 2019

INDEPENDENT AUDITOR'S REPORT

The Stockholders, Commissioner and Board of Directors

PT Tech Mahindra Indonesia

We have audited the accompanying financial statements of PT Tech Mahindra Indonesia, which comprise the statement of financial position as of March 31, 2019, 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 Indonesian Financial Accounting Standards and for such internal control as management determines is necessary to enable the preparation of the 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 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 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 accompanying financial statements present fairly, in all material respects, the financial position of PT Tech Mahindra Indonesia as of March 31, 2019, and its financial performance and cash flows for the year then ended in accordance with Indonesian Financial Accounting Standards.

IMELDA & REKAN

Erny Sandjaja

Public Accountant License No. AP. 0631

9th July, 2019

STATEMENT OF FINANCIAL POSITION MARCH 31, 2019

	Notes	**March 31, 2019 US$**	March 31, 2018 US$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalent	5	**1,477,063**	2,492,214
Trade accounts receivables - net of allowance for impairment losses of US$ 7,590,310 as of March 31, 2019 and US$ 2,514,895 as of March 31, 2018	6	**2,761,142**	6,442,172
Other accounts receivable from a related party	24	**12,700**	-
Other receivables - unbilled revenue		**4,726,112**	2,707,828
Prepaid taxes	7	**2,865,488**	1,039,618
Prepaid expenses and advances	8	**291,046**	202,764
Total Current Assets		**12,133,551**	12,884,596
NON-CURRENT ASSETS			
Deferred tax assets	22	**2,013,313**	756,580
Estimated claims for tax refund	9	**569,450**	1,143,027
Property and equipment - net of accumulated depreciation US$ 291,374 as of March 31, 2019 and US$ 277,566 as of March 31, 2018	10	**25,287**	37,294
Other assets	11	**51,836**	45,803
Total Non-current Assets		**2,659,886**	1,982,704
TOTAL ASSETS		**14,793,437**	14,867,300
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Trade accounts payables	12		
Third parties		**1,941,839**	318,137
Related parties	24	**1,031,453**	179,175
Other accounts payables	13	**136,340**	118,515
Accrued expenses	14	**4,646,770**	1,101,796
Taxes payable	15	**211,622**	712,873
Unearned revenue	17	**452,153**	-
Total Current Liabilities		**8,420,177**	2,430,496
NON-CURRENT LIABILITIES			
Employee benefits obligations	23	**288,642**	356,009
EQUITY			
Capital stock- USD 1 par value per share			
Authorized 1,000,000 shares			
Subscribed and paid-up - 500,000 shares	16	**500,000**	500,000
Other comprehensive Income		**137,665**	72,657
Retained earnings		**5,446,953**	11,508,138
Total Equity		**6,084,618**	12,080,795
TOTAL LIABILITIES AND EQUITY		**14,793,437**	14,867,300

See accompanying notes to financial statements which are an integral part of the financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED MARCH 31, 2019

	Notes	2019 US$	2018 US$
REVENUE	18	**20,711,061**	17,821,976
COST OF REVENUE	19	**(13,752,986)**	(8,495,062)
GROSS PROFIT		**6,958,075**	9,326,914
OPERATING EXPENSES	20	**(13,952,210)**	(7,666,705)
Finance Cost	21	**(16,702)**	-
Loss on foreign exchange - net		**(116,493)**	(336,157)
Interest income		**6,456**	5,180
Others - net		**(218,714)**	(100,479)
PROFIT (LOSS) BEFORE TAX		**(7,339,588)**	1,228,753
INCOME TAX EXPENSE	22	**1,278,403**	(1,690,726)
NET LOSS FOR THE YEAR		**(6,061,185)**	(461,973)
OTHER COMPREHENSIVE INCOME (LOSS)			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefits obligations	23	**86,678**	(49,588)
Income tax expense related	22	**(21,670)**	12,397
Total other comprehensive (loss) income for the year, net of tax		**65,008**	(37,191)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(5,996,177)**	(499,164)

See accompanying notes to financial statements which are an integral part of the financial statements.

PT TECH MAHINDRA INDONESIA

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2019

	Notes	Paid-up capital stock	Other Comprehensive Income	Retained Earnings	Total equity
		US$		US$	US$
Balance as of April 1, 2017		500,000	109,848	12,970,111	13,579,959
Net loss for the year		-	-	(461,973)	(461,973)
Other comprehensive loss		-	(37,191)	-	(37,191)
Dividends		-	-	(1,000,000)	(1,000,000)
Balance as of March 31, 2018		500,000	72,657	11,508,138	12,080,795
Net loss for the year		-	-	(6,061,185)	(6,061,185)
Other comprehensive loss		-	65,008	-	65,008
Dividends		-	-	-	-
Balance as of March 31, 2019		**500,000**	**137,665**	**5,446,953**	**6,084,618**

See accompanying notes to financial statements which are an integral part of the financial statements.

PT TECH MAHINDRA INDONESIA STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2019

	2019 US$	2018 US$
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit (loss) before tax	**(7,339,588)**	1,228,753
Adjustments for:		
Provision for impairment losses on trade accounts receivables	**5,075,415**	1,455,136
Tax expenses	**-**	107,567
Interest Expense	**16,702**	-
Employee benefits	**19,311**	50,341
Depreciation	**13,808**	14,922
Interest income	**(6,456)**	(5,180)
Operating cash flows before changes in working capital	**(2,220,809)**	2,851,539
Changes in working capital:		
Trade accounts receivables	**(1,394,385)**	221,005
Other accounts receivable from a related party	**(12,700)**	57,454
Other receivables	**(2,018,284)**	(2,707,828)
Prepaid taxes	**(1,825,870)**	(178,033)
Prepaid expenses and advances	**(88,282)**	654,383
Other assets	**(6,033)**	(548)
Trade accounts payables	**2,475,980**	(1,135,210)
Other accounts payables	**17,825**	(9,489)
Accrued expenses	**3,544,974**	99,581
Taxes payable	**(501,251)**	74,622
Unearned revenue	**452,153**	(101,142)
Cash generated from operations	**(1,576,681)**	(173,666)
Interest received	**6,456**	5,180
Income tax paid	**-**	(907,380)
Tax refund	573,577	277,148
Net Cash Used in Operating Activities	(996,648)	(798,718)
CASH FLOWS FROM INVESTING ACTIVITY		
Acquisitions of property and equipment	(1,801)	(32,793)
CASH FLOWS FROM FINANCING ACTIVITY		
Unsecured short term Loan	**684,555**	-
Repayment of unsecured short term loan	**(684,555)**	-
Interest paid	**(16,702)**	-
Dividends paid	**-**	(1,000,000)
NET DECREASE IN CASH AND CASH EQUIVALENT	**(1,015,151)**	(1,831,511)
CASH AND CASH EQUIVALENT AT BEGINNING OF YEAR	**2,492,214**	4,323,725
CASH AND CASH EQUIVALENT AT END OF YEAR	**1,477,063**	2,492,214

See accompanying notes to financial statements which are an integral part of the financial statements.

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2019 AND FOR THE YEAR THEN ENDED

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.

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.

The Company belongs to group of companies owned by Tech Mahindra Limited. As at March 31, 2019 the composition of the Company's Board of Directors and Commissioner was as follows:

President Commissioner	:	Mr. Manoj Joshi
President Director	:	Mr. Manish Goenka
Director	:	Mr. Suresh Bhat

As of March 31, 2019 and 2018, the Company had 214 and 175 permanent employees, respectively.

2. ADOPTION OF NEW AND REVISED STATEMENTS OF FINANCIAL ACCOUNTING STANDARDS ("PSAK") AND INTERPRETATIONS OF PSAK ("ISAK")

a. Amendments/improvements and interpretations to standards effective in the current year

In the current year, the Company has applied a number of amendments and an interpretation to PSAK that are relevant to its operations and effective for accounting period beginning on or after January 1, 2018.

The application of the following amendment/improvements and interpretation to standard have not resulted to material impact to disclosures or on the amounts recognized in the current and prior year financial statements:

- PSAK 2 (amendment), Statement of Cash Flow about Disclosure Initiative
- PSAK 13 (amendment), Transfers to Investment Property;
- PSAK 15 (improvement), Investment in Associates and Joint Venture;
- PSAK 46 (amendment), Recognition of Deferred Tax Assets for Unrealized Losses;
- PSAK 53 (amendment), Classification and Measurement of Share-based Payments Transactions; and
- PSAK 67 (improvement), Disclosures of Interest in Other Entities.

b. Standards, amendments/improvements and interpretations to standard issue not yet adopted

New standards, amendments/improvements and interpretation to standard effective for periods beginning on or after January 1, 2019, with early application is permitted, are as follows:

- PSAK 22 (improvement), Business Combination;
- PSAK 24 (amendment), Plan Amendment, Curtailment or Settlement;
- PSAK 26 (improvement), Borrowing Cost;
- PSAK 46 (improvement), Income Tax;
- PSAK 66 (improvement), Joint Arrangement;

- ISAK 33, Foreign Currency Transactions and Advance Consideration; and
- ISAK 34, Uncertainty Over Income Tax Treatments.

Standards and amendments to standards effective for periods beginning on or after January 1, 2020, with early application is permitted, are as follows:

- PSAK 15 (amendment), Investments in Associates and Joint Ventures: Long Term Interest in Associate and Joint Ventures;
- PSAK 62 (amendment), Insurance Contract: Applying PSAK 71: Financial Instruments with PSAK 62: Insurance Contracts;
- PSAK 71, Financial Instruments;
- PSAK 71 (amendment), Financial Instruments: Prepayment Features with Negative Compensation;
- PSAK 72, Revenue from Contracts with Customers;
- PSAK 73, Leases;

Standard effective for periods beginning on or after January 1, 2021, with early application permitted as follow:

- PSAK 112, Charitable Accounting.

As of the issuance date of the financial statements, the effects of adopting these standards, amendments and interpretation on the financial statements is not known nor reasonably estimable by management.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of Compliance

The financial statements have been prepared in accordance with Indonesian Financial Accounting Standards. These financial statements are not intended to present the financial position, result of operations and cash flows in accordance with accounting principles and reporting practices generally accepted in other countries and jurisdictions.

b. Basis of Preparation

The financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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

c. Foreign currency translation

The financial statements are presented in United States Dollar (US $), which is the functional currency of the Company and the presentation currency for the financial statements.

In preparing the financial statements of the Company, transactions in currencies other than its functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. The resulting gains or losses are credited or charged to profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognized in profit or loss in the period in which they arise

d. Transactions with Related Parties

A related party is a person or entity that is related to the Company (the reporting entity):

a. A person or a close member of that person's family is related to the reporting entity if that person:

   i. has control or joint control over the reporting entity;

ii. has significant influence over the reporting entity; or

iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

b. An entity is related to the reporting entity if any of the following conditions applies:

i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

iii. Both entities are joint ventures of the same third party;

iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity;

v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity, or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;

vi. The entity is controlled or jointly controlled by a person identified in (a);

vii. A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or a parent of the entity); and

viii. The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

e. Financial Assets

All financial assets are recognized and derecognized on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

The Company’s financial assets are classified as loans and receivables.

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 and 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. Income is recognized on an effective interest basis for loans and receivables.

Loans and Receivables

Cash and cash equivalent and trade receivables from customers that have fixed or determinable payments that are not quoted in an active market are classified as “loans and receivables”. Loans and receivables are measured at amortized cost using the effective interest method less impairment. Interest is recognized by applying the effective interest method, except for short- term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Loans and receivables are assessed for indicators of impairment at each reporting period. Loans and receivables are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the loans and receivables, the estimated future cash flows of the investment have been affected.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization; or

- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial asset, such as 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 experiences of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

Since loans and receivables are carried at amortized cost, the amount of the impairment is the difference between the loans and receivables carrying amount and the present value of estimated future cash flows, discounted at the loans and receivables original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the loans and receivables is reduced by the impairment loss directly for all loans and receivables with the exception of receivables where the carrying amount is reduced through the use of an allowance account. When a receivable is considered 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 recognized in profit or loss.

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 recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

<u>Derecognition of financial assets</u>

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when 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 continue to control the transferred asset, the Company recognizes 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 recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

On derecognition of financial asset other than its entirety (e.g., when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

f. Financial Liabilities and Equity Instruments

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities (other than financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

<u>Classification as debt or equity</u>

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

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. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified as either financial liabilities “at FVTPL” or “at amortized cost”.

Financial liabilities at amortized cost

Financial liabilities, which include trade payables, accrued expenses and other payables, are initially measured at fair value, net of transaction costs, and subsequently measured at amortized cost using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and 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 financial liability, or (where appropriate) a shorter period to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company’s obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

g. Netting of Financial Asset and Financial Liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the company has a legally enforceable right to set off the recognized amounts; and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercizable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

h. Cash and Cash Equivalent

Cash and cash equivalent consist of cash on hand and in banks and all unrestricted investments with maturities of three months or less from the date of placement.

i. Prepaid Expenses and advances

Prepaid expenses and advances are amortized over their beneficial periods using the straight- line method.

j. Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation and any accumulated impairment losses. Depreciation is recognized so as to write-off the cost of assets less residual values using the straight-line method, over the estimated useful life of 4 years.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with effect of any changes in estimate accounted for on a prospective basis.

The cost of maintenance and repairs is charged to profit or loss as incurred. Other costs incurred subsequently to add to, replace part of, or service an item of property and equipment, are recognized as asset if, and only if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

k. Impairment of Non-Financial Asset

At the end of each reporting period, the Company reviews the carrying amount of non-financial 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.

Estimated recoverable amount is the higher of fair value less cost to sell and 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of the non-financial asset (cash generating unit) is less than its carrying amount, the carrying amount of the asset (cash generating unit) is reduced to its recoverable amount and an impairment loss is recognized immediately in profit or loss.

Accounting policy for impairment of financial assets is discussed in Note 3e.

l. Provisions

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

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. 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, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

m. Unearned Revenue

Unearned revenue recognized when the Company has receipt of billing to customer, but the services has not transferred to the customer. Which the contract terms must have advances billing has been done for for a few percentage of contract amount on receipt of purchased order.

n. Revenue and Expense Recognition

Revenue is measured at the fair value of the consideration received or receivable for revenue receives from services in the ordinary course of the Company's activities. Revenue is shown net of Value Added Tax ("VAT").

Rendering of Services

Revenue from rendering of services is recognized when all of 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 at the balance sheet date can be measured reliably; and;
- The cost incurred or to be incurred in respect of the transaction can be measured reliably.

Interest Income

Interest income is accrued on time basis, by reference to the principal outstanding and at the applicable interest rate.

Expenses

Expenses are recognized when incurred on an accrual basis.

o. Employee Benefits

The Company provides employee benefits as required under labor law No. 13/2003 (the "Labor Law"). No funding has been made to this defined benefit plan.

The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income as a separate item in the other comprehensive income in equity and will not be reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement.

The Company presents the first two components of defined benefit costs in profit or loss. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognized in the statement of financial position represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

p. Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit to the year. Taxable profit differs from profit before tax as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Current tax expense is determined based on the taxable income for the year computed using prevailing tax rates.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary differences arise from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of their assets and liabilities.

The carrying amount of 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 profits will be available to allow all or part of the asset to be recovered.

Current and deferred tax are recognized as an expense or income in profit or loss, except when they relate to items that are recognized outside of profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognized outside of profit or loss.

Deferred tax assets and liabilities are offset when there is legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities when there is an intention to settle its current tax assets and current tax liabilities on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in Note 3, the directors are required to make judgments, 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 results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical Judgments in Applying Accounting Policies

In the process of applying the accounting policies described in Note 3, management has not made any critical judgment that has significant impact on the amounts recognized in the financial statements, apart from those involving estimates, which are dealt with below.

Key Sources of Estimation Uncertainty

The key assumptions concerning future and other key sources of estimation at the end of the reporting period, 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:

- Impairment Loss on Loans and Receivables

  The Company assesses its loans and receivables for impairment at each reporting date. In determining whether an impairment loss should be recorded in profit or loss, management makes judgment as to whether there is an objective evidence that loss event has occurred. Management also makes judgment as to the methodology and assumptions for estimating the amount and timing of future cash flows which are reviewed regularly to reduce any difference between loss estimate and actual loss. The carrying amount of receivables are disclosed in Note 6.

- Estimated Useful Lives of Property and Equipment

  The useful life of each item of the Company's property and equipment are estimated based on the period over which the asset is expected to be available for use. Such estimation is based on internal technical evaluation and experience with similar assets. The estimated useful life of each asset is reviewed periodically and updated if expectations differ from previous estimates due to quantity and quality of its crop production, physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the asset. It is possible, however, that future results of operations could be materially affected by changes in the amounts and timing of recorded expenses brought about by changes in the factors mentioned above.

  A change in the estimated useful life of any item of property and equipment would affect the recorded amortization and depreciation expense and decrease in the carrying values of Property and equipment. The carrying amounts of Property and equipment are disclosed in Note 10.

- Employee Benefits

  The determination of post-employment benefits obligation is dependent on selection of certain assumptions used in calculating such amounts. Those assumptions include among others, discount rate and rate of salary increase. While it is believed that the Company's assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions may materially affect the Company's post-employment benefit obligations. Employment benefit obligations amounted is disclosed in Note 23.

5. CASH AND CASH EQUIVALENT

	March 31, 2019 US$	March 31, 2018 US$
Cash in banks		
U.S. Dollar		
The Hongkong and Shanghai Banking Corporation	**39,389**	24,769
Rupiah		
PT Bank Mandiri (Persero) Tbk.	**290**	79,027
The Hongkong and Shanghai Banking Corporation	**1,437,381**	35,548
PT Bank Negara Indonesia (Persero) Tbk.	**3**	54
Sub-total	**1,477,063**	139,398
Cash equivalent		
Time deposit		
U.S. Dollar		
The Hongkong and Shanghai Banking Corporation	**-**	900,000
Rupiah		
The Hongkong and Shanghai Banking Corporation	**-**	1,452,816
Sub-total	**-**	2,352,816
Total	**1,477,063**	2,492,214

6. TRADE ACCOUNTS RECEIVABLES

	March 31, 2019 US$	March 31,2018 US$
Third parties:	**10,338,752**	8,957,067
Related parties:	**12700**	-
Total Sundry Debtors	**10,351,452**	8,957,067
Allowance for impairment losses	**(7,590,310)**	(2,514,895)
Total Trade Accounts receivables - Net	**2,761,142**	6,442,172
Related Parties	**12,700**	-
	2,773,842	6,442,172

Aging of trade accounts receivables:

	March 31, 2019 US$	March 31, 2018 US$
Not Due Overdue:	**2,092,184**	1,302,494
1 - 30 days	**79,865**	2,462,441
31 - 60 days	**-**	677,451
61 - 90 days	**173,359**	881,199
Over 90 days	**8,006,044**	3,633,482
Total	**10,351,452**	8,957,067
Allowance for impairment losses	**(7,590,310)**	(2,514,895)
Net	**2,761,142**	6,442,172
Movements in allowance for impairment losses: Beginning of year	**2,514,895**	1,059,759
Additional provision made during the year (Note 20)	**5,075,415**	1,455,136
Write-off made during the year	**-**	-
End of year	**7,590,310**	2,514,895

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

7. PREPAID TAXES

	March 31, 2019 US$	March 31, 2018 US$
Corporate income tax		
March 31, 2019 (Note 22)	**718,790**	-
March 31, 2017	**1,603,896**	350,116
VAT receivable	**542,802**	689,502
Total	**2,865,488**	1,039,618

On July 2017, the Company recompute the Corporate Income Tax for fiscal year 2016 and submitted the correction to the tax office amounting to US$ 350,116. On August 31, 2018, Directorate General of Tax (DGT) issued several underpayment tax assessment letters (SKPKBs) on the Company's Income Tax Article 21, Income Tax Article 23, Income Tax Article 26 and Value Added Tax (VAT) pertaining to fiscal year 2016 amounting to US$ 857,906 (equivalent IDR 12,727,859,650) and also issued SKPKB on the Company's Corporate Income Taxes pertaining to fiscal year 2016 amounting to US$ 395,874 (equivalent IDR 5,752,393,891) compared to overpayment US$ 350,116 recorded and being claimed by the Company under CIT.

Later on November 28, 2018 the Company's filed objection letter on above several underpayment tax assessment letters for fiscal year 2016 amounting to US$ 1,253,780 (equivalent to IDR 18,480,253,541). The total amount was paid in November 29, 2018. In addition the total related to above for penalty fiscal year 2016 amounting to US$ 644,015 (equivalent to IDR 9,342,077,058) has been paid in November 29, 2018 and it was charged in profit and loss. As of the issuance date of financial statements, the Company's has not yet received the decision assessment letter.

8. PREPAID EXPENSES AND ADVANCES

	March 31, 2019 US$	March 31, 2018 US$
Advances to employees	**229,331**	240,024
Advances to suppliers	**71,459**	88
Rental software	**17,555**	-
Others	**10,049**	-
Total	**328,394**	240,112
Allowance for doubtful advance	**(37,348)**	(37,348)
Net	**291,046**	202,764

9. ESTIMATED CLAIMS FOR TAX REFUND

	March 31, 2019 US$	March 31, 2018 US$
Corporate income tax March 31, 2016	569,450	1,143,027

On July 17, 2017, the Directorate General of Taxation (DGT) issued an overpayment of tax assessment letter (SKPLB) No. 00067/406/15/058/17 pertaining to fiscal year 2015 amounting to US$ 469,856 (equivalent IDR 6,289,962,272) compared to overpayment US$ 1,311,938 (equivalent IDR 17,562,793,523) claimed by the Company.

The Company received tax overpayment refund order (SPMKP) No. 058-547-2017 dated August 30, 2017 amounting to US$ 277,146 (equivalent IDR 3,689,651,047). Which resulted to tax overpayment position in March 31, 2018 should be amount US$ 1,034,792. The differences between overpayment per book and claim by company amounting US$ 108,235 has been corrected and charges in profit and loss in current year. In addition on July 2017, the Company received several Tax Collection Letters (STPs) amounting US$ 192,710 (equivalent IDR 2,600,317,517) related to monthly tax installment for 2017 which already been netted it off from above overpayment tax assessment letter mentioned above related to Company's Corporate Income Tax pertaining to fiscal year 2015.

On September 7, 2018, the DGT issued an overpayment of tax decision No. 02925/KEB/WPJ.07/2018 based on objection letter by the Company No. 007/TAXOBJ/X/2017 dated October 13, 2017, with the result added overpayment tax on the Company's CIT pertaining to fiscal year 2015 amounting to US$ 739,310. So DGT agreed an overpayment of tax assessment to be US$ 1,209,166 compare to overpayment US$ 1,311,938 claimed by the Company. The differences between overpayment claimed by the Company and agreed with DGT amounting US$ 102,772 has been corrected and charges in profit and loss in current year.

The Company has received a tax overpayment refund order (SPMKP) No. 058-0579-2018 dated October 2, 2018 for the refund amounting to US$ 362,570 (equivalent IDR 5,110,342,612). In addition, the Company received several STPs amounting to US$ 376,740 (equivalent IDR 5,790,783,338) related to monthly tax installment which already been netted it off from above overpayment tax assessment letter mention above.

In condition the Company's has been paid several STPs with total amounting to US$ 192,710 (equivalent IDR 2,600,317,517) and US$ 376,740 (equivalent IDR 5,790,783,338), respectively. As of the issuance date, the Company is planning to file an objection letter to the tax authorities for the remaining balance.

10. PROPERTY AND EQUIPMENT

	April 1, 2018 US$	Additions US$	Deductions US$	March 31, 2019 US$
Cost:				
Computer	313,983	1,801	-	315,784
Office equipment	877	-	-	877
	314,860	**1,801**	**-**	**316,661**
Accumulated depreciation:				
Computer	277,530	13,588	-	291,118
Office equipment	36	220	-	256
	277,566	**13,808**	**-**	**291,374**
Net Carrying Amount	**37,294**			**25,287**

	April 1, 2017 US$	Additions US$	Deductions US$	March 31, 2018 US$
Cost:				
Computer	282,067	31,916	-	313,983
Office equipment	-	877	-	877
	282,067	**32,793**	**-**	**314,860**
Accumulated depreciation:				
Computer	262,644	14,886	-	277,530
Office equipment	-	36	-	36
	262,644	**14,922**	**-**	**277,566**
Net Carrying Amount	**19,423**			**37,294**

In 2019 and 2018, depreciation charged to operating expenses amounted to US$ 13,808 and US$ 14,922 respectively (Note 20).

The Company's property and equipment 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 Property and equipment as of March 31, 2019 and 2018.

11. OTHER ASSETS

Other assets consist of rental deposit and other deposits amounting to US$ 51,836 and US$ 45,803 respectively for financial year ended 2019 and 2018.

12. TRADE ACCOUNTS PAYABLES

	March 31, 2019 US$	March 31, 2018 US$
Total third parties	**1,941,839**	318,137
Related parties (Note 24)	**1,031,453**	179,175
Total	**2,973,292**	497,312

13. OTHER ACCOUNTS PAYABLES

This account represents leave encashment liabilities amounting to US$ 136,340 and US$ 118,515 as of March 31, 2019 and 2018, respectively.

14. ACCRUED EXPENSES

	March 31, 2019 US$	March 31, 2018 US$
Sub-contract expenses	**4,570,255**	1,004,666
Medical claims	**17,161**	86,680
Payables to employees	**59,354**	10,450
Total	**4,646,770**	1,101,796

15. TAXES PAYABLE

	March 31, 2019 US$	March 31, 2018 US$
Corporate income taxes:		
March 31, 2018 (Note 22)	**-**	536,906
March 31, 2014	**43,274**	43,406
Income taxes:		
Article 21	**39,514**	32,295
Article 23	**21,629**	34,869
Article 26	**106,024**	63,328
Article 4(2)	**1,181**	2,069
Total	**211,622**	712,873

16. CAPITAL STOCK

Name of Stockholder	March 31, 2019 and 2018 Number of Shares	Percentage of Ownership	Total Paid-up Capital
Tech Mahindra Limited	**499,000**	**99.80**	**499,000**
Mr. Atanu Sarkar	**1,000**	**0.20**	**1,000**
Total	**500,000**	**100.00**	**500,000**

17. UNEARNED REVENUE

Amounts billed in advance for services performed are recorded as unearned revenue. The services shall be performed in accordance with the terms of the contracts. Based on contract services No. HOP171123 and 200058727 with PT Telekomunikasi Selular and PT Hutchison 3 Indonesia, respectively for technical support cyber security system. Unearned revenue amounts to US$ 452,153 in 2019.

18. REVENUE

	2019 US$	2018 US$
Total revenue - gross	**20,711,061**	17,821,976

19. 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 2019 and 2018, cost of revenue amounted to US$ 13,752,986 and US$ 8,495,062 respectively.

20. OPERATING EXPENSES

	2019 US$	2018 US$
Provision for doubtful debts	**5,075,415**	1,455,136
Salaries	**3,651,950**	2,875,697
Other allowances	**1,621,657**	1,427,231
Rates and taxes	**1,136,386**	16,428
Professional fees	**710,681**	438,238
Variable performance Allowance	**396,863**	330,016
Travel	**310,156**	367,407
Staff welfare	**259,941**	16,685
School fees - overseas	**182,308**	162,587
Entertainment Expense	**83,323**	97,229
Telecommunication	**82,795**	79,350
Insurance	**73,797**	134,544
Severance pay	**45,704**	17,838
Recruitment	**44,049**	24,724
Rental	**35,641**	39,505
Bank Charges	**31,426**	24,728
Printing and stationery	**24,533**	13,533
General Office Expenses	**23,184**	5,989
Employee benefits (Note 23)	**19,311**	50,341
Conveyance	**14,556**	20,469
Depreciation (Note 10)	**13,808**	14,922
Others (each below US$ 10,000)	**114,726**	54,108
Total	**13,952,210**	7,666,705

21. FINANCE COST

	2019 US$	2018 US$
Interest on loan	**16,702**	-
Total	**16,702**	-

This account represent the interest cost of short term loan to PT Bank HSBC Indonesia, which the Company received loan amounted US$ 684,555 on November 21, 2018. On January 18, 2019 the Company have repaid all the loan principal and its interest to PT Bank HSBC Indonesia.

22. INCOME TAX

Tax expense of the Company consists of the following:

	2019 US$	2018 US$
Current tax	**-**	(790,941)
Deferred tax	**1,278,403**	329,254
Sub total	**1,278,403**	(461,687)
Tax penalties	**-**	2,895
Adjustment recognized in the current year in relation to the prior years corporate income tax	**-**	(1,231,934)
Total tax expense	**1,278,403**	(1,690,726)

Current Tax

Reconciliation between profit (loss) before tax per statements of profit or loss and other comprehensive income and taxable income is as follows:

	2019 US$	2018 US$
Profit (loss) before tax per statement of profit or loss and other comprehensive income	**(7,339,588)**	1,228,753
Temporary differences:		
Provision for employment benefit	**19,311**	50,341
Leave enchasment	**17,825**	16,238
Difference between commercial and fiscal depreciation	**1,062**	(14)
Provision for impairment losses on trade receivables and advances	**5,075,415**	1,455,136
Total	**5,113,613**	1,521,701
Permanent differences:		
Insurance	**73,797**	134,544
School fees	**182,308**	162,587
Staff welfare	**250,940**	16,685
Entertainment expense	**92,122**	
Communication	**19,881**	-
Advances written off	**19,415**	
Medical Expenses Onsite	**165,643**	-
Penalties	**1,136,386**	-
Interest income subjected to final tax	**(6,456)**	(5,180)
Other	**(5,603)**	104,677
Total	**1,928,433**	413,313
Taxable income (loss)	**(297,542)**	3,163,767

Current tax expense and prepayment are computed as follows:

	2019	2018
	US$	US$
Current tax:		
Current tax: 25% x US$ 3,163,767 in 2018	**-**	790,941
Less prepaid income taxes:		
Article 23	**(353,104)**	(254,035)
Article 25	**(365,686)**	-
Total	**(718,790)**	(254,035)
Tax payable (over payment) of corporate income tax (Notes 7 and 15)	**(718,790)**	536,906

No current tax was provided in 2019 as the Company is in fiscal loss position. The fiscal loss can be utilized against the taxable income for a period of five years subsequent to the year the fiscal loss was incurred. The Company has fiscal losses amounting to US$ 297,542 as of March 31, 2019. No deferred tax was provided on such fiscal losses as management believes that the future benefits are uncertain.

Deferred Tax

The details of the Company's deferred tax assets and liability are as follows:

	March 31, 2017	Credited (charged) to profit or loss	Credited to other comprehensive income	March 31, 2018	Credited (charged) to profit or loss	Credited to other comprehensive income	March 31, 2019
	US$	US$	US$	US$	US$	US$	US$
Provision for employment benefit and leave enchasment	77,342	28,891	12,397	118,630	9,285	(21,670)	106,245
Differrence between commercial and fiscal depreciation	5,389	(5,500)	-	(111)	265	-	154
Provision for impairment losses on trade receivables and advances	332,198	305,863	-	638,061	1,268,853	-	1,906,914
Deferred tax assets (liabilities) - net	414,929	329,254	12,397	756,580	1,278,403	(21,670)	2,013,313

A reconciliation between the total tax (benefit) expense and the amounts computed by applying the effective tax rates to income before tax is as follows:

	2019	2018
	US$	US$
Profit (loss) before tax	**(7,339,588)**	1,228,753
Tax at applicable rate	**(1,834,897)**	307,188
Tax effect of non-deductible expenses	**482,108**	103,328
Deferred tax adjustment	**-**	51,171
Tax effect of deferred tax benefit not recognized	**74,386**	-
Total	**(1,278,403)**	461,687

23. EMPLOYEE BENEFITS

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

The defined benefit pension plan typically exposed the Company to actuarial risk such as interest risk and salary risk.

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The following tables summarize the components of employee benefits expense recognized in the statement of profit or loss and other 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 08, 2019 for 2019 and April 12, 2018 for 2018.

Amounts recognized in statements of profit or loss and comprehensive income in respect of the benefits are as follows:

	2019	2018
	US$	US$
Current service costs	**7,724**	42,709
Interest costs	**21,828**	19,259
Gain on foreign exchange	**(10,241)**	(11,627)
Total (Note 20)	**19,311**	50,341
Remeasurement on net benefit liability:		
Actuarial gain/loss from experience adjustment	**(53)**	24,528
Current year acturial loss from changes in financial assumptions	**(86,625)**	25,060
Components of benefit cost recognised in other comprehensive income	**(86,678)**	49,588
Total	**(67,367)**	99,929

The amounts included in the statements of financial position arising from the Company's obligations in respect of these post-employment benefits are as follows:

	2019	2018
	US$	US$
Beginning of the year	**356,009**	256,080
Current service costs	**7,724**	42,709
Interest costs	**21,828**	19,259
Gain on foreign exchange	**(10,241)**	(11,627)
Remeasurement on net benefit liability:		
Actuarial gain/loss from experience adjustment	**(53)**	24,528
Current year acturial loss from changes in financial assumptions	**(86,625)**	25,060
End of the year	**288,642**	356,009

The cost of providing post-employment benefits is calculated by an independent actuary, PT Padma Radya Aktuaria. The actuarial valuation was carried out using the following key assumptions:

	2019	2018
Discount rate	**8.0%**	7.0%
Annual salary increment rate	**10%**	10%
Mortality rate	**100% TMI3**	100% TMI3
Morbidity rate	**5% TMI3**	5% TMI3
Normal retirement age	**60**	60

Significant actuarial assumptions for the determination of post-employment benefit obligation are discount rate and expected salary increase rate. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

- If the discount rate is 1% higher, the post-employment benefit obligation would decrease by US$ 59,399, while decrease by 1% in the discount rate would increase the post-employment benefit obligation by US$ 12,818.
- If the expected salary incremental rate is 1% higher, the post-employment benefit obligation would increase by US$ 10,743, while decrease by 1% in the salary incremental rate would decrease the post-employment benefit obligation by US$ 58,407.

24. NATURE OF RELATIONSHIP AND TRANSACTIONS WITH RELATED PARTIES

Nature of Relationship

a. Tech Mahindra Limited is the majority stockholder and the ultimate controlling party of the Company.

b. Comviva Technologies Limited is the fellow subsidiary of the Company.

c. Key management personnel

- Mr. Pranab Choudhary is Director and the Country Head of the Company
- Mr. Manish Goenka is Director and Regional Head of the Company
- Mr. Rajib Biswas is the Head of Operations of the Company

Transactions with Related Parties

The Company has related party transactions with its controlling entity and other entities which are controlled directly or indirectly by the Tech Mahindra Group or over which they exercise significant influence. The Company enters into transactions with related parties at mutually agreed rates.

a. Other accounts receivables from a related party is as follows:

	2019	2018
	US$	US$
Tech Mahindra Limited	**12,700**	-
Percentage to total assets	**0.08%**	-

Other accounts receivables from a related party consists of payments made by the Company on behalf of the related party in support of related party's operation.

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

	2019	2018
	US$	US$
Purchase	**825,390**	184,800
Percentage to cost of revenue	**6.00%**	2.18%
Trade accounts payables		
Tech Mahindra Limited	**683,692**	179,175
Comviva Technologies Ltd.	**347,761**	-
Total	**1,031,453**	179,175
Percentage to total liabilities	**11.83%**	6.43%

c. Total remuneration incurred by the Company for its key management personnel amounted to US$ 256,233 in 2019 and US$ 281,014 in 2018.

25. SIGNIFICANTS COMMITMENT

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 on July 1, 2014 and shall expire on the third (3rd) anniversary of the Effective Date (the Initial Term), if not automatically renewed. 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) until June 30, 2019. The Company obtain revenue amounting to US$ 14,655,724 from this agreement (note 18).

26. MONETARY ASSETS AND LIABILITIES DENOMINATED IN CURRENCIES OTHER THAN U.S. DOLLAR

On March 31, 2019 and 2018, the Company had monetary assets and liabilities in currency other than U.S. Dollar as follows:

		2019		2018	
		Foreign currency	**Equivalent in US$**	Foreign currency	Equivalent in US$
Assets					
Cash and cash equivalent	IDR	**20,478,343,470**	**1,437,674**	21,561,773,420	1,567,445
Trade accounts receivables	IDR	**139,707,047,536**	**9,808,078**	71,692,131,444	5,211,699
	GBP	**11,172**	**14,700**	8,969	12,626
Total Assets			**11,260,452**		6,791,770
Liability					
Trade accounts payables	IDR	**25,989,514,480**	**1,824,584**	4,266,244,572	310,137
	SGD	**51,895**	**38,441**	-	-
			1,863,025		310,137
Net monetary assets			**9,397,427**		6,481,633

The conversion rates used by the Company on March 31, 2019 and March 31, 2018 are as follows:

	March 31, 2019	March 31, 2018
Other currency		
IDR	**14,244**	13,756
GBP	**0.76**	0.71
SGD	**1.35**	-

27. CONTINGENT LIABILITY

In April 2019, Directorate General of Taxation (DGT) issued underpayment tax assessment letter (SKPKB) No. 00001/110/15/058/19, 00002/110/15/058/19, 00003/110/15/058/19, 00004/110/15/058/19, 00005/110/15/058/19, 00006/110/15/058/19, 00007/110/15/058/19, 00001/110/16/058/19, 00002/110/16/058/19, 00003/110/16/058/19 after rejecting the Objection letter filed by the Company with regards to the Company's Value Added Tax (VAT), pertaining to fiscal year 2015 and 2016. The underpayment amounting to US$ 915,781 (equivalent IDR 13,023,336,400) and penalty of US$ 457,892 (equivalent IDR 6,511,668,200) remains unpaid as on date of book closure.

28. FINANCIAL INSTRUMENT, FINANCIAL RISK AND CAPITAL MANAGEMENT

a. Categories and Classes of Financial Instruments

	Loans and receivables US$	**Liabilities at amortized cost US$**
March 31, 2019		
Current Financial Assets		
Cash and cash equivalent	1,477,063	-
Trade accounts receivables - Third Parties	2,761,142	-
Trade accounts receivables - Related Parties	12,700	
Other Receivables - Unbilled Revenue	4,726,112	
Prepaid expenses and advances	291,046	-
Total Financial Assets	9,268,063	-
Current Financial Liabilities		
Trade accounts payable		
Third parties	-	1,941,839
Related parties	-	1,031,453
Other accounts payables	-	136,340
Accrued expenses	-	4,646,770
Total Financial Liabilities	-	7,756,402

	Loans and receivables US$	Liabilities at amortized cost US$
March 31, 2018		
Current Financial Assets		
Cash and cash equivalent	2,492,214	-
Trade accounts receivables - Third Parties	6,442,172	-
Other Receivables - Unbilled Revenue	2,707,828	
Prepaid expenses and advances	202,764	-
Total Financial Assets	11,844,978	-
Current Financial Liabilities		
Trade accounts payable		
Third parties	-	318,137
Related parties	-	179,175
Other accounts payables		118,515
Accrued expenses	-	1,101,796
Total Financial Liabilities	-	1,717,623

b. Financial Risk Management Policies and Objectives

The Board of Directors guided by approved policies and procedures is generally responsible to manage the financial risks relating to the operations of the Company. Compliance with these policies is reviewed by the Company's internal auditor on a regular basis on a global basis. The Company's risk management program mainly focuses on its foreign exchange risk, interest rate risk, credit risk and liquidity risk to minimize exposure that will adversely affect the performance of the Company.

The Company does not engage into trading of financial instruments, including derivative financial instruments for speculative purpose.

The Company's market risk is limited to the financial risk of changes in foreign currency rates. Mainly transaction in foreign currency rate was settled in short-term, except for non-trade transaction with related parties. Based on these condition, management considers that the Company's exposure to market risk is minimal.

i. Foreign currency risk management

All of the Company's revenue and financing and the majority of its operating expenditure are denominated in U.S Dollar, which indirectly represents a natural hedge on exposure to fluctuations in foreign exchange rates. However, there are transactions denominated in other currency mainly Indonesian Rupiah, which arose from local expenses, salaries and wages and other operational expenses.

The Company manages the foreign currency exposure by matching, as far as possible, receipts and payments in each individual currency. The Company's net open foreign currency exposure as of reporting date is disclosed in Note 26. The Company did not enter into any forward foreign exchange contracts.

Foreign currency sensitivity analysis

Since the Company's ordinary business being traded mostly in U.S Dollar, management believes that the Company does not have significant exposure to fluctuation in foreign exchange rate.

This is a result, if the U.S Dollar had strengthened or weakened by 1% against Indonesia Rupiah with all other variables held constant, profit and taxes of the period would have been US$ 94,212 higher/lower while a fluctuation by 3 % against Singapore Dollar and Euro will resulted to profit and taxes of the period to be US$ 1,153 lower/higher & US$ 441 higher/lower respectively. The percentage used represents management's assessment of the reasonably possible change in foreign exchange rates.

ii. Interest rate risk management

The interest rate risk exposure relates to the amount of assets or liabilities, which are subject to a risk that a movement in interest rates will adversely affect the income after tax. The risk on interest income is limited as the Company only intends to keep sufficient cash balances to meet operational needs.

The Company's exposure to interest rates on financial assets only relates to its cash in banks which carry floating interest rates. Management is in the opinion that the Company's exposure to interest rate risk is not significant.

iii. Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligation resulting in a loss to the Company.

The Company's credit risk is primarily attributed to its cash in banks, trade receivables and other receivable. The Company places its bank balances with credit worthy financial institutions. Trade and other accounts receivable are entered with respected and credit worthy third and related parties. The Company's exposure and its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the Director regularly.

The carrying amount of financial assets recorded in the financial statements, net of any allowance for impairment losses represents the Company's exposure to credit risk.

iv. Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, monitoring forecast and actual cash flows, and matching the maturity profiles of financial assets and liabilities.

Liquidity risk tables

The following table details the Company's remaining contractual maturity for its non- derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

	Less than one year	**More than one year and not later than five years**	**More than five year**	**Total**
	US$	**US$**	**US$**	**US$**
March 31, 2019				
Financial liabilities				
Trade accounts payables				
Third parties	1,941,839	-	-	1,941,839
Related parties	1,031,453	-	-	1,031,453
Other accounts payables	136,340	-	-	136,340
Accrued expenses	4,646,770	-	-	4,646,770
Total	**7,756,402**	**-**	**-**	**7,756,402**
March 31, 2018				
Financial liabilities				
Trade accounts payables				
Third parties	318,137	-	-	318,137
Related parties	179,175	-	-	179,175
Other accounts payables	118,515	-	-	118,515
Accrued expenses	1,101,796	-	-	1,101,796
Total	**1,399,486**	**-**	**-**	**1,399,486**

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

	Less than one month	1-3 monts	3 months to 1 year	1-5 year	Total
	US$	US$	US$	US$	US$
March 31, 2019					
Financial assets					
Cash in banks	**1,477,063**	**-**	**-**	**-**	**1,477,063**
Trade and other receivables					
- Third Parties	**2,273,190**	**173,359**	**314,593**	**-**	**2,761,142**
- Related Parties					
Other Receivables					
- Unbilled Revenue	**-**	**4,630,937**	**95,175**	**-**	**4,726,112**
Total	**3,762,953**	**4,804,296**	**409,767**	**-**	**8,977,017**

	Less than one month	1-3 monts	3 months to 1 year	1-5 year	Total
	US$	US$	US$	US$	US$
March 31, 2018					
Financial assets					
Cash in banks	2,492,214	-	-	-	2,492,214
Trade and other receivables					
- Third Parties	1,081,925	1,771,432	3,469,695	119,120	6,442,172
Other Receivables					
- Unbilled Revenue	493,105	2,214,723	-	-	2,707,828
Total	4,067,244	3,986,155	3,469,695	119,120	11,642,214

The amounts included above for variable interest rate instruments for non-derivative financial assets is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

c. Capital Risk Management

The Company manages capital risk to ensure that it will be able to continue as going concern, in addition to maximizing the profits of the shareholders through the optimization of the balance of debt and equity. The Company's capital structure consists of cash and cash equivalent (Note 5) and shareholders' equity consisting of capital stock (Note 16), other comprehensive income and retained earnings.

The Board of Directors of the Company periodically reviews the Company's capital structure. As part of this review, the Board of Directors considers the cost of capital and related risk.

d. Fair Value of Financial Instrument

The Directors consider that the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values.

29. MANAGEMENT RESPONSIBILITY AND APPROVAL OF FINANCIAL STATEMENTS

The preparation and fair presentation of the financial statements on pages 1 to 31 were the responsibilities of the management, and were approved by the Directors and authorized for issue on 9th July, 2019.

TECH MAHINDRA (BEIJING) IT SERVICES LIMITED

Board of Directors

Mr. Amitava Ghosh
Mr. Makarand Shete
Mr. Ravikanth Karne

Registered Office

Room 512-1 & 512-2,
No.6 South Zhongguancun Street,
Haidian District, Beijing

Bankers

HSBC Bank Limited

Auditors

Zhong Sheng Jia Hua
Certified Public Accountant
Beijing

DIRECTORS' REPORT

Your directors present their report together with the audited accounts of your company for the year ended December 31, 2018.

Financial Results

For the years ended December 31	2018 RMB	2017 RMB
Income	**8,578,165**	8,017,056
Profit/(Loss) before tax	**547,789**	644,922
Profit/(Loss) after tax	**410,810**	483,535

Review of Operations:

During the year under review, your Company recorded an income of RMB 8,578,165 and profit of RMB 410,810.

Directors:

Mr. Amitava Ghosh, Mr. Ravikanth Karne and Mr. Makarand Shete, are directors of the Company.

Outlook for the Current Year:

The Company is optimistic of increasing its business in near future.

Acknowledgments:

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

Amitava Ghosh **President and Chairman**	**Ravikant Karne** **Director**

Place: Beijing, China
Date: April 17, 2019

TECH MAHINDRA (BEIJING) IT SERVICES LIMITED

Balance Sheet (As of 31 December 2018)

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	2,819,400.62	2,187,308.15	Short-term loans	68		
Short-term investment	2			Accounts payable	70		
Dividend receivable+	4			Advances on sales	71		
Interest receivable	5			Wages and salaries unpaid	72	2,766.55	0.00
Bills receivable and Accounts receivable	6	670,327.91	518,228.67	Staff welfare fund unpaid	73		
Other receivables	7	174,236.91	520,479.64	Dividend unpaid	74		
Prepayments	8	237,330.95	1,308,941.83	Tax unpaid	75	89,155.99	36,271.54
Subsidy receivable	9			Bills payable and Other outstanding payments	80	651,368.49	1,005,542.90
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		79,436.86	Long-term liabilities to be expired within one year	86		
Total current assets	31	3,901,296.39	4,614,395.15	**Other current liabilities**	90		
Long-term investment:							
Long-term investment in stocks	32			Total current liabilities	100	743,291.03	1,041,814.44
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	11,297.43	11,297.43	Long-term accounts payable	103		
Less:Accumulated depreciation	40	313.82	4,079.66	Specific payable	106		
Fixed assets, net value	41	10,983.61	7,217.77	Other long-term liabilities	108		
Less:Provision for devaluation of fixed assets	42			Total long-term liabilities	110		
Fixed assets, net amount	43	10,983.61	7,217.77	Deferred taxation:			
Construction materials	44			Deferred tax, credit	111		
Construction in progress	45			Total liabilities	114	743,291.03	1,041,814.44
Disposal of fixed assets	46						
Total fixed assets	50	10,983.61	7,217.77	**Shareholders' Equity:**			
Intangible and other assets:				Share capital	115	3,441,546.02	3,441,546.02
intangible assets	51			Less:Investment Returned	116		
Long-term deferred expenses	52			Paid-up capital (stock)	117	3,441,546.02	3,441,546.02
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	-285,196.73	125,612.78
Deferred taxation, debit	61			Shareholders' Equity:	122	3,168,988.97	3,579,798.48
Total Assets	67	3,912,280.00	4,621,612.92	**Total Liabilities and Shareholders' Equity**	135	3,912,280.00	4,621,612.92

Income Statement(For the year 2018)

Prepared by Tech Mahindra (Beijing) IT Services Ltd			**RMB Yuan**
Item	No.	Last year cumulative	**Current year cumulative**
1. Principal operating revenues	1	7,991,131.58	**8,564,915.76**
Less:operating cost	4		
operating tax and subsidies	5	49,378.25	**39,702.26**
2. Principal operating profit	10	7,941,753.33	**8,525,213.50**
Add:Other operating profit	11		
Less:Operating expense	14	0.00	**0.00**
Administration expense	15	7,329,282.72	**8,000,382.17**
Financial expense	16	-6,655.53	**-9,708.21**
3. Operating profit	18	619,126.14	**534,539.54**
Add:Investment income	19		
Subsidy income	22		
Non-operating income	23	25,924.40	**13,249.41**
Less:Non-operating expense	25	128.80	
4. Total profit	27	644,921.74	**547,788.95**
Less:Income tax payable	28	161,387.14	**136,979.44**
5. Net profit	30	483,534.60	**410,809.51**
Six, Net profit	48	483,534.60	**410,809.51**
plus: (one) Beginning balance of Retained Earnings	49	-768,731.33	**-285,196.73**
(two) Surplus to compensate for loss	50		
(three) Other adjustment factor	51		
Seven, Profit available for distribution	52	-285,196.73	**125,612.78**
Less: (one) statutory surplus reserve	53		
(two) The statutory public welfare fund	54		
(three) Staff bonus and welfare fund	55		
(four) Withdrawal reserve fund	56		
(five) Appropriation of Enterprise Expansion Fund	57		
(six) Profit capitalized on return of investment	58		
(seven) Supplementary current capital	59		
(eight) Single retained profit	60		
(nine) Other	61		
Eight, Distributable profit for investors	62	-285,196.73	**125,612.78**
Less: Dividend payable on preferred stock	63		
(two) Discretionary surplus reserve	64		
(three) Common stock dividends payable (profits payable)	65		
(four) Transferred to capital (capital stock) common stock dividend	66		
(five) Other	67		
Nine, Undistributed profits	68	-285,196.73	**125,612.78**
Aong which: Annual pre-tax profits after irreparable loss.	69		
Supplementary information	70		
One, sale, disposal or investment sector units proceeds	71		
Two, the loss of natural disasters (loss to “+” to fill a column)	72		
Three, changes in accounting policies influence the profit total amount	73		
Four, change in accounting estimate affects the profit total amount	74		
Five, debt recombination losses (loss to “+” to fill a column))	75		
Six, other non-recurring gains and losses (gains with “+” to fill a column)	76		

TECH MAHINDRA (BEIJING) IT SERVICES LIMITED

Cash flow Statement (For the year ended December 31, 2018)

Prepared by Tech Mahindra (Beijing) IT Services Ltd			**RMB Yuan**
Items		**No.**	**Amount**
1.	**Cash flows from operating activities**		
	Cash inflow from sale of goods and provision of services	1	**9,230,909.93**
	Repayment of tax received	3	**13,249.41**
	Other cash inflow relating to operating activities	8	**171,936.48**
	Total cash inflow	9	**9,416,095.82**
	Payments for purchase of goods and receipt of services	10	
	Payments to and for staff	12	**2,820,905.85**
	Taxation paid	13	**1,373,401.76**
	Other Payments relating to operating activities	18	**5,853,880.68**
	Total cash outflow	20	**10,048,188.29**
	Net cash inflow/outflow generated from operations	21	**-632,092.47**
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	**-632,092.47**

Cash flow Statement (For the year ended December 31,2018)

Prepared by Tech Mahindra (Beijing) IT Services Ltd			RMB Yuan
Supplementary information		**No.**	**Amount**
1.	**Adjustment of net profit to cash flows generated from operations:**		
	Net profit	57	**410,809.51**
	Add:Provision for devaluation of assets	58	
	Depreciation of fixed assets	59	**3,765.84**
	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	**-1,265,754.37**
	Increase of payables in operations (less: decrease)	73	**219,086.55**
	Others	74	**-**
	Net cash inflow/outflow generated from operations	75	**-632,092.47**
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	**2,187,308.15**
	Less: Cash and bank balances at beginning of period	80	**2,819,400.62**
	Cash equivalent at end of period	81	**-**
	Less: Cash equivalent at beginning of period	82	**-**
	Net increase in cash and cash equivalents	83	**-632,092.47**

NOTES TO FINANCIAL STATEMENTS 31 DEC. 2018

(The currency are presented in RMB except otherwise stated)

I. The Company's General Profile

As a wholly foreign-owned enterprises, Tech Mahindra (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 informat**ion.**

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 Rimini.

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 sub companies 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 market 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 market 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

① The debtor has been dead. After the heritage is paid off, the debt can still be taken back.

② The debtor goes bankruptcy. After the bankruptcy property is paid off, the debt can still be taken back.

③ 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

8.1 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 wrap page, etc.

8.2 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.

8.3 Amortization method of low priced and easily worn articles and wrap page: low priced and easily worn articles shall be amortized through once write-off method according to the actual conditions when receiving.

8.4 Inventory system of stock: the stock method of this company's inventory quantity is perpetual inventory system.

8.5 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.

(1) Inventory already mildewed and rotten

(2) Inventory dated and no transferring value

(3) Inventory not required in production, without using value and transferring value.

(4) Other inventory proven without using value and transferring value.

9. Long-term investment accounting method

9.1 Long-term equity investment

① 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.

② 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.

③ 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 sub companies, count as per the equity method and combined financial statements.

9.2 Long-term equity investment

① 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.

② 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.

① Market price has been lower than the account value for consecutive two years;

② The investment has been suspended for transaction over 1 year.

③ The invested unit is under heavy loss in that year;

④ The invested unit has been under heavy loss for consecutive two years;

⑤ The invested unit has been liquidated, rectified and cleared. Or unsustainable running conditions occur.

Confirming standards and counting and drawing methods of the depreciation preparation of long-term investment

① Political and legal environmental change affecting the management of invested unit

② 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.

③ 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.

④ 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 offsite 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:

1) And the fixed assets related to the economic benefits are likely to flow into the enterprise.

2) 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 Amortization 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 outlawing 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 offsite 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.

① Sign the project award contract and definitely regulate the settlement way and price amount of project price;

② 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.

③ 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.

④ 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.

① 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.

② 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.

③ 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

Tax	Specific tax rate
Value-added tax (VAT)	Taxable income is calculated as output tax at the rate of 6%, and VAT is calculated as the difference after deducting the input tax allowed to be deducted in the current period.
Urban maintenance and construction tax	According to the actual payment of turnover tax 7%
Surcharge for education	According to the actual payment of turnover tax 3%
Local education surcharge	According to the actual payment of turnover tax 2%
Enterprise income tax	According to 25% of taxable income
Individual income tax	Excess progressivity

VII. Main Notes to the Financial Statements

The following notes (including notes of major items in the company's financial statements) refer to January 1, 2018 at the beginning of the year, December 31, 2018 at the end of the year, 2018 in the current period and 2017 in the previous period unless otherwise specified.

1. Monetary fund

Item	**Closing balance**	**Beginning balance**
Cash in stock		
Bank deposit	**2,187,308.15**	2,819,400.62
Other monetary funds		
Total	**2,187,308.15**	2,819,400.62

2. Notes receivable and accounts receivable

Item	**Closing balance**	**Beginning balance**
Note receivable		
Accounts receivable	**518,228.67**	670,327.91
Total	**518,228.67**	670,327.91

(1) Accounts receivable

(2) Classified disclosure of accounts receivable

Category	Closing balance				
	Book balance		Bad-debt provision		Book value
	Amount	**Proportion (%)**	Amount	Total proportion (%)	
Receivables with significant single amount and provision for bad debts separately					
Receivables with provision for bad debts according to the combination of credit risk characteristics	**518,228.67**				518,228.67
Receivables for which single amount is not important and bad debt reserves are boldly withdrawn separately					
Total	**518,228.67**				518,228.67
Receivables with significant single amount and provision for bad debts separately					
Receivables with provision for bad debts according to the combination of credit risk characteristics	**670,327.91**				670,327.91
Receivables for which single amount is not important and bad debt reserves are boldly withdrawn separately					
Total	**670,327.91**				670,327.91

In the portfolio, accounts receivable for which bad debt provision is accrued according to aging analysis method.

Aging	**Closing balance**		
	Accounts receivable	**Bad-debt provision**	**Total proportion (%)**
Within one year	**518,228.67**		
1 to 2 years			
2 to 3 years			
More than 3 years			
Total	**518,228.67**		
Within one year	**670,327.91**		
1 to 2 years			
2 to 3 years			
More than 3 years			
Total	**670,327.91**		

3. Advance payment

(1) Prepayments are presented by age

Aging	Closing balance		Beginning balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within one year	**1,308,941.83**		237,330.95	
1 to 2 years				
2 to 3 years				
More than 3 years				
Total	**1,308,941.83**	—	237,330.95	—

1) Other receivables

① Classification disclosure of other receivables

Category	Closing balance				
	Book balance		Bad-debt provision		Book value
	Amount	Proportion (%)	Amount	Total proportion (%)	
Other receivables with significant single amount and separate provision for bad debts					
Other receivables for which bad debt reserves are accrued according to the combination of credit risk characteristics	**520,479.64**				520,479.64
Other receivables for which the single amount is not heavy and the bad debt reserve is boldly withdrawn separately					
Total	**520,479.64**				520,479.64
Other receivables with significant single amount and separate provision for bad debts					
Other receivables for which bad debt reserves are accrued according to the combination of credit risk characteristics	**174,236.91**				174,236.91
Other receivables for which the single amount is not heavy and the bad debt reserve is boldly withdrawn separately					
Total	**174,236.91**				174,236.91

Other receivables in the portfolio for which bad debt reserves are accrued according to aging analysis method.

Aging	Closing balance		
	Other receivables	Bad-debt provision	Total proportion (%)
Within one year	**479,701.74**		
1 to 2 years	**40,777.90**		
2 to 3 years			
More than 3 years			
Total	**520,479.64**		
Within one year	**170,831.15**		
1 to 2 years			
2 to 3 years	**3,405.76**		
More than 3 years			
Total	**174,236.91**		

5. Other current assetslities

Item	Closing balance	Beginning balance
Input tax to be deducted	**79,436.86**	
Total	**79,436.86**	

6. Fixed assets

Item	Closing balance	Beginning balance
Fixed assets	**7,217.77**	10,983.61
Liquidation of fixed assets		
Total	**7,217.77**	10,983.61

(1) Fixed assets

① Status of fixed assets

Item	Beginning book balance	Increase this year	Decrease this year	Closing book balance
Total Original Price	**11,297.43**			11,297.43
Office equipment	**11,297.43**			11,297.43
II. TotalAccumulated Depreciation	**313.82**			4,079.66
Office equipment	**313.82**			4,079.66
III.TotalAmount of Impairment Reserve				
Office equipment				
IV.Total book value	**10,983.61**			7,217.77
Office equipment	**10,983.61**			7,217.77

7. Long-term deferred and prepaid expenses

Item	Beginning balance	Increase in current period	Amortization amount in current period	Other reduced amounts	Closing balance
Renovation costs		83,646.02	83,646.02		
Total		**83,646.02**	**83,646.02**		

8. Staff salaries

(1) Salary payable to employees listed

Item	Beginning book balance	Amount withdrawn this year	Amount paid this year	Year-end book balance
I. Wages, bonuses, allowances and subsidies	2,766.55	1,641,177.92	1,643,944.47	
II. Employee benefits		782,747.93	782,747.93	
Total	**2,766.55**	**2,423,925.85**	**2,426,692.40**	

9. Taxes payable

Item	Closing balance	Beginning balance
Value-added tax		31,081.14
Withholding and remitting personal income tax	**15,274.30**	28,072.10
Income tax	**20,997.24**	25,605.98
City construction tax		2,638.06
Surcharge for Education		1,758.71
Total	**36,271.54**	89,155.99

10. Other receivables

Item	Closing balance	Beginning balance
Other receivables	**1,005,542.90**	651,368.49
Interest payable		
Dividends payable		
Total	**1,005,542.90**	651,368.49

(1) Other receivables

① Other payables by nature

Item	Closing balance	Beginning balance
Service fee	**979,563.25**	98,687.56
Headquarters prepayment	**23,194.24**	552,680.93
Accrued expense	**2,785.41**	
Total	**1,005,542.90**	651,368.49

11. Paid-in capital

Name of investor	Beginning balance	Increase in current period	Decrease in current period	Closing balance
Mahindra Group	**3,441,546.02**			3,441,546.02
Total	**3,441,546.02**			3,441,546.02

12. Capital reserve

Item	Beginning balance	Increase in current period	Decrease in current period	Closing balance
Capital (equity) premium	**12,639.68**			12,639.68
Total	**12,639.68**			12,639.68

13. Undistributed profit

Item	Current amount	Amount of previous period
Undistributed profit at the end of last year before adjustment	**-285,196.73**	-768,731.33
Adjust the total undistributed profit at the beginning of the period (increase +, decrease -)		
Adjusted undistributed profits at the beginning of the period	**-285,196.73**	-768,731.33
Plus: net profit attributable to shareholders of the parent company in the current period	**410,809.51**	483,534.60
Minus: Withdraw statutory surplus reserve		
Unallocated profit at the end of the period	**125,612.78**	-285,196.73

14. Operating income and operating costs

Item	Current amount		Amount of previous period	
	Income	Cost	Income	Cost
Main business	**8,564,915.76**		7,991,131.58	
Other services				
Total	**8,564,915.76**		7,991,131.58	

15. Non-operating income

Item	Current amount	Amount of previous period
Return of personal tax service fee	**13,249.41**	25,924.16
Transfer of accounts receivable		0.24
Total	**13,249.41**	25,924.40

16. Non-business expenditure

Item	Current amount	Amount of previous period
Compensation, liquidated damages, late fees		128.80
Total		128.80

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.

Foreign rights and interests of foreign-invested enterprises confirmation form audit report

Tech Mahindra (Beijing) IT Services Ltd:

We have audited the accompanying Tech Mahindra (Beijing) IT Services Ltd (hereinafter referred to as the Company) 2018 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   Chinese Institute of Certified Public Accountant:

Beijing China   Chinese Institute of Certified Public Accountant:

February 22, 2019

Foreign Rights and Interests of Foreign-invested Enterprises Confirmation Form

Prepared by TECH MAHINDRA (BEIJING) IT SERVICES LIMITED Fill time: April 18, 2019

Organization Code: 66690378-3	Unit: RMB Yuan	
Indicators	Beginning	Ending
1: The actual investment of the foreign investorOf which: foreign real to the registered capital	3,441,546.02	3,441,546.02
	3,441,546.02	3,441,546.02
2: Amount of reserve and retained earnings of foreign enjoyed	-272,557.05	138,252.46
2.1 Capital reserve	12,639.68	12,639.68
2.2 Surplus reserve		
2.3 Undistributed profit	-285,196.73	125,612.78
3: Foreign dividend that allocated but not yet exported outside		
4; Foreign currency account balances(Including regular items and capital items)	11.43	11.95

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.

Person in charge of the unit: Mr. Rohit Gandhi

Person in charge of accounting department: Mr. Rohit Gandhi

Lister: Sunjing

TECH MAHINDRA (BAHRAIN) LTD S.P.C.

Directors

Mr. Hrishikesh Pandit
Mr. Makarand Shete
Mrs. Dhanashree Bhat

Commercial Registration Number

73221-1

Registered Office

Flat 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

Deloitte & Touche – Middle East
P.O. Box 421
Manama
Kingdom of Bahrain

INDEPENDENT AUDITOR'S REPORT

To the Shareholder
Tech Mahindra (Bahrain) LTD. S.P.C.
Manama, Kingdom of Bahrain

Report on the Financial Statements

Opinion

We have audited the financial statements of Tech Mahindra (Bahrain) LTD. S.P.C. (the "Company"), which comprise the statement of financial position as at March 31, 2019, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), together with the other ethical requirements that are relevant to our audit of the Company's financial statements in the Kingdom of Bahrain, and we have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Directors report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosure are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Further, as required by the Bahrain Commercial Companies Law 2001 and its subsequent amendments, we report that the Company has maintained proper accounting records and the financial statements have been prepared in accordance with those records. We further report that, to the best of our knowledge and belief, the financial information provided in the Directors' Report is in agreement with the financial statements and based on the information and explanations provided by the management which were required for the purpose of our audit, we are not aware of significant violations of the relevant provisions of Bahrain Commercial Companies Law 2001 and the Company's Memorandum and Articles of Association having occurred during the year ended March 31, 2019 that might have had a material effect on the business of the Company or on its financial position.

DELOITTE & TOUCHE – MIDDLE EAST
Partner Registration No. 184
Manama, Kingdom of Bahrain

Date: June 3, 2019

STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2019

	Notes	2019 BD	2018 BD
ASSETS			
Current assets			
Accounts receivable and other assets	5	**28,491**	34,999
Amounts due from the Parent Company	6	**-**	6,849
Cash and bank balances	7	**415,957**	351,564
Total assets		**444,448**	393,412
EQUITY AND LIABILITIES			
Equity			
Share capital	8	**50,000**	50,000
Statutory reserve	9	**25,000**	25,000
Retained earnings		**305,156**	299,896
Total equity		**380,156**	374,896
Non-current liability			
Employees' end-of service benefits	10	**7,441**	8,270
Current liabilities			
Accounts payable and other liabilities	11	**10,855**	10,246
Amounts due to the Parent Company	6	**45,996**	-
Total current liabilities		**56,851**	10,246
Total liabilities		**64,292**	18,516
Total equity and liabilities		**444,448**	393,412

The financial statements from page 4 to 15 were approved and authorised for issue on June 11, 2019 and signed by:

Mr. Hrishikesh Pandit
Director

Mr. Makarand Shete
Director

The attached notes from an integral part of these financial statements

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR YEAR ENDED MARCH 31, 2019

	Notes	**2019** BD	2018 BD
Net service revenue to the Parent Company	6 & 12	**86,255**	126,552
Cost of revenue	13	**(62,497)**	(85,586)
Gross profit		**23,758**	40,966
Other income	14	**445**	271
General and administrative expenses	15	**(18,943)**	(36,272)
Profit for the year		**5,260**	4,965
Total comprehensive income for the year		**5,260**	4,965

Mr. Hrishikesh Pandit
Director

Mr. Makarand Shete
Director

The attached notes from an integral part of these financial statements

STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED MARCH 31, 2019

	Share Capital BD	Statutory Reserve BD	Retained Earnings BD	Total BD
Balance at March 31, 2017	50,000	25,000	394,931	469,931
Total comprehensive income for the year	-	-	4,965	4,965
Dividend Paid during the year	-	-	(100,000)	(100,000)
Balance at March 31, 2018	50,000	25,000	299,896	374,896
Total comprehensive income for the year	-	-	5,260	5,260
Balance at March 31, 2019	50,000	25,000	305,156	380,156

The attached notes from an integral part of these financial statements

STATEMENT OF CASH FLOWS FOR YEAR ENDED MARCH 31, 2019

	Notes	2019 BD	2018 BD
Cash flows from operating activities			
Profit for the year		**5,260**	4,965
Adjustments for:			
Provision for employees' end-of-service benefits	10	**(137)**	6,003
		5,123	10,968
Changes in operating assets and liabilities:			
Decrease / (increase) in accounts receivable and other assets		**6,508**	(4,279)
Decrease / (increase) in amounts due from the Parent Company		**6,849**	(6,849)
Increase / (decrease) in accounts payable and other liabilities		**609**	(7,278)
Increase / (decrease) in amount due to the Parent Company		**45,996**	(10,008)
Cash from / (used in) operating activities		**65,085**	(17,446)
Settlement of employee's end-of-service benefits	10	**(692)**	(5,274)
Net cash generated from / (used in) operating activities		**64,393**	(22,720)
Cash flows from financing activities			
Dividend paid		**-**	(100,000)
Net cash used in financing activities		**-**	(100,000)
Net increase / (decrease) in cash and cash equivalents		**64,393**	(122,720)
Cash and cash equivalents beginning of year		**351,564**	474,284
Cash and cash equivalents at the end of year	7	**415,957**	351,564

The attached notes from an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED MARCH 31, 2019

1. STATUS AND ACTIVITIES:

Tech Mahindra (Bahrain) LTD S.P.C. (the "Company") was incorporated on November 3, 2009 as a Single Person Company in the Kingdom of Bahrain and registered with the Ministry of Industry, Commerce and Tourism under Commercial Registration number 73221. The Company is engaged in providing information technology services and telecommunication solutions.

The Company's registered office is in Manama, Kingdom of Bahrain. The Company is owned by Tech Mahindra Limited – India (the "Parent Company").

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

In the current year the Company has applied the following IFRS Standards and interpretations that are effective for an annual period that begins on or after January 1, 2018. Their adoption did not have any material impact on the disclosures or on the amounts reported in the financial statements:

- IFRS 9 Financial Instruments (as revised in July 2014) and the consequential amendments to other IFRS Standards. The requirements of IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement and brings fundamental changes to the accounting for financial assets and to certain aspects of the accounting for financial liabilities. IFRS 9 introduces new requirements for i) the classification and measurement of financial assets and liabilities; ii) impairment of financial assets; and iii) general hedge accounting.
- The Company's accounting policies for financial assets and financial liabilities are detailed under note 3.
- IFRS 15 Revenue from Contracts with Customers which introduces a 5-step approach to revenue recognition. The core principle of IFRS 15 is that entity should recognize revenue to depict the transfer of promised goods and services to customer in an amount that reflects the consideration to which entity expects to be entitled in exchange of those goods and services. Under IFRS 15, an entity recognizes revenue when or as the performance obligation is satisfied.
- Amendments to IFRS 2 Share-based Payment, classification and measurement of Share-based Payment Transactions.
- Amendments to IAS 40 Investment Property: Amends state that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use. The paragraph has been amended to state that the list of examples therein is non-exhaustive.
- Amendments to IAS 28 Investments in Associates and Joint Ventures included in the Annual Improvements to IFRS Standards 2014–2016 Cycle (Measuring an associate or joint venture at fair value).
- IFRIC 22 Foreign Currency Transactions and Advance Consideration

  The Interpretation addresses foreign currency transactions or parts of transactions where:

  - there is consideration that is denominated or priced in a foreign currency;
  - the entity recognizes a prepayment asset or a deferred income liability in respect of that consideration, in advance of the recognition of the related asset, expense or income; and
  - the prepayment asset or deferred income liability is non-monetary.

New and revised IFRS Standards issued but not yet effective

At the date of authorization of these financial statements, the Company has not applied the following new and revised IFRS Standards and interpretations that have been issued but not yet effective:

IFRS 16	Leases
IFRS 17	Insurance Contracts
Amendments to IFRS 9	Prepayment Features with Negative Compensation
Annual Improvements to IFRS Standards 2015-2017 Cycle	Amendments to IFRS 3 Business Combinations, IFRS 11 Joint Arrangements, IAS 12 Income Taxes and IAS 23 Borrowing Costs

Amendments to IAS 19 Employee Benefits	Plan Amendment, Curtailment or Settlement
IFRS 10 Consolidated Financial Statements and IAS 28 (amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
IFRIC 23	Uncertainty over Income Tax Treatments

The Directors do not expect that the adoption of the above Standards will have a material impact on the Company's financial statements in future periods, except for the following:

IFRS 16 Leases

In January 2016, the IASB issued IFRS 16 Leases with an effective date of annual periods beginning on or after January 1, 2019. IFRS 16 results in lessees accounting for most leases within the scope of the standard in a manner similar to the way in which finance leases are currently accounted for under IAS 17 Leases. Lessees will recognize a 'right of use' asset and a corresponding financial liability on the balance sheet. The asset will be amortized over the length of the lease and the financial liability measured at amortized cost. Lessor accounting remains substantially the same as in IAS 17. The Company has not yet completed the assessment of the impact of this standard.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the applicable requirements of the Bahrain Commercial Companies Law.

Basis of Preparation

The financial statements have been prepared under the historical cost convention. The financial statements are presented in Bahraini Dinars ("BD") being the functional currency of the Company.

The significant accounting policies adopted are as follows:

Financial Instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

The Company derecognizes 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.

All recognized financial assets are measured subsequently in their entirety at either at either amortized cost or fair value, depending on their classification at either:

- Financial assets at amortized cost
- Financial assets at Fair Value Through Other Comprehensive Income (FVOCI)
- Financial asset at Fair Value Through Profit or Loss (FVTPL)

The classification and measurement category of financial assets, except for equity instruments and derivatives, are assessed based on a combination of the entity's business model for managing the assets and the instruments' contractual cash flow characteristics.

The Company's financial assets consist of trade receivables and other assets. These are classified at amortized cost on the basis that i) they are held within a business model to collect the contractual cash flows therefrom; and ii) their contractual terms give rise to cash flows that are solely for payments of principal and interest on the amount outstanding.

Impairment of Financial Assets (effective January 1, 2018)

A loss allowance for expected credit losses (ECL) is recognized on debt instruments that are measured at amortized cost or at FVOCI, bank balance, trade receivables and due from customers, as well as on financial guarantee contracts. The amount of expected credit loss is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

ECL is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Impairment of Financial Assets (Policy prior to January 1, 2018)

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when 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 asset have been affected.

The objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Financial assets which share similar credit characteristics are assessed for impairment on a collective basis.

For financial assets carried at amortized cost, the amount of the impairment loss recognized is 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.

Financial liabilities

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) Held for trading, or (iii) designated at FVTPL, are subsequently measured at amortized cost.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the sum of the consideration paid and payable is recognised in profit or loss.

Provision for Employees' End-of-Service Benefits

Provisions are made for end-of-service benefits to all expatriate employees. The entitlement to these benefits is based upon the employee's final salary and length of service. The expected costs of these benefits are accrued over the period of the employment.

For Bahraini employees, contributions are made to the Social Insurance Organisation based on a percentage of the employees' salaries. The Company's obligations are limited to these contributions, which are expensed when due.

Revenue Recognition

Revenue recognition (before April 1, 2018) - Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

Revenue from the sale of goods is recognised when goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Service income

Revenue recognition (from April 1, 2018) – The Company recognises revenue when it transfers control of a product or service to a customer.

Revenue from contracts priced on a time and material basis is recognised when services are rendered. Revenue from fixed price contracts is recognised as performance obligation satisfied over a period of time based on the stage of completion of the contract the stage of completion determined as the proportion of the total time expected

to install that has elapsed at the end of the reporting period is an appropriate measure of progress towards complete satisfaction of these performance obligations.

Payment for installation of software services is not due from the customer until the installation services are complete and therefore a contract asset is recognised over the period in which the installation services are performed representing the entity's right to consideration for the services performed to date.

Revenue from annual maintenance and annual technical services contracts is recognised on pro-rata basis over the period of the contract. The company also has entered into a service agreement with the ultimate holding company for reimbursement of costs incurred plus a mark-up ("cost plus method") which forms part of the revenue.

Foreign Currencies

Transactions in foreign currencies are recognised in the functional currency at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rates of exchange ruling at the reporting dates. All differences are taken to profit or loss.

Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents comprise bank balances and short term deposits with original contractual maturity period of three months or less.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in Note 3, 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 results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

5. ACCOUNTS RECEIVABLE AND OTHER ASSETS

Accounts receivable mainly result from pass through billings to customers on behalf of the Parent Company (Refer to Note 6).

	2019	2018
	BD	BD
Accounts receivable	**30,287**	35,489
Loss Allowance for impairment of receivables	**(3,078)**	(3,078)
Advances and other receivables	**1,282**	2,588
	28,491	34,999

At the reporting date, one Customer (2018: one customer) represented 100% of account receivables.

Ageing of gross receivables as at March 31, is as follows:

	2019	2018
	BD	BD
Not yet due	**1,503**	2,588
Less than 30 days	**27,209**	5,933
31 – 60 days	**-**	-
61- 90 days	**-**	5,108
91-180 days	**-**	21,380
181 – 365 days	**-**	-
	28,712	35,009
Above 365 days	**2,857**	3,078
	31,569	38,087

No interest is charged on overdue receivables from customers. These amounts are provided for impairment based on a collective assessment on the following basis:

- Management considers that invoices outstanding up to 30 days are considered within the acceptable credit period.
- Amounts outstanding beyond one year are fully provided for.

The net carrying value of receivables is considered a reasonable approximation of fair value at the financial position date.

Movement in allowance for impairment of receivables:

	2019	2018
	BD	BD
Balance beginning of year	**3,078**	155,343
Write off	**-**	(152,265)
Balance end of year	**3,078**	3,078

During the current year direct written-off on advances and other receivables amounted to BD Nil (2018: BD 152,265).

6. RELATED PARTIES

The Company bills its revenue to its Parent company (Tech Mahindra Limited India) on the basis of its operating costs with a mark up of 6%. Total billings made to the Parent Company amounted to BD 75,066 (2018: BD 121,274) and unbilled revenue amounted to BD 11,189 (2018: BD 5,278)

Also the Company bills third party customers on behalf of its Parent Company. The credit risk pertaining to these counterparts rests with the Company. Pass through billings to customers amounted to BD 60,145 for the current year (2018: BD 32,469).

Balance in current account due to Parent Company amounted to BD 45,995 (2018: due from Parent Company BD 6,849).

The movement of the Parent Company account is as follows:

	2019	2018
	BD	BD
Opening balance	**6,849**	(10,008)
Billing to Parent	**75,066**	121,274
Unbilled Revenue	**11,189**	5,278
Pass through billing to customers– (Note 12)	**(60,145)**	(32,469)
Other reimbursement – net	**6,036**	47,807
Payments received – net	**(84,991)**	(125,033)
Ending balance	**(45,996)**	6,849

7. CASH AND BANK BALANCES

	2019	2018
	BD	BD
Current account with bank	**90,571**	113,366
Short term deposit	**325,386**	238,198
	415,957	351,564

Short term deposit outstanding at year end, earns interest at a rate of 2.1% to 2.5% (2018: 1.3% to 1.6%) per annum with original maturity of less than 3 months.

8. SHARE CAPITAL

The Company’s issued share capital consists of 500 ordinary shares at BD 100 each, issued and fully paid.

9. STATUTORY RESERVE

In accordance with the Bahrain Commercial Companies Law and the Company's Articles of Association, 10% of the profit has been transferred to a statutory reserve. The Company resolved to discontinue such annual transfer when the reserve reached 50% of the issued share capital. The reserve is not available for distribution, except in the circumstances stipulated in the Bahrain Commercial Companies Law.

10. PROVISION FOR EMPLOYEES' END-OF-SERVICE BENEFITS

	2019	2018
	BD	BD
Balance beginning of year	**8,270**	7,541
Additions	**(137)**	6,003
Payments made during the year	**(692)**	(5,274)
Balance end of year	**7,441**	8,270

11. ACCOUNTS PAYABLE AND OTHER LIABILITIES

	2019	2018
	BD	BD
Due to suppliers	**7,622**	6,694
Accrued expenses	**153**	309
Accrued employees' benefits	**3,080**	3,243
	10,855	10,246

12. NET SERVICE REVENUE TO THE PARENT COMPANY

	2019	2018
	BD	BD
Pass through billings to customers (Note 6)	**60,145**	32,469
Less: Payable to Parent company on pass through billings	**(60,145)**	(32,469)
Service revenue to Parent Company (Note 6) (costs plus)	**86,255**	126,552
	86,255	126,552

13. COST OF REVENUE

	2019	2018
	BD	BD
Staff costs	**46,682**	66,066
Travel expenses	**15,815**	19,520
	62,497	85,586

14. OTHER INCOME

	2019	2018
	BD	BD
Interest income	**445**	271

15. GENERAL AND ADMINISTRATIVE EXPENSES

	2019 BD	2018 BD
Professional fees	**4,964**	24,212
Rent	**4,707**	4,560
Telephone and mobile charges	**1,574**	2,014
Foreign exchange loss	**79**	1,328
Miscellaneous expenses	**7,619**	4,158
	18,943	36,272

16. FINANCIAL INSTRUMENTS

Categories of financial instruments

The summary of financial assets and liabilities are follows:

	2019 BD	2018 BD
Financial assets		
At amortised cost (including cash and bank balances)	**443,166**	390,824
Financial liabilities		
At amortised cost	**56,851**	10,246

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Company is exposed to credit risk on its receivables and liquid funds. The Company's liquid funds are placed with a bank of good financial standing. The amounts reflected in the statement of financial position are stated at net realisable value, estimated by the Company's management,

The maximum exposure to credit risk is limited to the carrying value of financial assets at the reporting dates.

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.

17. CAPITAL MANAGEMENT

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

The capital structure of the Company consists of equity comprising issued capital, reserves and retained earnings.

18. FAIR VALUE OF FINANCIAL INSTRUMENTS

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. Consequently, differences may arise between the carrying values and the fair value estimates.

The Directors consider that the fair value of the Company's financial instruments measured at amortised cost approximate their carrying amounts at the reporting dates.

TECH MAHINDRA (NIGERIA) LIMITED

BOARD OF DIRECTORS
Chief (Mrs.) Faidat Oreagba, Director (Nigerian)
Mr. Baksi Sujit, Director (Indian)
Mr. Sriram Veeravalli Sevellimedu, Director (Indian)
Mr. Ayan Chatterjee, Director (Indian)

OFFICE ADDRESS
3rd Floor
68A Coscharis Plaza
Adeola Odeku Street
Victoria Island, Lagos.

BANKERS
Citibank Nigeria Limited

AUDITORS
Grant Thornton Nigeria
(Chartered Accountants)
3rd & 4th Floors
294 Herbert Macaulay Way
Sabo-Yaba
Lagos, Nigeria.

SECRETARIES
Probitas Partners
70 Queens Street
Off Herbert Macaulay Way
Yaba
Lagos, Nigeria.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2019

The directors submit their report together with the audited financial statements for the year ended 31 March 2019, 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:

Chief (Mrs.) Faidat Oreagba	Director (Nigerian)
Mr. Baksi Sujit	Director (Indian)
Mr. Sriram Veeravalli Sevellimedu	Director (Indian)
Mr. Ayan Chatterjee	Director (Indian)

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.

Independent 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.

Date : May 31, 2019
Place : Lagos, Nigeria

BY ORDER OF THE BOARD
Director

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2019

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 conformity 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.

Chief (Mrs.) Faidat Oreagba
Director

Mr. Ayan Chatterjee
Director

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Tech Mahindra Nigeria Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Tech Mahindra Nigeria Limited** (the Company), which comprise the Statement of Financial Position as at **31 March 2019,** and the Statement of Profit or Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at **31 March 2019**, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Financial Reporting Council of Nigeria Act No. 6, 2011 and the provision of the Companies and Allied Matters Act, CAP C20 LFN, 2004.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

i) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opi ion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional om1ss1ons, misrepresentations, or the override of internal control.

ii) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

iv) Conclude on the appropriateness of management's use of the going concern of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

v) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transaction and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory 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 Statement of Financial Position a d Statement of Profit or Loss are in agreement with the books of account.

Uch nn Okigbo, FCA
FRC/2016/ICAN/00000015653
FOR: GRANT THORNTON
(CHARTERED ACCOUNTANTS)
LAGOS, NIGERIA.

STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 MARCH 2019

	Notes	**2019**	2018
		₦	₦
Revenue from Services	5	**686,595,036**	846,305,477
Subcontracting Expenses	6	**(151,781,217)**	(836,015,047)
Gross profit		**534,813,819**	10,290,430
Other Income	9	**71,072,738**	60,515,864
		605,886,557	70,806,294
Less Expsenses:			
Administrative Expenses	7	**(644,358,567)**	(2,362,551,082)
		(38,472,010)	(2,291,744,788)
Finance Cost	10	**(10,018,549)**	(1,257,712)
Loss Before Taxation		**(48,490,559)**	(2,293,002,500)
Taxation	11	**(218,446,934)**	426,051,587
Loss for the Year		**(266,937,493)**	(1,866,950,913)
Per Share Data:			
Loss per share (Naira)		**(2)**	(12)
Loss per share from continuing operations attributable to owners during the year: (expressed in naira per share)			
Basic and diluted loss per share		**(2)**	(12)

The notes on pages 13 to 43 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

	Notes	2019 ₦	2018 ₦
ASSETS			
NON CURRENT ASSETS			
Property, Plant & Equipment	12	**3,271,419**	6,202,126
Deferred Tax Assets	11.3	**635,554,167**	602,852,673
TOTAL NON-CURRENT ASSETS		**638,825,586**	609,054,799
CURRENT ASSETS			
Receivable and Prepayments	13	**2,083,577,684**	4,408,153,999
Cash and Cash Equivalent	14	**1,199,760,897**	104,106,654
TOTAL CURRENT ASSETS		**3,283,338,579**	4,512,260,653
TOTAL ASSETS		**3,922,164,165**	5,121,315,452
EQUITY AND LIABILITIES			
Equity Attributable to Owners			
Share Capital	18	**153,040,026**	153,040,026
General Reserve		**(3,032,523,970)**	(2,766,144,477)
		(2,879,483,944)	(2,613,104,451)
NON CURRENT LIABILITIES			
Unsecured Loan from Tech Mahindra Limited	17	**355,270,000**	355,270,000
CURRENT LIABILITIES			
Trade Payables	15	**421,961,594**	740,577,705
Other Payables	16	**5,951,577,756**	6,587,892,873
Income Tax Liabilities	11.1	**72,838,759**	50,679,325
TOTAL CURRENT LIABILITIES		**6,801,648,109**	7,734,419,904
TOTAL EQUITY AND LIABILITIES		**3,922,164,165**	5,121,315,452

These financial statements were approved by the Board of Directors on 31st May, 2019 and signed on its behalf by

Chief (Mrs.) Faidat Oreagba
Director

Ayan Chatterjee
Director

STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2019

	Equity Share ₦	General Reserve ₦	Total ₦
Year Ended 31 March 2018			
Balance as at 1 April 2017	153,040,026	(899,193,564)	(746,153,538)
Loss for the year	-	(1,866,950,913)	(1,866,950,913)
Balance as at 31 March 2018	153,040,026	(2,766,144,477)	(2,613,104,451)
Year Ended 31 March 2019			
Balance as at 1 April 2018	**153,040,026**	**(2,766,144,477)**	**(2,613,104,451)**
Loss for the year	**-**	**(266,937,493)**	**(266,937,493)**
Rounding Adjustment		**558,000**	**-**
Balance as at 31 March 2019	**153,040,026**	**(3,032,523,970)**	**(2,880,041,944)**

The notes on pages 13 to 43 form an integral part of these financial statements.

STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 MARCH 2019

	2019	2018
	₦	₦
Cash flows from Operating Activities		
Loss Before Tax	**(48,490,559)**	(2,293,002,500)
Adjustments:		
Depreciation	**3,508,197**	4,766,728
Profit on Disposal of PPE	**-**	(6,051,232)
Adjustment	**(19,491)**	-
Operating Profit Before Working Capital Changes	**(45,001,853)**	(2,294,287,004)
Changes in Working Capital		
Decrease in Debtors and Prepayment	**2,324,576,318**	644,602,785
Increase/(Decrease) in Trade Payables	**(318,616,111)**	285,665,341
Increase/(Decrease) in Other Payables	**(636,315,117)**	1,012,356,476
	1,369,645,090	1,942,624,602
Tax Paid	**(228,988,994)**	(29,605,638)
Net Cash Flow from Operating Activities	**1,095,654,243**	(381,268,040)
Cash flow from Investing Activities:		
Purchase of Property, Plant and Equipment	**-**	-
Net Cash flow from Investing Activities	**-**	-
Cash Flow from Financing Activities:		
Unsecured Loan from Tech Mahindra Limited	**-**	(102,323,800)
Net Cash Flow from Financing Activities	**-**	(102,323,800)
Net Cash Flow for the year	**1,095,654,243**	(483,591,840)
Cash and Cash Equivalents at 1 April	**104,106,654**	587,698,494
Cash and Cash Equivalents at 31 March	**1,199,760,897**	104,106,654
Cash and Cash Equivalent Consist of :		
Bank	**1,199,760,897**	104,106,654

The notes on pages 13 to 43 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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 authorized share capital was 153,790,000 ordinary shares of N1.00. The company is wholly owned by Tech Mahindra India .

2 Basis of Preparation

2.1 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").

The Financial Statements were authorized for issue by the Board of Directors of Tech Mahindra (Nigeria) Limited on

2.2 Basis of measurement

The Financial Statements have been prepared on the historical cost basis.

2.3 Functional and Presentation currency

These Financial Statements are presented in Nigeria Naira which is the company's functional currency.

2.4 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.

2.4.1 Capitalization of internally developed software

Distinguishing the research and development phases of a new customized software project and determining whether the recognition requirements for the capitalization of development costs are met requires judgement. After capitalization, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalized costs may be impaired.

2.4.2 Recognition of deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the company’s future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

2.4.3 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.

2.4.4 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.

2.4.5 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.

2.4.6 Inventories

Management estimates the net realizable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realization of these inventories may be affected by market-driven or regulatory changes that may reduce future selling prices.

2.5 New or revised Standards or Interpretations

2.5.1 New Standards adopted as at 1 January 2018

2.5.1.2 IFRS 15 'Revenue from Contracts with Customers'

IFRS 15 'Revenue from Contracts with Customers' and the related 'Clarifications to IFRS 15 Revenue from Contracts with Customers' (hereinafter referred to as 'IFRS 15') replace IAS 18 'Revenue', IAS 11 'Construction Contracts', and several revenue-related Interpretations. The new Standard has been applied in accordance with the transition guidance, IFRS 15 has only been applied to contracts that are incomplete as at 1 January 2018.

The core principle of IFRS 15 is that an entity recognizes revenue to depict the transfer of promised goods and 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. An entity recognizes revenue in accordance with that core principle by applying the following steps:

* Identify the contract with a customer
* Identify the performance obligation in the contract
* Determine the transaction price
* Allocate the transaction price to the performance obligations in the contract
* Recognize revenue when (or as) the entity satisfies a performance obligation.

IFRS 15 also include extensive new disclosure requirements.

The effective date of the standard is for year beginning on or after 1 January 2018.

The Company has adopted the standard for the first time in the 2018 financial statements. The standard has affected the subscription revenue which has been effected in the new revenue policy of the company in the preparation of financial statements. The adoption of this standard has not had a significant impact on the results of the Company but has resulted in more disclosure than would have previously been provided in the financial statements,

2.5.1.3 IFRS 9 'Financial Instruments'

IFRS 9 replaces IAS 39 'Financial Instruments: Recognition and Measurement'. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for the impairment of financial assets.

When adopting IFRS 9, the Company has applied transitional relief and opted not to restate prior periods. Differences arising from the adoption of IFRS 9 in relation to classification, measurement, and impairment are recognized in retained earnings.

The Company has adopted the standard for the first time in the 2018 financial statements. The adoption of this standard has not had a material impact on the results of the Company. but has resulted in more disclosure than would have previously been provided in the financial statements.

2.5.2 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 authorization 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 are 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.

2.5.2.1 IFRS 16 'Leases', Issued: January 2016 (effective 1 January 2019)

IFRS 16 completes the IASB's long-running project to overhaul lease accounting. The International Accounting Standards Board (IASB) issued IFRS 16 "Leases" in January 2017. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosures of leases for both parties to a contract, that is "the customer" (lessee) and "the supplier" (lessor). Leases will be recorded on the statement of financial position in the form of a right-of-use asset and a lease liability. IFRS 16 is effective from 1 January 2019. IFRS 16 replaces the previous leases Standard, IAS 17 "Leases", and related interpretations.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Lessees: All leases result in a company (the lessee) obtaining the right to use an asset at the start of the lease and, if lease payments are made over time, also obtaining financing. Accordingly, IFRS 16 eliminates the classification of leases as either operating leases or finance leases as required by IAS 17 and, instead, introduces a single lessee accounting model. Applying that model, a lessee is required to recognize: Assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value and depreciation of lease assets separately from interest on lease liabilities in the income statement.

Lessors: IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types if leases differently.

2.5.2.2 IAS 12 - Income Taxes; Amended 7 June 2018 (Effective 1 January 2019)

IFRIC 23 clarifies the accounting for uncertainties in income taxes. The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. An entity has to consider whether it is probable that the relevant authority will accept each tax treatment, or group of tax treatments, that it used or plans to use in its income tax filing.

2.5.2.3 IFRS 17, 'Insurance Contracts ', Issued: May 2018 (Effective 1 January 2021)

"IFRS 17, "Insurance Contracts" In May 2018, the IASB issued IFRS 17 "Insurance Contracts," which replaces an interim standard IFRS 4 "Insurance Contract" and related interpretations. The standard sets out the requirements that a company should apply in reporting information about insurance contracts.

The standard provides update of information about the obligations, risk and performance of insurance contracts, increases transparency in financial information reported by insurance companies, which will give investors and analysts more confidence in understanding the insurance industry, and introduces a consistent accounting for all insurance contracts based on a current measurement model. IFRS 17 requires that a company update the measurement of insurance obligations at each reporting date, using current estimates of the amount, timing and uncertainty of cash flows and of discount rate.

2.6.5 IAS 40 Amendment – Transfer of Investment Property', Issued: December 2016 (effective 1 January 2019)

IAS 40 was issued in December 2016, the objective of this session was to discuss: (i) the staff analysis of the comment letters received; (ii) staff recommendations and (iii) whether to proceed with the amendments. The agenda paper includes a summary of the issue and the proposed amendment to IAS 40 as set out in the ED. The amendments will require that transfers of property to or from investment property should be supported by evidence that a change in use has occurred.

Investment property is property (land or a building, or part of a building or both) held by an entity to earn rentals and/or for capital appreciation. For example, property in the course of construction or development. Any other properties are accounted for as property, plant and equipment (PPE) or inventory in accordance with:

- IAS 16, ‘Property, plant and equipment’, if they are held for use in the production or supply of goods or services; or
- IAS 2, ‘Inventories’, as inventory, if they are held for sale in the ordinary course of business.

Investment property is initially measured at cost. Management may subsequently measure investment properties at fair value or at cost. This is an accounting policy choice. The policy chosen is applied consistently to all the investment properties that the entity owns.

IAS 40 Amendment – Transfer of Investment Property', Issued: December 2016 (effective 1 January 2019)

Investment properties in the course of construction or development are measured at fair value if this can be reliably measured, when the fair value option is chosen. Otherwise they are measured at cost.

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”. Guidance on fair value measurement is given in IFRS 13. Changes in fair value are recognized in profit or loss in the period in which they arise

The cost model requires investment properties to be carried at cost less accumulated depreciation and any accumulated impairment losses; the fair value of these properties is disclosed in the notes.

2.7 IFRIC 22 Foreign Currency Transactions and Advance Consideration', Issued: December 2016 (effective 1 January 2019)

IFRIC 22 clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency.

The Interpretation covers foreign currency transactions when an entity recognizes a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration before the entity recognizes the related asset, expense or income. It does not apply when an entity measures the related asset, expense or income on initial recognition at fair value or at the fair value of the consideration received or paid at a date other than the date of initial recognition of the non-monetary asset or non-monetary liability. Also, the Interpretation need not be applied to income taxes, insurance contracts or reinsurance contracts.

The following applies:

- The date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability.
- If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt.

IFRIC 22 is effective for annual reporting periods beginning on or after 1 January 2019. Earlier application is permitted.

3 Significant Accounting Policies

The accounting policies set out below have been applied consistently to all years presented in the financial statements.

3.1 Revenue

Revenue arises mainly from onsite and offshore services, Hardware and software system.

To determine whether to recognise revenue, the Company follows a 5-step process:

1 Identifying the contract with a customer

2 Identifying the performance obligations

3 Determining the transaction price

4 Allocating the transaction price to the performance obligations

5 Recognising revenue when/as performance obligation(s) are satisfied.

The Company often enters into transactions involving a range of the Company's products, for example for onsite and offsite revenue, hardware and software system. In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time, when (or as) the Company satisfies performance obligations by transferring the promised services to its customers.

3.2 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.

3.3 Administrative Expenses

Administrative expenses are recognized in profit or loss upon utilization of the service or at the date of their origin. Expenditure for warranties is recognized and charged against the associated provision when the related revenue is recognized.

3.4 Employee Benefits

3.4.1 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 recognized 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 recognized as personnel expense when they are due.

3.4.2 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 recognized in the period in which the service is rendered and is not discounted. The expected cost of short-term accumulating compensated absences is recognized 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 recognized 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 recognized as a liability in the financial statements.

3.5 Tax Expense

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

3.5.1 Current Tax

The tax currently payable/(receivable) is based on taxable profit/(loss) for the year. Taxable profit differs from 'profit/(loss) before tax' as reported in the statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never 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.

3.5.2 Deferred Tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities in the financial statements and corresponding tax bases used in computation of taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary difference to the extent that it is probable that taxable profit will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered. Deferred tax liability is settled or the asset realized, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets 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.

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 realized simultaneously.

A deferred tax asset is recognized 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 utilized. 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 realized.

3.5.3 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.

3.6 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.

3.7 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.

3.8 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized 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.

3.9 Property, Plant and Equipment

3.9.1 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.

3.9.2 Buildings, IT equipment and other equipment

3.9.2.1 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
- Capitalized borrowing cost.

Purchased software that is integral to the functionality of the related equipment is capitalized 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 recognized 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 recognized within other income in profit or loss.

3.9.2.2 Subsequent costs

Subsequent expenditure is capitalized 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.

3.9.2.3 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 recognized 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.

3.10 Share Capital

3.10.1 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.

3.11 Financial Instruments

3.11.1 Recognition and Measurement

Financial assets and financial liabilities are recognized 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 recognized 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 derecognized 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 derecognized 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 recognized 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.

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.

3.11.2 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 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.

3.11.3 De-recognition of financial instruments

Financial assets are derecognized 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 derecognized when they are extinguished, that is when the obligation is discharged, cancelled or expires.

3.11.4 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.

3.11.4.1 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 recognizing 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.

3.11.4.2 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 amortized cost using the effective interest method, less impairment losses. The amortized 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 amortization using the effective interest method of any difference between the initial amount recognized and the maturity amount, minus any reductions for impairment of financial assets. The carrying amount represents its fair value.

3.11.4.3 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.

3.11.4.4 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 amortized cost, using the effective interest method, less any impairment losses.

3.11.5 Financial liabilities

Financial liabilities are recognized initially at fair value, generally being their issue proceeds net of transaction costs incurred. Financial liabilities are subsequently stated at amortized cost and interest is recognized 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 recognized in profit or loss.

3.11.6 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 in which they arise. Gains and losses arising from changes in the fair value of available-for-sale financial assets are recognized in comprehensive income, until the financial asset is derecognized or impaired at which time the cumulative gain or loss previously recognized in comprehensive income is recognized in profit or loss. Interest income, calculated using the effective interest method, is recognized 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 recognized in the profit or loss when the company's right to receive payment is established.

3.11.7 Effective interest method

The effective interest method is a method of calculating the amortized 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.

3.11.8 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 recognized amounts and there is an intention to settle on a net basis or, realize the asset and settle the liability simultaneously.

3.11.9 Impairment of Financial Assets

3.11.9.1 Assets carried at amortized 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 recognized if, and only if, there is objective evidence of impairment as a result of one or more events that occurred 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 recognized 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 recognized 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 recognized (such as an improvement in the debtor's credit rating), the previously recognized 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 amortized cost would have been had the impairment not been recognized at the date the impairment is reversed. The amount of the reversal is recognized in profit or loss.

3.11.9.2 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 acquision cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss - is removed from comprehensive income and recognized in profit or loss.

Impairment losses recognized 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 recognized 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 occuring after the impairment loss was recognized in profit or loss, the impairment loss is reversed through profit or loss.

3.12 Provisions

Provisions are liabilities of uncertain timing or amount, and are recognized 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 recognized 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 recognized even if the likelihood of an outflow with respect of any item included in the same class of obligations may be small.

3.13 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 recognized 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

4.1 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.

4.2 Significant risks

The company has exposure to Significant Risks which are categorized as follows:

- Regulatory (capital adequacy, legal, accounting and taxation);
- Business environment (reputation and strategic);
- Operational (people, information technology and internal control processes);
- Market (equity prices, interest rate and currency); and
- Liquidity

Detailed Discussion of Significant Risks

4.2.1 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.

4.2.1.1 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 2019, the directors are not aware of any significant obligation not provided for.

4.2.1.2 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.

4.2.1.2.1 Transactional risk

The risk which concerns specific transactions entered into by the company, including restructuring projects and reorganizations.

4.2.1.2.2 Operational risk

The underlying risks of applying tax laws, regulations and decisions to the day-to-day business operations of the company.

4.2.1.2.3 Compliance risk

The risk associated with meeting the company's statutory obligations.

4.2.1.2.4 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.

4.2.1.3 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 matters as well as accurately reflecting the financial position, results and cash flows of the company.

4.2.2 Business Environment

4.2.2.1 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.

4.2.2.2 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 analyze 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 quarterly 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.

4.2.3 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.

4.2.4 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.

4.2.4.1 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.

4.2.4.2 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.

4.2.5 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.

4.2.6 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.

4.2.6.1 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.

4.2.7 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.

4.2.7.1 Other receivables

Investment sale debtors are protected by the security of the underlying investment not being transferred to the purchaser prior to payment.

4.2.8 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 2019

		2019	2018
		₦	₦
5	**Revenue From Services**		
	Onsite and offshore revenue	**668,443,775**	843,384,487
	Hardware and software system revenue	**18,151,261**	2,920,990
		686,595,036	846,305,477

Revenues comprises of the amount generated from call centers, purchase of hardware and installation of software for their customers on an agreed rate.

		2019	2018
6	**Subcontracting Expenses**		
	Subcontracting expenses - onsite and offshore	**139,201,217**	787,821,666
	Subcontracting expenses - hardware and software system	**12,580,000**	48,193,381
		151,781,217	836,015,047

Subcontracting Expenses

Subcontracting expenses relates the costs that are incured while bringing the goods to its point of sales and all the associated cost.

		2019	2018
7	**Administrative Expenses**		
	Guest house expenses	**15,729,550**	27,119,723
	Telephone, internet and postage	**439,320**	9,532,403
	Rent	**40,777,690**	179,277,632
	Motor running expenses	**11,816,033**	26,893,476
	Audit fees	**6,050,000**	7,800,000
	Office running expenses	**46,367,213**	60,597,523
	Bad debt written off	**-**	933,073,499
	Business promotion expenses	**38,150**	-
	Insurance	**5,672,969**	26,228,253
	Legal expenses and professional fees	**20,525,632**	47,729,232
	Travelling and conveyance	**26,487,500**	72,011,451
	General expenses	**11,156,157**	2,700,000
	Exchange loss	**368,439,283**	345,382,725
	Depreciation	**3,508,197**	4,766,728
	Bank charges	**2,770,463**	3,897,450
		559,778,157	1,747,010,095

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

		2019	2018
		₦	₦
8	**Personnel Cost**		
	Salaries and wages	**84,580,410**	572,316,947
	Staff welfare	**-**	5,916,440
	Severance pay	**-**	36,901,950
	Staff recruitment	**-**	405,650
		84,580,410	615,540,987

Personnel cost relates to cost incured in retaining the existing personnel as well as hiring the new once.

		2019	2018
	Classified by Nature		
	Revenue	**686,595,036**	846,305,477
	Contracting expenses	**(151,781,217)**	(836,015,047)
	Administrative expenses	**(559,778,157)**	(1,747,010,095)
	Personnel expenses	**(84,580,410)**	(615,540,987)
	Depreciation	**3,508,197**	4,766,728
	Other expenses	**(11,156,157)**	(2,700,000)
		(106,036,551)	(2,347,493,924)
9	**Other Income**		
	Interest received	**71,072,738**	46,861,032
	Profit on disposal of property, plant and equipment	**-**	6,051,232
	Provision no longer required	**-**	7,603,600
		71,072,738	60,515,864

Other income relates to income earned from other activities other than the company's principal activities. Interest received relates to interest received on placement with banks and intercompany loan.

		2019	2018
10	**Finance Cost**		
	Interest expenses	**10,018,549**	1,257,712
		10,018,549	1,257,712

The finance cost relates to bank, interest and similar charges from the bank.

		2019	2018
11	**Taxation**		
11.1	**Current Tax (Statement of Financial Position)**		
	Balance as 1 April	**50,679,325**	58,084,963
	Charge for the year	**251,148,428**	22,200,000
		301,827,753	80,284,963
	Paid during the year	**(228,988,994)**	(29,605,638)
	Balance as at reporting year	**72,838,759**	50,679,325
11.2	**Income Tax Expense**		
	Company income tax	**-**	-
	Education tax	**-**	-
	Information technology levy	**-**	-
	Provision for the year	**251,148,428**	22,200,000
		251,148,428	22,200,000
	Deferred tax expense recognised in the current year	**(32,701,494)**	(448,251,587)
	Charge to Income Statement	**218,446,934**	(426,051,587)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

The tax rate used for the 2018 tax computation is 30% payable by Corporate Entities in Nigeria, 2% for Education Tax and 1% of profit before tax for information technology levy. Amount of ₦228,988,994 recognized as tax expense relates to prior years assessment of 2011 to 2015.

		2019	2018
		₦	₦
11.3	**Deferred Tax Assets**	**635,554,167**	602,852,673

Deferred tax has been computed in accordance with IAS 12; resulting into deferred tax assets of N635,554,167.

		2019	2018
11.4	**Income Tax Reconciliation**		
	Loss Before Tax	**(48,490,559)**	(2,293,002,500)
	Income tax expenses calculated of LBT(2018:30%)	**(14,547,168)**	(687,900,750)
	Effect of disallowable expenses	**105,044,836**	510,258,419
	Effect of non-taxable income	**(2,049,582)**	(44,850)
	Effect of capital allowance	**-**	(3,901,121)
	Effect of balancing charge	**2,040,598**	-
	Effect of loss relief	**582,864,899**	(56,518,816)
	Effect of Tertiary Education tax	**-**	7,402,648
		673,353,582	(230,704,469)

12 Property, Plant & Equipment

	Motor Vehicle	Plant & Machinery	Computer Equipment	Furniture & Fittings	Office Equipment	Total
	₦	₦	₦	₦	₦	₦
Cost						
As at 31 March 2018	22,641,875	4,193,223	7,065,386	8,055,000	422,000	42,377,484
Additions during the year	-	-	-	-	-	-
As at 31 March 2019	**22,641,875**	**4,193,223**	**7,065,386**	**8,055,000**	**422,000**	**42,377,484**
Depreciation						
As at 31 March 2018	18,282,138	4,132,280	6,310,847	7,042,177	407,916	36,175,358
Charge for the year	1,739,999	-	1,127,599	640,599	-	3,508,197
Adjustments	491,389	-	(1,068,880)	-	-	(577,491)
As at 31 March 2019	**20,513,526**	**4,132,280**	**6,369,566**	**7,682,777**	**407,916**	**39,106,064**
CARRYING AMOUNT						
As at 31 March 2019	**2,128,349**	**60,943**	**695,820**	**372,223**	**14,084**	**3,271,419**
As at 31 March 2018	**4,359,737**	**60,943**	**754,539**	**1,012,823**	**14,084**	**6,202,126**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

		2019 ₦	2018 ₦
13	**Receivable and Prepayments**		
	Accounts receivable	**455,749,774**	2,598,060,186
	Impairment allowance	**(5,800,001)**	(938,870,720)
	Accounts receivable - net	**449,949,773**	1,659,189,466
	Intercompany receivables	**401,033,228**	336,681,679
	Withholding tax receivable	**828,524,775**	1,199,581,166
	Advance payment to suppliers	**391,239,494**	404,376,007
	Staff debtors	**5,607,490**	14,229,013
	Prepaid expenses	**1,387,500**	787,683,752
	Other receivable	**5,835,424**	6,412,916
		2,083,577,684	4,408,153,999

All amounts are short-term. The net carrying value of trade receivables is considered to be at fair value.

		2019 ₦	2018 ₦
14	**Cash and Cash Equivalent**		
	Cash and cash equivalents consist of the following:		
	Cash at bank	**1,199,760,897**	104,106,654
		1,199,760,897	104,106,654

The cash balance include local currency and foreign currency, with the later translated at the year end, using the interbank rate as at 31 March 2019.

		2019 ₦	2018 ₦
15	**Trade Payables**		
	Trade and other payables consist of the following:		
	Advances from customers	**368,140,651**	667,863,143
	Payable - Mahindra West Africa	**53,820,943**	72,714,562
		421,961,594	740,577,705

The carrying amount of trade and other payables are considered to be at their fair values.

		2019 ₦	2018 ₦
16	**Other Payables**		
	Accrued expenses	**5,869,692,870**	6,486,489,431
	VAT payable	**81,884,886**	91,084,246
	Withholding tax payable	**-**	10,319,196
		5,951,577,756	6,587,892,873
17	**Unsecured Loan from Tech Mahindra Limited India**	**355,270,000**	355,270,000
		355,270,000	355,270,000
18	**Share Capital**		
	Authorized		
	153,790,000 Ordinary Shares of ₦1.00 each	**153,790,000**	153,790,000
	Issued and Fully Paid-Up		
	153,040,026 Ordinary Shares of ₦1.00 each	**153,040,026**	153,040,026

The share capital of Tech Mahindra (Nigeria) Limited consists only of fully paid ordinary shares with a nominal value of ₦1 each.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

		2019	2018
		₦	₦
19	**Employees**		
	The number of persons employed by the company during the year were.	**7**	540
		7	540
20	**Substantial Interest in Shares**		
	Tech Mahindra Limited India	**153,040,025**	153,040,025
	Milind Kulkarni	**1**	1
		153,040,026	153,040,026
21	**Related Party Transactions**		
	Parent Company - Tech Mahindra Limited India		
	Beginning balance due to Parent Company on 1 April	**6,100,815,428**	5,048,084,481
	Subcontractors for Subs cost to Parent Company	**99,382,000**	730,069,626
	Subcontractors for Subs cos to Parent company unbilled	**28,479,296**	61,326,026
	Reimbursement of Expenses receivable from Parent		
	Reimbursement of Expenses payable from Parent	**-**	233,419,955
	Interest on Loan taken from Parent Company	**1,156,102**	27,915,340
	Payments received from parents	**-**	-
	Payment to parent	**-**	-
	Revaluation due to exchange on opening	**-**	-
	Closing Balance as at 31 March	**6,229,832,826**	6,100,815,428
	Comviva Software fees payable	**526,696,036**	(131,775,496)
	Mahindra Comviva Nigeria (Loan with Interest)	**(132,276,228)**	502,882,065
	LCC Northern europe rent for equipment	**(4,151,351)**	(4,722,173)
	Loan from Tech Mahindra Limited India	**355,270,000**	355,270,000

22 Authorization of Financial Statements

The financial statements were approved by the board of the directors of the company on 31st May, 2019.

OTHER NATIONAL DISCLOSURES

STATEMENT OF VALUE ADDED FOR THE YEAR ENDED 31 MARCH 2019

	2019		2018	
	₦	**%**	₦	%
Revenue	**686,595,036**		846,305,477	
Service cost	**(418,531,505)**		(2,943,794,137)	
Value Added	**268,063,531**		(2,097,488,660)	
Applied as follows:				
To Pay Employees:				
Salaries, Wages and Other Benefits	**84,580,410**	**32**	615,540,987	(29)
To Pay Government:				
Income and Education Taxes	**218,446,934**	**81**	(426,051,587)	20
To Pay Providers of Capital:				
To pay interest	**10,018,549**	**4**	1,257,712	(0)
Assets Replacement Provision:				
Depreciation	**3,508,197**	**1**	4,766,728	(0)
To Provide for the Future:				
Retained Loss	**(48,490,559)**	**(18)**	(2,293,002,500)	109
	268,063,531	**100**	(2,097,488,660)	100

Value added represents the wealth created through the efforts of the company, its management and employees. The statement shows the distribution of the generated wealth amongts company employees, the government, providers of capital and amount retained for future creation of wealth.

FIVE - YEAR FINANCIAL SUMMARY

	2019	2018	2017	2016	2015
	₦	₦	₦	₦	₦
STATEMENT OF FINANCIAL POSITION					
ASSETS EMPLOYED					
Non-current Assets	638,825,586	609,054,799	165,931,623	166,017,470	25,748,874
Current Assets	3,283,338,579	4,512,260,653	5,634,042,363	4,463,085,033	3,104,968,508
Total Assets	**3,922,164,165**	**5,121,315,452**	**5,799,973,985**	**4,629,102,503**	**3,130,717,382**
FINANCED BY					
Share Capital	153,040,026	153,040,026	153,040,026	153,040,026	153,040,026
General Reserve	(3,032,523,970)	(2,766,144,478)	(899,193,565)	490,523,836	862,186,723
Non - Current Liabilities	355,270,000	355,270,000	457,593,800	196,547,000	196,863,000
Current Liabilities	6,446,378,109	7,379,149,903	6,088,533,724	3,788,991,640	1,918,627,633
	3,922,164,165	**5,121,315,452**	**5,799,973,985**	**4,629,102,503**	**3,130,717,382**
STATEMENT OF PROFIT OR LOSS					
Revenue	**686,595,036**	**846,305,477**	**3,087,501,790**	**3,215,286,268**	**2,479,869,824**
Profit/(Loss) before taxation	(48,490,559)	(2,293,002,500)	(1,330,579,488)	(515,336,953)	331,727,096
Income Tax Expense	(218,446,934)	426,051,587	(59,137,914)	143,674,066	(89,156,839)
Profit/(Loss) for the year	(266,937,493)	(1,866,950,913)	(1,389,717,402)	(371,662,886)	242,570,257
Per Share Data {in NGN}					
Earnings/(Loss) Per Share	(1.74)	(12.20)	(9.08)	(2.43)	1.59
Total Assets Per Share	25.63	33.46	37.90	30.25	20.46

The calculation of Earning/(Loss) Per Share (EPS) and Total Asset Per Share for each of the periods are based on the Ordinary Share Capital in issue on each period end date.

TECH MAHINDRA SOUTH AFRICA (PTY) LIMITED

Board of Directors
Mr. Lakshminarayanan Ravichandran
Mr. Abdul Ismail
Mr. Rikash Hurdeen
Mr. Farhadh Dildar – Resigned on 14th February, 2018
Mrs. Dhanashree Bhat

Registered Office
56 Karee Drive,
Walton Road,
Carlswald,
Gauteng
1685

Bankers
HSBC Bank

Auditors
Deloitte &Touche

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The directors of the company are responsible for the preparation and fair presentation of the company annual financial statements of Tech Mahindra South Africa (Pty) Ltd, comprising the statement of financial position at 31 March 2019, the statement of comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes and the directors' report, in accordance with International Financial Reporting Standards for Small and Medium - sized Entities and in the manner required by the Companies Act of South Africa.

The directors' responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of these 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.

The directors' responsibility also includes maintaining adequate accounting records and an effective system of risk management.

The directors have made an assessment of the company's ability to continue as a going concern and there is no reason to believe the business will not be a going concern in the year ahead.

The auditor is responsible for reporting on whether the annual financial statements are fairly presented in accordance with the applicable financial reporting framework.

The company annual financial statements of Tech Mahindra South Africa (Pty) Ltd, as set out on pages 8 to 16, were approved by the board of directors on July 2, 2019 and signed on its behalf by:

Ms. Dhanashree Bhat
Mr. Lakshminarayanan Ravichandran
Mr. Hurdeen Rikash
Director

Mr. Abdul Ismail
Mr. Kamal Singh Ramsingh

Director

DIRECTORS' REPORT

The directors have pleasure in presenting their report for the year ended 31 March 2019.

Business activities

The company is engaged in providing of information technology services and solutions.

Review of operations

The Company annual financial statements set out on pages 3 to 16 adequately reflect the state of affairs and the results of the business operations of the company for the year ended 31 March 2019.

Share capital

There was no change to authorised or issued share capital of the company during the current year.

Dividends

No dividends were paid during the year (2018 - R Nil).

The directors have not recommended any dividend for the year under review.

Directors

The directors in office during the year and at the date of this report are:

A Mr. Lakshminarayanan Ravichandran *

B Ms. Dhanashree Bhat *

C Mr. Abdul Ismail

D Mr Hurdeen Rikash

E Mr. Kamal Singh Ramsingh

* Indian

Secretary

The Company is not required to appoint secretary. Morestat Corporate Service (Pty) Ltd performs secretarial duties on behalf of the company.

Business Address
24A - 18th Street, Menlo Park
Pretoria, 0081

Postal Address
PO Box 35686, Menlo Park
Pretoria, 0102

Auditors

Deloitte & Touche are the appointed auditors for the company.

Business Address
Deloitte & Touche
The Woodlands
20 Woodlands Drive
Woodmead

Postal Address
Private Bag X6
Gallo Manor
2052

Holding company

The holding company is Tech Mahindra Holdco Pty. Ltd. and ultimate holding company is Tech Mahindra Limited.

Going concern

The directors of Tech Mahindra South Africa (Pty) Ltd have reviewed the going concern considerations of the company and have no reason to believe the business will not be a going concern in the year ahead.

Subsequent events

There have been no material circumstances or events between the year end and the date of this report.

Company details

Business address
Block C, Ground Floor,
676 on Gallagher
Cnr Old Pretoria Road and James Cresent,
Midrand, 1686

Postal Address
PO Box 7094
Halfway House
1685

Subsequent events

There have been no material circumstances or events between the year end and the date of this report.

Company details

Business address
Block C, Ground Floor,
676 on Gallagher
Cnr Old Pretoria Road and James Cresent,
Midrand, 1686

Postal address
PO Box 7094
Halfway House
1685

Ms. Dhanashree Bhat
Mr. Lakshminarayanan Ravichandran/
Mr. Abdul Ismail
Director

Mr. Kamal Singh Ramsingh

Director

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Tech Mahindra South Africa Pty Ltd

Opinion

We have audited the financial statements of Tech Mahindra South Africa Pty Ltd set out on pages 8 to 16, which comprise the statement of financial position as at 31 March 2019, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

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 2019, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises Statement of Directors' Responsibility and Approval and the Directors' Report as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS for SMEs and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte & Touche

Registered Auditor
Per: JC vd Walt
Partner

Date: July 2, 2019

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

Particulars	Note(s)	**2019 Rand**	2018 Rand
Assets			
Non Current Assets:			
Deferred tax assets	14	**55,917**	8,701
		55,917	8,701
Current Assets:			
Work in progress	3	**25,341,834**	14,156,929
Trade and other receivables	4	**109,112,025**	76,804,763
Rental deposit		**37,253**	-
Cash and cash equivalents		**29,070,505**	27,149,988
Other Current Assets		**20,504**	14,164
		163,582,121	118,125,844
Total Assets		**163,638,038**	118,134,545
Equity and Liabilities			
Equity			
Share capital		**100**	100
Accumulated Profits		**26,555,043**	6,980,066
		26,555,143	6,980,166
Liabilities			
Non-current Liability:			
Loans from shareholders	2	**-**	6,013,488
Current Liabilities:			
Trade and other payables		**114,652,632**	75,134,487
Other Current Liabilities		**22,430,263**	30,006,404
Total Liabilities		**137,082,895**	111,154,379
Total Equity and Liabilities		**163,638,038**	118,134,545

These financial statements were approved and signed by the Directors on 2nd July, 2019

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
STATEMENT OF COMPREHENSIVE INCOME

Particulars	Note(s)	**2019 Rand**	2018 Rand
Revenue			
Revenue		**200,052,122**	97,468,055
Work in progress	3	**25,341,834**	14,156,929
		225,393,956	111,624,984
Cost of sales			
Cost of services rendered		**(165,819,720)**	(86,062,449)
		(165,819,720)	(86,062,449)
Gross profit		**59,574,236**	25,562,535
Operating expenses	11	**(30,564,168)**	(7,228,393)
Operating (Loss)/ Profit		**29,010,068**	18,334,143
Finance Costs	13	**(1,915,507)**	(287,888)
Interest Received	12	**727,906**	1,126,600
Profit/(Loss) before taxation		**27,822,467**	19,172,855
Taxation	14	**(8,247,490)**	(5,507,861)
Profit/(Loss) after taxation		**19,574,977**	13,664,994
Total comprehensive income for the year		**19,574,977**	13,664,994

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
STATEMENT OF CHANGES IN EQUITY

Particulars	Share Capital Rand	Accumulated Profit/(loss) Rand	Total equity Rand
Balance at 1 April 2017	100	(6,684,927)	(6,684,827)
Profit for the year		13,664,993	13,664,993
Other comprehensive income	-	-	-
Total comprehensive profit for the year	-	-	-
Balance at 31 March 2018	100	6,980,066	6,980,166
Profit for the year	-	19,574,977	19,574,977
Other comprehensive income	-	-	-
Total comprehensive profit for the year	-	-	-
Balance at 31 March 2019	100	26,555,043	26,555,143

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
STATEMENT OF CASH FLOWS

Particulars	Note(s)	**2019 Rand**	2018 Rand
Cash flows from operating activities			
Cash generated from operations	15	**10,001,636**	(19,526,674)
Interest income		**739,654**	1,126,600
Finance costs		**(1,915,507)**	(287,888)
Net cash generated from operating activities		**8,825,783**	(18,687,962)
Taxes Paid		**(891,779)**	(2,374,586)
Cash flows from financing activities			
Increase/(Decrease) in shareholders' loan		**(6,013,488)**	(4,117,909)
Net cash from financing activities		**(6,013,488)**	(4,117,909)
Total cash movement for the year		**1,920,516**	(25,180,456)
Cash at the beginning of the year		**27,149,989**	52,330,445
Total cash at end of the year		**29,070,505**	27,149,989

ACCOUNTING POLICIES

Note Particulars

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.

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.

2 Loans from shareholders

Particulars	**2019 Rand**	2018 Rand
Tech Mahindra Limited Incorporated in India	**-**	6,013,488
The loan has been repaid in current year on 01 November 2018, Interest of R 98,516 was charged at 2.74%p.a.		
{2018: $ 510,999 Loan Amount Interest R 164,340.35 ($ 13,959 at a rate R 11.77) at 2.74%p.a.}		
	-	6,013,488

3 Work in progress

Particulars	**2019 Rand**	2018 Rand
Contracts in progress at the reporting period:		
Contracts in progress	**25,341,834**	14,156,929
	25,341,834	14,156,929

4 Trade and other receivables

Particulars	2019 Rand	2018 Rand
Trade receivables	**111,381,736**	79,231,831
Provision for doubtful debts	**(5,710,625)**	(5,584,113)
	105,671,111	73,647,718
Advance Corporate Tax	**3,249,669**	3,153,560
Prepaid Expenses	**-**	2,050
Other Advances	**78,294**	-
Staff advance for travelling	**112,951**	1,435
Provision for doubtful advances	**-**	-
	3,440,914	3,157,045
	109,112,025	76,804,763

The directors consider that the carrying value of trade and other receivables approximates fair value at year end.

Movement in the provision for doubtful debts:

	2019 Rand	2018 Rand
Balance at the beginning of the year	**5,584,113**	3,150,929
Net provision raised during the year	**126,512**	2,674,909
Amounts written off during the year, net of recoveries	**-**	(241,726)
Closing balance	**5,710,625**	5,584,113

Ageing of trade receivables past due and not impaired

All past due receivable balances have been assessed for recoverability and it is believed that their credit quality remains intact. An ageing analysis of these past due trade receivables that have not been impaired, is as follows:

	2019 Rand	2018 Rand
60 days	**72,093,393**	50,907,522
90 days	**1,410,061**	542,542
120 days	**13,385,005**	557,848
More than 120 days	**24,493,277**	27,223,920

Ageing of trade receivables past due and impaired
All impaired receivables are aged greater than 365 days.

5 Cash and Cash Equivalents

Particulars	2019 Rand	2018 Rand
Cash and cash equivalents consist of:		
Bank balance - foreign $ 7,997 at a rate of R 14.49 (2018: $ 7,957.65 at a rate of R 11.77)	**115,854**	93,671
Bank balances - local	**28,954,651**	27,056,317
	29,070,505	27,149,988

6 Other Current Assets

Particulars	2019 Rand	2018 Rand
Accrued Interest on Fixed Deposit	**2,416**	14,164
Receivable from Tech Mahindra Limited	**18,088**	-
	20,504	14,164

7 Share capital

The authorized share capital of the Company consists of 1000 shares of R1 each, issued and fully paid up.

Particulars	2019 Rand	2018 Rand
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.

Particulars	2019 Rand	2018 Rand
Issued		
100 Ordinary shares of R1 each	**100**	100

8 Trade and other payables

Particulars	2019 Rand	2018 Rand
Trade payables	**13,596,772**	25,231,246
Falcorp Technologies (Pty) Ltd	**894,385**	2,952,905
Tech Mahindra Limited Incorporated In India	**98,990,909**	46,950,336
Comviva Technologies B.V.	**1,170,566**	-
	114,652,632	75,134,487

9 Other Current Liabilities

Particulars	2019 Rand	2018 Rand
Other Current Liabilities (Unearned Revenue)	**14,428,945**	29,504,123
Income Tax Payable	**8,001,318**	502,281
	22,430,263	30,006,404

10 Revenue

Particulars	2019 Rand	2018 Rand
Services rendered	**200,052,122**	97,468,055

11 Operating expense

Particulars	2019 Rand	2018 Rand
Advertising	**-**	20,000
Auditors remuneration	**46,359**	35,000
Bank charges	**441,798**	47,311
Consulting services	**4,378,236**	8,375,686
Donations	**112,500**	225,000
Employee costs	**9,899,410**	5,759,204
Lease rentals on operating lease	**417,944**	465,717
Printing and stationery	**30**	-
Loss/(Gain) on foreign exchange differences	**13,651,095**	(9,044,205)
Subscriptions	**122,850**	51,924
Telephone and fax	**114,593**	134,177
Provision for doubtful debts	**126,512**	12,895
Provision for doubtful advance	**-**	-
Director Fees	**960,000**	480,000
Travel - Other	**130,131**	343,537
Travel - overseas	**40,116**	241,464
Miscellaneous expenses	**122,594**	80,681
	30,564,168	7,228,393

12 Investment revenue

Particulars	2019 Rand	2018 Rand
Interest revenue		
Bank	**727,906**	1,126,600
	727,906	1,126,600

13 Finance costs

Particulars	2019 Rand	2018 Rand
Non-current borrowings (refer to note 2)	**98,516**	229,318
Interest and penalties paid	**1,816,991**	58,570
	1,915,507	287,888

14 Taxation

Major components of the tax expense

The following composed of Deferred tax asset recognised by the Company.

Particulars	**Balance in 2018**	**Credited/ (Charged) to Profit and Loss**	**Balance in 2019**
Provision for Leave Encashment	56,755	(27,406)	29,349
Provision for doubtful debts	(48,054)	74,622	26,568
	8,701	47,214	55,917

15 Cash generated from operations

Particulars	2019 Rand	2018 Rand
Profit/(Loss) before taxation	**27,822,467**	19,172,855
Adjustments for:		
Interest received - investment	**(727,906)**	(1,126,600)
Finance costs	**1,915,507**	287,888
Provision for doubtful rent deposit	**-**	116,096
Changes in working capital:		
Trade and other receivables	**(32,211,153)**	(40,891,144)
Work in progress	**(11,184,905)**	(10,921,825)
Other Current Assets	**(18,088)**	(14,164)
Trade and other payables	**39,518,145**	(15,769,821)
Rental Deposit	**(37,253)**	115,919
Other Current Liabilities	**(15,075,178)**	29,504,123
	10,001,636	(19,526,674)

16 Related parties

Relationship

Holding company

Shareholder with significant influence

Related party balances and transactions with entities with control, joint control or significant influence over the company

Related party balances

Amounts owing to (by) related parties	**2019 Rand**	2018 Rand
Tech Mahindra Limited Incorporated in India	**98,990,909**	52,963,824
Tech Mahindra Limited Incorporated in India	**(18,088)**	-
Falcorp Technologies (Pty) Limited	**894,385**	2,952,905
Comviva Technologies B.V.	**1,170,566**	-
	101,037,772	55,916,729

Tech Mahindra Limited Incorporated in India

	2019 Rand	2018 Rand
Balance at beginning of the year	**52,963,824**	84,017,206
Loan received / paid during the year	**(6,013,487)**	-
Interest charged on loan	**98,516**	164,340
Subcontracting Expenses	**57,900,092**	35,484,705
Reimbursement of Expenses Paid	**470,897**	988,950
Payments made	**(17,942,000)**	(62,705,918)
Foreign Exchange (Gain)/Loss	**11,513,067**	(4,985,459)
Balance at end of the year	**98,990,909**	52,963,824

Falcorp Technologies (Pty) Limited

	2019 Rand	2018 Rand
Balance at beginning of the year	**2,952,905**	4,588,196
Loans received during the year (net of payments)	**-**	(3,898,933)
Interest charged on loan	**-**	64,978
Software/Hardware and Project specific expenses	**5,065,486**	7,730,318
Consulting services (including VAT)	**3,146,021**	8,159,326
Rent Paid	**417,944**	146,100
Director's Sitting Fess	**480,000**	-
Rent Deposit	**37,253**	-
Miscellaneous Expenses	**97,984**	-
Payments made	**(11,303,208)**	(13,837,080)
Balance at end of the year	**894,385**	2,952,905

Comviva Technologies B.V.

	2019 Rand	2018 Rand
Balance at beginning of the year	**-**	-
Software/Hardware and Project specific expenses	**1,170,566**	
Payments made	**-**	
Balance at end of the year	**1,170,566**	-

Tax Computation

Particulars	**2019 Rand**	2018 Rand
Net (loss)/profit per income statement	**27,822,467**	19,172,855
Permanent differences (Non-deductable/Non taxable items)	**112,500**	225,000
Interest, penalties paid in respect of taxes (us 23(d))	**1,317,656**	-
Leave Encashment	**104,817**	14,951
Provision for Doubtful Debts/Advances	**266,507**	(2,338,184)
Calculated tax (loss)/profit for the year	**29,623,947**	17,074,622
Assessed loss brought forward	**-**	(6,800,097)
Taxable Income	**29,623,947**	10,274,525
Tax thereon @ 28% in the Rand	**8,294,705**	2,876,867
Tax owing/(prepaid) for the current year:	**8,294,705**	2,876,867

17 Contingent Liabilities

Particulars	**2019 Rand**	2018 Rand
Bank Gurantees given	**31,304,250**	-
Claims against the Company not acknowledged as debts*	**135,000,000**	-
	166,304,250	-

* During the current year, the Company has received a claim from a customer for contractual obligations. The Management of the Company is evaluating the claim and believes that the final outcome will be in favour of the Company. The Company will continue to monitor the developments in this matter for the purpose of determining the financial reporting impact, if any.

18 Post reporting date events

No adjusting or signifcant non adjusting events have occurred between the reporting date and the date of authorisation.

19 Comparative Figures

Comparative figures for the previous year have been reclassified/re-arranged whereever necessary to conform with the presentation in the current year's financial statements.

TECH MAHINDRA BUSINESS SERVICES LIMITED

Board of Directors
Mr. Sujit Baksi
Mr. Ritesh Idnani
Mr. Manoj Bhat
Mr. Birendra Sen
Mrs. Suchitra Kerkar

Company Secretary
Mr. Mahesh Kulkarni

Registered Office
Spectrum Towers,
Mindspace Complex,
Off Link Road,
Malad (West), Mumbai- 400 064

Bankers
Kotak Mahindra Bank Limited

Auditors
B S R & Co. LLP

BOARD'S REPORT

Your Directors present their Fourteenth Annual Report together with the audited Accounts of the Company for the year ended March 31, 2019.

FINANCIAL SUMMARY / RESULTS

(Figures in ₹)

For the year ended	March 31st 2019	March 31st 2018
Income	**7,565,358,769**	7,199,138,220
Expenditure	**6,211,460,108**	5,730,497,135
Depreciation	**243,243,287**	2,60,135,423
Profit/(Loss) Before Tax & Extra Ordinary items	**1,110,655,374**	1,208,505,662
Provision for Taxation	**490,308,604**	431,320,890
Deferred Taxes Charge/ (Credit)	**(34,728,496)**	(31,772,687)
Profit/ (Loss) after Tax	**655,075,266**	808,957,459
Profit /(Loss) Carried forward to Balance Sheet	**655,075,266**	808,957,459

DIVIDEND

The Board of Directors declared an Interim Dividend of @ 600/- per equity share on the Face Value of ₹ 10/- during the financial year 2018 – 2019. The dividend pay-out was ₹ 723 Mn including dividend distribution tax. Your Directors are of the opinion that the said Interim Dividend be treated as final dividend for the financial year 2018 -2019.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION & PROTECTION FUND

Since there is no unpaid/unclaimed Dividend as on 31st March, 2019, the provisions of Section 125 of the Companies Act, 2013, read with rules framed there under, do not apply.

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 2018-19 is ₹ 7,426 Mn against the previous year ₹ 7,036 Mn. The profit before tax is ₹ 1,110 Mn against the previous year ₹ 1,208 Mn. The Minimum Revenue Commitment (MRC) accrual during the year is ₹ Nil against the previous year ₹ 24 Mn.

The head count of the Company was 6854 in March 2019 vis a vis 6783 in March 2018.

During the year the Company has earned a dividend income of ₹ 91 Mn. The Company invests all its surplus funds in debt and arbitrage funds which provide slightly better post tax yield than a traditional FDs or ICDs.

There are no changes in the nature of the business carried out by your Company during the period under review nor there 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 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

The members at their meeting held on 12th July, 2018 appointed M/s B S R & Co. LLP, Chartered Accountants, [ICAI Firm Registration No. 101248W/W-100022] as the Statutory Auditors of the Company for the period of five years with effect from Financial Year 2018-19 i.e. from the conclusion of the ensuing Annual General Meeting till the conclusion of the Sixth Annual General Meeting for the Financial Year 2022-2023.

The Company has received a certificate from M/s B S R & Co. LLP, Chartered Accountants to the effect that they are eligible in terms of Section 141 of the Companies Act, 2013 to act as statutory 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 1,000,000 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 2019 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

Pursuant to the provisions of Section 152(6)(c) of the Companies Act 2013, Mr. Ritesh Idnani, Director is liable to retire by rotation and being eligible offers himself for reappointment.

During the year Mr. Abhijeet Tikekar resigned from the post of Company Secretary of the Company and Mr. Mahesh Kulkarni was appointed as Company Secretary of the Company in his place with effect from 23rd January 2019.

BOARD AND COMMITTEES OF BOARD

The Ministry of Corporate Affairs by its Notification dated 13th July, 2017 amended Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Rule 4 of Companies (Appointment and Qualification of Directors) Rules, 2014. The provisions in respect of appointment of independent directors on the board of unlisted wholly owned subsidiary Company are no more applicable.

Also such unlisted wholly owned subsidiary Company need not constitute/have Audit Committee and Nomination & Remuneration Committee of the Board.

For the Financial Year 2018-19, the Company held 5 (Five) meetings of the Board of Directors. 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 is available on the web site of the Company.

STATEMENT OF COMPLIANCE WITH APPLICABLE SECRETARIAL STANDARDS

Your Directors state that the Company has complied with the applicable Secretarial Standards during the year under review.

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 Secretarial Audit Report given by CS. Jayavant Bhave, Proprietor, M/s J. B. Bhave & Co., Company Secretaries, Pune (FCS No. 4266) is annexed with the Board's 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 staff 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 Risk Management Oversight Committee (RMOC) through Risk Managers for monitoring.

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 Internal audit scope 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 are our most valuable assets. Our Focus is to deliver Fantastic People Experience for all our employees. We have successfully sustained and enhanced our organization's culture through employee initiatives such as Employee Assistance Program, Helping Hands, Diversity and Inclusive program, Gift a Leave, Fun Days, Celebration of Festivals, Focus on Development, Employee Growth Initiatives, Employee Surveys, monthly performance management incentives for advisors and contemporary learning and development initiatives.

For an organization of our size, we are the Gallup Global 80th percentile. This is indeed a proud achievement for us and a testament of employee engagement within the organization helping us achieve our goals. We are proud winners of the Gallup Great Workplace Awards 2019. With this, our 3rd consecutive win, we are amongst the Top 40 organizations worldwide to be recognized for our cutting-edge Best People Practices.

During the year we have hired around 3835 employees, with around 65% 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.

POLICY FOR PREVENTION OF SEXUAL HARASSMENT

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

Your Directors state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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 ₹ 7,426 Mn. (Previous Year – ₹ 7,036 Mn.) while the outgoings were ₹ 672 Mn. (Previous Year – ₹ 595 Mn).

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 of Directors

Birendra Sen	**Suchitra Kerkar**
Director	**Director**

Place: Mumbai
Date: May 13, 2019

ANNEXURE 1

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2019

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U72900MH2006PLC159149
2.	Registration Date	23-01-2006
3.	Name of the Company	Tech Mahindra Business 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 49073333
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)

Sr. 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 Center Services	9983	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr. N0	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. Promoters									
(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%	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total A (1)		**10,00,000**	**10,00,000**	**100%**	**-**	**10,00,000**	**10,00,000**	**100%**	
(2) Foreign									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individual	-	-	-	-	-	-	-	-	-
c) Bodies Corp	-	-	-	-	-	-	-	-	-
d) Banks / FI.	-	-	-	-	-	-	-	-	-
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%**	**-**
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):-	-	-	-	-	-	-	-	-	-
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%**	**-**

TECH MAHINDRA BUSINESS SERVICES LIMITED (TMBSL)

(ii) Shareholding of Promoter-

Sl. 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 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

Sl. 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):

Sl. 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:

Sr. 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				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
• Addition	NIL	NIL	NIL	NIL

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
• Reduction	NIL	NIL	NIL	NIL
• **Net Change**				
Indebtedness at the end of the financial year				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
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: Not Applicable

Sr. 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)	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
	Ceiling as per the Act	-	-	-	-	-

B. Remuneration to other directors

(Figures in ₹)

Sr. 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	Mr. Sujit Baksi	Mr. Ritesh Idnani	Mr. Manoj Bhat	Mr. Birendra Sen	Mrs. Suchitra Kerkar	-
	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 – Not Applicable

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
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	**-**	**-**	**-**	**-**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

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 and on behalf of the Board of Directors

Birendra Sen
Director

Suchitra Kerkar
Director

Place: Mumbai
Date: May 13, 2019

ANNEXURE 2

Format for the Annual Report on CSR activities to be included in the Board's report

Tech Mahindra Business Services Limited, FY 2018-19

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
Employability: Projects supported the Government of India's larger vision of skill development of youth through developing their market-oriented skills and linking them to potential employers. These projects seeks to benefit school drop-outs, people with disabilities and those unable to go into higher education, with specific focus on women and people with disabilities The Projects strive to address to gap between the skilling sector and the industry requirement by bringing in renowned industry from the service, technical and manufacturing sector as knowledge partners. An employability rate of 75% is achieved annually.	
SMART	Skills-for-Market Training Centres
SMART+	SMART Centres for youth with disability
SMART-T	SMART Centres with Technical trades

   A copy of TMBSL's **CSR Vision and Policy Document** is available online at: http://www.techmbs.in/pdf/201605030154_CSR_Policy.pdf

2. **Composition of the CSR Committee.-**

   Mr. Manoj Bhat, Mr. Birendra Sen and Ms. Suchitra Kerkar

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 2015-16: INR 1,273 Mn

   FY 2016-17: INR 1,156 Mn

   FY 2017-18: INR 1,131 Mn

   The average net profit before tax comes to: INR 1,187 Mn

4. **Prescribed CSR Expenditure (two per cent, of the amount as in item 3 above).**

   INR 23.73 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 23.73 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 differently abled & livelihood enhancement project)	**Programme** - ARISE - ARISE + - SMART - SMART + - SMART T	**Budget** **(INR Mn.)** 7.47 3.27 6.86 2.37 3.76 **23.73 Mn** **(Grand total)**	**Spent (Unspent) (INR Mn.)** 7.47 (0.00) 3.27 (0.00) 6.86 (0.00) 2.37 (0.00) 3.76 (0.00) **23.73 Mn** **(0.00)**	**Spent (Unspent) (INR Mn.)** **23.73 Mn** **(0.00)**	100% amount spent through implementing agencies listed below: **-ARISE** EDUCO (Mumbai), URMEE (Pune) **-ARISE+** Helen Keller Institute for Deaf and Deaf-Blind (Mumbai), Utkarsh Mandal (Mumbai) **-SMART** New Resolution India- Kurla Kandivali (Mumbai) Sheild Foundation (Mumbai) -**SMART +** Helen Keller Institute for Deaf and Deaf-Blind (Mumbai) -**SMART T** Shield Foundation (Mumbra)

* **Total Amount Received from TMBSL: - ₹ 23.73 Mn**
TMF Spent: - ₹ 23.73 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 ₹ 23.73 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.

For and on behalf of the Board of Directors

Birendra Sen	**Suchitra Kerkar**
Director	**Director**

Place: Mumbai
Date: May 13, 2019

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 arm's length transactions under fourth 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	April 18- March 19	April 18 - March 19
(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 – ₹ 242 Million -Paid by TMBSL on TML behalf Value – ₹ 115 Million -Revenue billing for TESCO,CPW,VNZ by TMBSL to TML – ₹ 417 Million	Value – ₹ 24 million CSR contribution as per Companies Act, 2013
(e)	Date(s) of approval by the Board, if any:	May 22, 2018	May 22, 2018
(f)	Amount paid as advances, if any:	Nil	Nil

For and on behalf of the Board of Directors

Birendra Sen
Director

Suchitra Kerkar
Director

Place: Mumbai,
Date: May 13, 2019

ANNEXURE 4

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
Tech Mahindra Business Services Limited
Spectrum Towers, Mindspace Complex
Off link road, Malad (West), Mumbai - 400064

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Tech Mahindra Business Services Limited (Hereinafter called "the Company").**

Secretarial Audit was conducted for the period from **1st April 2018 to 31st March 2019,** in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances of the Company and expressing my opinion thereon. I have been engaged as Secretarial Auditor 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 my 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, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March 2019, 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:

I 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 2019 according to the provisions of:

(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 me 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') and the rules made there under 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 (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;

The Company is an unlisted Company and therefore provisions of Regulations and Guidelines mentioned above and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable.

(VI) Other applicable laws:

a. Information Technology Act, 2000

b. Indian Telegraph Act, 1885

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India which have become effective from 1st October, 2017.

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 the Board of Directors of the company is duly constituted with proper balance of executive directors and 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.

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 (except for one board meeting conducted at a shorter notice, for which all the directors consented unanimously) 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.

All decisions at Board Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors.

I 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 J B BHAVE & CO.

COMPANY SECRETARIES

JAYAVANT BHAVE
Proprietor
FCS: 4266 CP: 3068

Place: Pune
Date: April 26, 2019

INDEPENDENT AUDITORS' REPORT

To the Members of Tech Mahindra Business Services Limited

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Tech Mahindra Business Services Limited ("the Company"), which comprise the balance sheet as at 31 March 2019, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("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 31 March 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of financial statements, including the disclosures, and whether financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

   (A) 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 (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 1 April 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (B) With respect to the other matters to be included in the Auditors' 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 as at 31 March 2019 on its financial position in its financial statements - Refer Note 24 to 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.

iv. The disclosures in financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
(Firm's Registration No. 101248W/W-100022)

Ashish Gupta
Partner
Membership No. 215165

Place: Pune
Date: 13 May, 2019

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF TECH MAHINDRA BUSINESS SERVICES LIMITED FOR THE PERIOD ENDED 31 MARCH 2019.

With reference to the Annexure referred to in paragraph 1 in 'Report on Other Legal and Regulatory Requirements' of the Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2019, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular program of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the program, certain fixed assets were physically verified by the management during the year and no material discrepancies were noticed during the verification.

(c) According to the information and explanations given to us and on the basis of verification of records of the Company, the Company does not hold any immovable property. Accordingly, paragraph 3(i)(c) of the Order is not applicable to the Company.

(ii) The Company is a service company, primarily rendering call centre services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.

(iv) According to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186, in respect of loans, investments, guarantees or security, as applicable.

(v) The Company has not accepted any deposits from the public in accordance with the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 of the Act and the rules made there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) In our opinion and according to information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act, for any of the services rendered by the Company. Accordingly, paragraph 3 (vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Goods and Services Tax, Customs Duty, Income Tax and other material statutory dues have been generally regularly deposited by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of cess.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Goods and Services Tax, Customs Duty, Income Tax and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable, except for the following:

Name of statute	Nature of dues	Amount (₹ In Million)	Period to which the amount relates	Date of payment
The Employees' Provident Fund and Miscellaneous Provisions Act, 1952	Employer and employee contribution to Provident fund	0.40	July 2017 to August 2018	Not paid

(b) According to the information and explanations given to us, there are no dues of Income Tax, Goods and Service Tax, Service Tax, Sales Tax, Value Added and Customs Duty Tax which have not been deposited with the appropriate authorities on account of any dispute, except for the following:

Name of statute	Nature of dues	Forum where dispute is pending	Amount unpaid (₹ In Million)	Period to which the amount relates
Income Tax Act, 1961	Income tax	Income Tax Appellate Tribunal	237	A.Y. 2009-10
Income Tax Act, 1961	Income tax	Income Tax Appellate Tribunal	370	A.Y. 2010-11
Income Tax Act, 1961	Income tax	Income Tax Appellate Tribunal	122	A.Y. 2011-12
Income Tax Act, 1961	Income tax	Income Tax Appellate Tribunal	263	A.Y. 2012-13
Income Tax Act, 1961	Income tax	Income Tax Appellate Tribunal	18	A.Y. 2016-17
Finance Act, 1994	Service tax	Commissioner of Service Tax	86 *	F.Y. 2007-08 to 2012-13

* excluding interest but includes penalties

(viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3 (viii) of the Order is not applicable to the Company.

(ix) In our opinion and according to the information and explanations given to us, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) or term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

(x) According to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanation given to us and based on our examination of the records of the Company, the Company has paid/provided managerial remuneration in accordance with requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company as per the Act. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us, the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanation given to us and based on our examination of the records of the Company, all transactions with related parties are in compliance with Section 188 of the Act, where applicable, and the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partially convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them during the year. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to register under section 45-IA of the Reserve Bank of India Act, 1934.

For B S R & Co. LLP
Chartered Accountants
(Firm's Registration No. 101248W/W-100022)

Ashish Gupta
Partner
Membership No: 215165

Place: Pune
Date : 13 May, 2019

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF TECH MAHINDRA BUSINESS SERVICES LIMITED FOR THE PERIOD ENDED 31 MARCH 2019.

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 1 (A) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Tech Mahindra Business Services Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co. LLP
Chartered Accountants
(Firm's Registration No. 101248W/W-100022)

Ashish Gupta
Partner
Membership No. 215165

Place: Pune
Date: 13 May, 2019

BALANCE SHEET AS AT MARCH 31 2019

₹ in Million

	Balance Sheet	Note No	**As at March 31, 2019**	As at March 31, 2018
I	**ASSETS**			
1	**Non-Current Assets**			
	(a) Property, Plant and Equipment	3	**438**	357
	(b) Capital Work-In-Progress		**0**	-
	(c) Intangible Assets	4	**82**	47
	(d) Financial Assets			
	(i) Investments	5	**5**	5
	(ii) Other Financial Assets	6	**157**	146
	(e) Advance Income Taxes (Net of Provisions)		**988**	880
	(f) Deferred Tax Assets (net)	7	**160**	136
	(g) Other Non-current Assets	8	**909**	1,132
	Total Non-Current Assets		**2,739**	2,703
2	**Current Assets**			
	(a) Financial Assets			
	(i) Investments	9	**1,049**	975
	(ii) Trade Receivables	10	**1,825**	1,490
	(iii) Cash and Cash Equivalents	11	**85**	103
	(iv) Other Financial Assets	12	**119**	26
	(b) Other Current Assets	13	**243**	234
	Total Current Assets		**3,321**	2,828
	TOTAL ASSETS		**6,060**	5,531
II	**EQUITY AND LIABILITIES**			
	Equity			
	(a) Equity Share Capital	14	**10**	10
	(b) Other Equity	15	**3,807**	3,854
	Total equity		**3,817**	3,864
	LIABILITIES			
1	**Non-Current Liabilities**			
	(a) Financial Liabilities			
	(i) Other Financial Liabilities	16	**43**	2
	(b) Provisions	17	**111**	76
	Total Non-Current Liabilities		**154**	78
2	**Current Liabilities**			
	(a) Financial Liabilities			
	i) total outstanding dues to micro enterprises and small enterprise		**-**	-
	ii) total outstanding dues to other than micro enterprises and small enterprise		**401**	400
	(II) Other Financial Liabilities	18	**346**	265
	(b) Provisions	19	**327**	92
	(c) Current Tax Liabilities (Net)		**222**	281
	(d) Other Current Liabilities	20	**793**	551
	Total Current Liabilities		**2,089**	1,589
	TOTAL EQUITY AND LIABILITIES		**6,060**	5,531

See accompanying notes to the financial statements 2 to 37

In terms of our report attached.

For B S R & Co LLP
Chartered Accountants
Firm Registration No: 101248W/W-100022

Ashish Gupta
Partner
Membership No: 215165
Pune, Dated: May 13, 2019

For Tech Mahindra Business Services Limited

Birendra Sen
Director
DIN No: 07956092

Suchitra Kerkar
Director
DIN No: 07956158

Mahesh Kulkarni
Company Secretary

Mumbai, Dated : May 13, 2019

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Million except earnings per Share)

Statement of Profit and Loss				Note No.	For the year ended March 31,2019	For the year ended March 31,2018
I	Revenue from Operations				**7,426**	7,036
II	Other Income			21	**139**	163
III	Total Income (I + II)				**7,565**	7,199
IV	EXPENSES					
	(a)	Employee Benefits Expense		22	**4,430**	4,277
	(b)	Finance Costs			**0**	-
	(c)	Depreciation and Amortisation Expense		3 & 4	**243**	260
	(d)	Other Expenses		23	**1,782**	1,454
	Total Expenses				**6,455**	5,991
V	**Profit Before Tax (III - IV)**				**1,110**	1,208
VI	**Tax Expense**					
	(1)	Current Tax		32	**490**	431
	(2)	Deferred Tax		32	**(35)**	(31)
	Total Tax Expense				**455**	400
VII	**Profit After Tax (V - VI)**				**655**	808
VIII	**Other Comprehensive Income**					
	A	(i)	Items that will not be reclassified to profit or loss			
			Remeasurements of the defined benefit liabilities		**(29)**	0
		(ii)	Income tax relating to items that will not be reclassified to profit or loss		**10**	(0)
	B	(i)	Items that will be reclassified to profit or loss			
			Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge		**62**	(48)
		(ii)	Income tax on items that will be reclassified to profit or loss		**(22)**	17
		Total Other Comprehensive Income (A + B)			**21**	(31)
IX	**Total Comprehensive Income for the year (VII + VIII)**				**676**	777
	Earnings per Equity Share					
	Basic and Diluted [In ₹] [Face Value ₹10]				**655**	808
See accompanying notes to the financial statements				2 to 37		

In terms of our report attached.

For B S R & Co LLP
Chartered Accountants
Firm Registration No: 101248W/W-100022

For Tech Mahindra Business Services Limited

Ashish Gupta
Partner
Membership No: 215165
Pune, Dated: May 13, 2019

Birendra Sen
Director
DIN No: 07956092

Suchitra Kerkar
Director
DIN No: 07956158

Mahesh Kulkarni
Company Secretary

Mumbai, Dated : May 13, 2019

STATEMENT OF CHANGES IN EQUITY

a. Equity Share Capital

Particulars	Number of Shares	Equity Share Capital (₹ in Million)
Balance at April 1, 2018	1,000,000	10
Changes in equity share capital during the year	-	-
Balance at March 31, 2019	1,000,000	10
Balance at April 1, 2017	1,000,000	10
Changes in equity share capital during the year	-	-
Balance at March 31, 2018	1,000,000	10

b. Other Equity

₹ in Million

(i) Particulars	Reserves & Surplus		Items of Other Comprehensive Income	Total
	Capital Redemption Reserve	Retained Earnings	Hedging Reserve	
Balance as of April 1, 2018	666	3,180	8	3,854
Profit for the year	-	655	-	655
Other Comprehensive Income	-	(19)	40	21
Total Comprehensive income	**666**	**3,816**	**48**	**4,530**
Dividend	-	(600)	-	(600)
Tax on Dividend	-	(123)	-	(123)
Balance at March 31, 2019	**666**	**3,093**	**48**	**3,807**

₹in Million

Particulars	Reserves & Surplus		Items of Other Comprehensive Income	Total
	Capital Redemption Reserve	Retained Earnings	Hedging Reserve	
Balance as of April 1, 2017	666	3,094	39	3,799
Profit for the year	-	808	-	808
Other Comprehensive Income	-	0	(31)	(31)
Total Comprehensive income	**666**	**3,902**	**8**	**4,576**
Dividend	-	(600)	-	(600)
Tax on Dividend	-	(122)	-	(122)
Balance at March 31, 2018	**666**	**3,180**	**8**	**3,854**

ii) A description of the purposes of each reserve within equity:

1. Capital Redemption Reserve pertains to nominal value of Redeemable Non Convertible preference shares redeemed out of profits.The nominal value of shares was transferred to Capital Redemption Reserves.
2. Retained Earnings- This represents the undistributed profits of the Company accumulated as at year end.
3. Hedging Reserve pertains to the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge recognised in other comprehensive income.

In terms of our report attached.

For B S R & Co LLP
Chartered Accountants
Firm Registration No: 101248W/W-100022

Ashish Gupta
Partner
Membership No: 215165
Pune, Dated: May 13, 2019

For Tech Mahindra Business Services Limited

Birendra Sen
Director
DIN No: 07956092

Suchitra Kerkar
Director
DIN No: 07956158

Mahesh Kulkarni
Company Secretary

Mumbai, Dated : May 13, 2019

STATEMENT OF CASH FLOW FOR THE YEAR MARCH 31,2019

₹ in Million

		For the year ended March 31, 2019	For the year ended March 31, 2018
A.	**Cash flow from Operating Activities:**		
	Profit before tax	**1,110**	1,208
	Adjustments for:		
	Depreciation and Amortisation Expense	**243**	260
	Interest Income	**(0)**	(0)
	Interest Expenses	**0**	-
	Dividend Income	**-**	(41)
	Net gain on disposal of Property,Plant and Equipment	**(2)**	(8)
	Unrealised Exchange Gain (net)	**(33)**	(9)
	Gain on sale of Investments (net)	**(91)**	(45)
	Operating profit before working capital changes	**1,227**	1,365
	Changes in working capital:		
	Trade Receivables and Other Assets	**(147)**	(587)
	Trade Payables,Other Liabilities and Provisions	**495**	123
	Cash generated from operations	**1,575**	901
	Income taxes paid	**(657)**	(1,014)
	Net cash flow from / (used in) operating activities (A)	**918**	(113)
B.	**Cash flow from Investing activities:**		
	Purchase of Property, plant and Equipment and Intangible assets (Including Capital Work-in-progress)	**(234)**	(214)
	Purchase of Mutual Funds	**(7,317)**	(5,811)
	Proceeds from sale of Mutual Funds	**7,333**	6,915
	Investment in Government Bonds	**-**	(5)
	Interest Received	**0**	(0)
	Proceeds from Sale of Property, Plant and Equipment	**10**	9
	Net cash flow (used in) / from investing activities (B)	**(208)**	894
C.	**Cash flow from financing activities:**		
	Dividend Paid	**(600)**	(600)
	Dividend Distribution tax	**(123)**	(122)
	Net cash flow used in financing activities (C)	**(723)**	(722)
D.	**Net (Decrease)/ Increase in Cash and Cash Equivalents (A+B+C)**	**(13)**	59
E.	**Effect of exchange rate changes on Cash and Cash Equivalents**	**(5)**	2
F.	Cash and Cash Equivalents at beginning of the year	**103**	42
G.	Cash and Cash Equivalents at end of the year (D+E+F)	**85**	103
	Cash and Cash Equivalents comprises of		
	Cash in hand	**0**	0
	Balances with Banks:		
	- Current Accounts	**79**	100
	- Deposit Accounts	**6**	3
	Cash and Cash Equivalents as per Balance Sheet (refer note 11)	**85**	103

See accompanying notes to the financial statements

In terms of our report attached.

For B S R & Co LLP
Chartered Accountants
Firm Registration No: 101248W/W-100022

For Tech Mahindra Business Services Limited

Ashish Gupta
Partner
Membership No: 215165
Pune, Dated: May 13, 2019

Birendra Sen
Director
DIN No: 07956092

Suchitra Kerkar
Director
DIN No: 07956158

Mahesh Kulkarni
Company Secretary

Mumbai, Dated : May 13, 2019

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

1. Corporate Information:

Tech Mahindra Business Services Limited (the 'Company') head quartered in Mumbai, Maharashtra, India provides voice based call centre services to 'Hutchison 3G UK Limited', 'Vodafone Hutchison Australia Pty Limited', 'Hutchison 3G Ireland Limited' and Tech Mahindra 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.The Company is now a 100% subsidiary of Tech Mahindra Limited.

2. Significant accounting policies:

2.1 Statement of Compliance:

These financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 3 the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016, and other relevant provisions of the Companies Act, 2013.

Details of the Company's accounting policies are included in paragraphs 2.4 to 2.15.

2.2 Basis for preparation of financial statements:

These financial statements have been prepared on the historical cost basis and on an accrual basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on their value of the consideration given in exchange for goods and services.

In estimating the fair value of an asset or liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purpose in these financials statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17 Leases, and measurements that have some similarities to fair value but are not fair value, such as value in use in Ind AS 36 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are not based on observable market data (unobservable inputs) Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

2.3 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. Estimated and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Critical accounting estimates

i) Income taxes

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions. The policy for the same has been explained under Note 2.12.

ii) Provisions

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 a reliable estimate can be made. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. The policy for the same has been explained under Note 2.14.

iii) Defined benefit plans and compensated absences

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The policy for the same has been explained under Note 2.10.

2.4 Property, Plant & Equipment and Other Intangible Assets:

Property, plant & equipment and other intangible assets are stated at actual cost less accumulated depreciation and net of impairment. The actual cost capitalized includes

a) material cost, freight, installation cost, non-refundable duties and taxes, eligible borrowing costs and other incidental expenses incurred during the construction / installation stage.

b) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on Property, Plant & Equipment including assets taken on lease, other than freehold land is charged based on straight line method on an estimated useful life that 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.

Plant and Equipments	3 to 4 years
Computer Hardware	4 years
Office Equipment	3 to 4 years
Furniture and Fixtures	3 to 6 years
Vehicles	4 years
Leasehold Improvements	Lower of lease period or expected occupancy.

The estimated useful lives and residual values of the Property, Plant & Equipment and Other Intangible assets are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of Property, Plant & Equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property, Plant & Equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the profit or loss.

Project specific intangible assets are amortized over their estimated useful lives on a straight line basis or over the period of the license/project period, whichever is lower.

2.5 Leases:

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is, or contains a lease if, fulfilment of the arrangement is dependent on the use of a specific asset or assets, even if that right is not explicitly stated in the arrangement.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases

i. Finance lease:

Where the Company, as a lessor, leases assets under finance lease, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is based on constant rate of return on the outstanding net investment.

Assets taken on finance lease are initially recognised as assets of the Company at the lower of the fair value of the leased item or the present value of the minimum lease payments. Lease payments are apportioned between finance costs and reduction of outstanding liability. The finance charge is allocated to periods during the lease term at a constant periodic rate of interest on the remaining balance of the liability.

ii. 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 recognized in the Statement of Profit and Loss on a straight line basis over the lease term except where the rentals are structured to increase in line with expected general inflation.

2.6 Impairment of Assets:

i) Financial assets

The Company applies the expected credit loss model for recognizing impairment loss on financial assets.

Expected credit loss is the difference between the contractual cash flows and the cash flows that the entity expects to receive discounted using effective interest rate.

Loss allowances for trade receivables are measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. Lifetime expected credit loss is computed based on a provision matrix which takes into account historical credit loss experience adjusted for forward looking information.

For other financial assets, expected credit loss is measured at the amount equal to twelve months expected credit loss unless there has been a significant increase in credit risk from initial recognition, in which case, those are measured at lifetime expected credit loss.

ii) Non-financial assets

The Company assesses long-lived assets such as property, plant, equipment and acquired intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or group of assets may not be recoverable. If any such indication exists, the Company estimates the recoverable amount of the asset or group of assets. The recoverable amount of an asset or cash generating unit is the higher of its fair value less cost of disposal (FVLCD) and its value-in-use (VIU). The VIU of long-lived assets is calculated using projected future cash flows. FVLCD of a cash generating unit is computed using turnover and earnings multiples.

If the recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment losses previously recognized are reversed such that the asset is recognized at its recoverable amount but not exceeding written down value which would have been reported if the impairment losses had not been recognized initially.

2.7 Revenue recognition:

All revenues from services, as rendered, are recognized when persuasive evidence of an arrangement exists, the sale price is fixed or determinable and collectability is reasonably assured and are reported net of sales incentives, discounts based on the terms of the contract and applicable indirect taxes. Effective 1 April 2018, the Company has adopted Ind AS 115, using cumulative effect method. The effect of adoption of Ind AS 115 is not significant.

Revenue from cost plus contracts are recognised based on the terms of the contract over the service period.

Revenue from time and material contracts is recognised as the related services are performed.

Contracts assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled revenue when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract liability arises when there is Company’s obligation to transfer goods or services to a customer for which the entity has received consideration (“Advances from Customer”) or the amount is due from the customer (“Unearned Revenue”).

Disaggregation of revenue is reported under segment reporting.

Deferred contract costs are incremental costs of obtaining a contract which are recognised as assets and amortised over the tenure of the contract.

Dividend income is recognized when the Company’s right to receive dividend is established. Interest income is recognized using effective interest rate method.

2.8 Foreign currency transactions:

The functional currency of the Company is Indian Rupees (INR).

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the dates of Balance Sheet. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are included in the statement of profit or loss.

2.9 Financial Instruments:

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in profit or loss.

i) Non-derivative financial instruments:

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value

Financial asset not measured at amortized cost is carried at fair value through profit or loss (FVTPL) on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized to profit or loss.

Financial asset at FVTPL are measured at fair values at the end of each reporting period, with any gains or losses on remeasurement recognized in profit or loss.

Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method or at FVTPL. Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised in a business combination, or is held for trading or it is designated as FVTPL. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit and loss.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

ii) Derivative financial instruments and hedge accounting

The Company is exposed to foreign currency fluctuations on foreign currency assets, liabilities and forecasted cash flows denominated in foreign currency. The Company uses foreign currency forward contracts / options to hedge its risks associated with foreign currency fluctuations relating to certain forecasted transactions. The Company designates some of these as cash flow hedges applying the recognition and measurement principles set out in the Ind AS 109 Financial Instruments.

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 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 recognized in other comprehensive income and accumulated under Hedging Reserve and the ineffective portion is recognized immediately in the Statement of Profit and Loss.

Amounts previously recognized in other comprehensive income and accumulated in hedging reserve are reclassified to profit or loss in the same period in which gains / losses on the item hedged are recognized in the Statement of Profit or Loss.

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 classified in hedging reserve 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 hedging reserve is transferred to the Statement of Profit and Loss for the period.

iii) Derecognition of financial instruments

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

The Company derecognises financial liabilities when, and only when, the Company's obligation are discharged, cancelled or have expired.

2.10 Employee Benefits:

i) Gratuity:

The Company accounts for its gratuity liability, a defined retirement benefit plan covering eligible 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. Liabilities with regard to a gratuity plan are determined based on the actuarial valuation carried out by an independent actuary as at the balance sheet date using the Projected Unit Credit method.

Actuarial gains and losses are recognised in full in other comprehensive income and accumulated in equity in the period in which they occur. Past service cost is recognised in profit or loss in the period of a plan amendment.

ii) Provident Fund:

The eligible employees of the Company are entitled to receive the benefits of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently at 12% of the basic salary) which are charged to the statement of profit and loss on accrual basis. The provident fund contributions are paid to the Regional Provident Fund Commissioner by the Company.

The Company has no further obligations for future provident fund and superannuation fund benefits other than its annual contributions.

iii) Superannuation and ESIC:

Superannuation fund and employees' state insurance scheme (ESI), which are defined contribution schemes, are charged to the statement of profit and loss on accrual basis.

iv) Compensated absences:

The Company provides for compensated absences subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment or availment. The liability is provided based on the number of days of unavailed leave at each balance sheet date on the basis of an independent actuarial valuation using the Projected Unit Credit method.

The liability which is not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized based on the actuarial valuation as at the balance sheet date.

Actuarial gains and losses are recognised in full in in the Statement of Profit and Loss in the period in which they occur.

The company also offers a short term benefit in the form of encashment of unavailed accumulated compensated absence above certain limit for all of its employees and same is being provided for in the books at actual cost.

2.11 Borrowing costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to the statement of profit and loss.

2.12 Taxation:

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.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Deferred income taxes

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.The Company recognises interest levied and penalties related to income tax assessments in income tax expenses.

2.13 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.

2.14 Provision, Contingent Liabilities and Contingent Assets:

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

Contingent liabilities and contingent assets are not recognised in the financial statements.

2.15 Standard issued but not adopted

Ind AS 116, Leases

Ind AS 116 is applicable for financial reporting periods beginning on or after 1 April 2019 and replaces existing lease accounting guidance, namely Ind AS 17 Leases. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use (“ROU”) asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The nature of expenses related to those leases will change as Ind AS 116 replaces the operating lease expense (i.e., rent) with depreciation charge for ROU assets and interest expense on lease liabilities. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. The Company plans to apply Ind AS 116 on 1 April 2019, using the modified retrospective approach. Therefore, the impact (if any) on adoption of the new standard will be recognised as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information.

The Company is in the process of analysing the impact of new lease standard on its financial statements.

Ind AS 12 - Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12. The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the company has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the company is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) company has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

Ind AS 109 – Financial Instruments (Prepayment Features with Negative Compensation)

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

Ind AS 19 – Employee Benefits (Plan Amendment, Curtailment or Settlement)

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the remeasurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Company does not currently have any long-term interests in associates and joint ventures.

Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Company will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

NOTE 3: PROPERTY, PLANT AND EQUIPMENT

₹ in Million

Description of Assets		Plant and Equipment	Computers	Office Equipment	Furniture and Fixtures	Leasehold Improvement	Vehicles	Total
I.	**Gross Block**							
	Balance as at 1 April, 2018	264	1,044	70	139	211	10	1,738
	Additions for the year	3	163	23	62	56	-	307
	Deletion for the year	(1)	(8)	(0)	(10)	(0)	-	(19)
	Balance as at 31 March 2019	**266**	**1,199**	**93**	**191**	**267**	**10**	**2,026**
II.	**Accumulated depreciation**							
	Balance as at 1 April, 2018	217	795	62	102	197	8	1,381
	Depreciation for the year	21	152	7	24	12	2	218
	On deletion	(1)	(0)	(0)	(10)	(0)	-	(11)
	Balance as at 31 March 2019	237	947	69	116	209	10	1,588
	Balance as at 31 March 2019	**29**	**252**	**24**	**75**	**58**	**0**	**438**

₹ in Million

Description of Assets		Plant and Equipment	Computers	Office Equipment	Furniture and Fixtures	Leasehold Improvement	Vehicles	Total
I.	**Gross Block**							
	Balance as at 1 April, 2017	243	1,016	75	108	200	11	1,653
	Additions for the year	27	116	9	38	11	-	201
	Deletion for the year	(6)	(88)	(14)	(7)	(0)	(1)	(116)
	Balance as at 31 March, 2018	**264**	**1,044**	**70**	**139**	**211**	**10**	**1,738**
II.	**Accumulated depreciation**							
	Balance as at 1 April, 2017	191	728	72	88	180	6	1,265
	Depreciation for the year	31	155	4	21	17	3	231
	On deletion	(5)	(88)	(14)	(7)	(0)	(1)	(115)
	Balance as at 31 March, 2018	217	795	62	102	197	8	1,381
	Balance as at 31 March, 2018	**47**	**249**	**8**	**37**	**14**	**2**	**357**

Note 4: Intangible Assets

Description of Assets		₹ in Million Computer Software
I.	**Gross Block**	
	Balance as at 1 April, 2018	634
	Additions for the year	60
	Deletion for the year	-
	Balance as at 31 March 2019	694
II.	**Accumulated amortisation**	
	Balance as at 1 April, 2018	587
	Amortisation for the year	25
	Deletion	-
	Balance as at 31 March 2019	612
	Balance as at 31 March 2019	**82**

Description of Assets		₹ in Million Computer Software
I.	**Gross Block**	
	Balance as at 1 April, 2017	596
	Additions for the year	38
	Deletion for the year	-
	Balance as at 31 March, 2018	634
II.	**Accumulated amortisation**	
	Balance as at 1 April, 2017	558
	Amortisation for the year	29
	Deletion	-
	Balance as at 31 March, 2018	587
	Balance as at 31 March, 2018	**47**

Note 5: Investment : Non-Current

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
Investments in Government Bonds - Quoted (Carried at amortised cost)		
5.25% National Highways Authority of India Bonds-54EC Capital Gain Bonds (Series XVII)	**5**	5
TOTAL	**5**	5
Note 6: Other Financial Assets : Non Current		
Security Deposits	**155**	146
Foreign currency derivative assets	**2**	-
TOTAL	**157**	146
Note 7: Deferred Tax Assets (Net)		
Deferred Tax arising on account of temporary differences on :		
Property, Plant and Equipment	**102**	87
Gratuity, Leave Encashment and Bonus	**80**	60
Fair Valuation of Mutual Fund	**(4)**	(28)
MTM on forward contracts	**(18)**	17
TOTAL	**160**	136
Note 8: Other Non-Current Assets		
Prepaid Expenses	**662**	842
Balances with government authorities	**247**	290
TOTAL	**909**	1,132

Note 9: Investments : Current

₹ in Million

Particulars	As at March 31, 2019		As at March 31, 2018	
Investment in Mutual Funds - Unquoted (Carried at fair value through Profit and Loss)	**No of Units**	₹	No of Units	₹
Reliance - Liquid fund-Treasury Plan Direct Plan Growth Option-LFAG	**7,925**	**36**	2,204	9
ICICI Prudential Liquid - Direct Plan-Growth	**-**	**-**	364,858	94
Reliance Fixed Horizon Fund - XXV - Series 27 - Direct Plan Growth Plan	**-**	**-**	10,000,000	141
Birla Sun Life -Fixed Term Plan - Series KJ (1499 days) – Growth Direct	**-**	**-**	10,000,000	140
Reliance - Arbitrage Advantage Fund-Direct Growth Plan Growth Option -AFAG	**45,218,016**	**885**	16,719,487	306
ICICI Prudential Equity Arbitrage Fund - Direct Plan - Dividend	**904,633**	**23**	10,521,960	249
Mahindra Liquid Fund Direct DDR	**61,819**	**75**	31,584	36
Axis Arbitrage Fund-Direct Growth	**2,197,609**	**30**	-	-
Mahindra Liquid Fund Direct DDR	**-**	**-**	95	0
TOTAL		**1,049**		975

Particulars	₹	₹
Aggregate amount of Unquoted investment	**1,049**	975

Note 10: Trade Receivables : Current

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
Receivables considered good -Unsecured (Outstanding related party balance refer note 31)	**1,825**	1,490
Receivables- Credit impaired	**-**	-
Less: Allowance for expected credit loss	**-**	-
TOTAL	**1,825**	1,490

Note 11: Cash and Cash Equivalents

Cash on hand	**0**	0
Balances with banks		
(i) In Current Account	**79**	100
(ii) In Deposit Account	**6**	3
TOTAL	**85**	103

Note 12: Other Financial Assets : Current

Security Deposits	**11**	12
Interest accrued on deposits	**0**	0
Unbilled Revenue	**7**	-
Foreign currency derivative assets	**91**	6
Other Receivables from related party (refer note 31)	**10**	8
TOTAL	**119**	26

Note 13: Other Current Assets

Prepaid Expenses	**219**	209
Balances with government authorities	**6**	12
Other Advances	**18**	13
TOTAL	**243**	234

Note 14: Equity Share Capital

Share Capital	As at			
	31-Mar-19		31-Mar-18	
	Number	**₹ Million**	Number	₹ Million
Authorised				
67,650,000 (March 31, 2018: 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, 2018: 1,000,000) Equity Shares of ₹10 each	**1,000,000**	**10**	1,000,000	10
	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 year :

Equity Shares:

Particulars	31-Mar-19		31-Mar-18	
	Number	**₹**	Number	₹
Shares outstanding at the beginning of the year	**1,000,000**	**10,000,000**	1,000,000	10,000,000
Shares issued during the year	**-**	**-**	-	-
Bonus shares issued during the year	**-**	**-**	-	-
Shares outstanding as at 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, 2019 ₹ in million**	As at March 31, 2018 ₹ in million
Equity Shares :		
Tech Mahindra Limited, the holding company		
999,994 (March 31, 2018 999,994) Equity shares of ₹10 each fully paid	**10**	10
Tech Mahindra Limited jointly with Vishwanath Kini		
1 (March 31, 2018: 1) Equity share of ₹10 each fully paid	**0**	0
Tech Mahindra Limited jointly with Atanu Sarkar		
Nil (March 31, 2018: 1) Equity share of ₹10 each fully paid	**-**	0
Tech Mahindra Limited jointly with Gautam Shirali		
1 (March 31, 2018: Nil) Equity share of ₹10 each fully paid	**0**	0
Tech Mahindra Limited jointly with Manoj Bhat		
1 (March 31, 2018: 1) Equity share of ₹10 each fully paid	**0**	0
Tech Mahindra Limited jointly with Manoj Joshi		
1 (March 31, 2018: 1) Equity share of ₹10 each fully paid	**0**	0
Tech Mahindra Limited jointly with Aniruddha Gadre		
1 (March 31, 2018: 1) Equity share of ₹10 each fully paid	**0**	0
Tech Mahindra Limited jointly with Anil Khatri		
1 (March 31, 2018: 1) Equity share 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	**No.**	**% holding in the class**	No.	% 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 15: Other Equity

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
Capital Redemption Reserve	**666**	666
Hedging Reserve		
Opening balance	**8**	39
Change in fair value of derivatives (Net)	**40**	(31)
Closing Balance	**48**	8
Surplus in Statement of Profit and Loss		
Opening Balance	**3,180**	3,094
Add: Transferred from Other Comprehensive Income	**(19)**	0
Add: Net Profit for the year	**655**	808
Less: Dividend	**600**	600
Less: Tax on Dividend	**123**	122
Closing Balance	**3,093**	3,180
TOTAL	**3,807**	3,854

Note 16: Other Financial Liabilities : Non-Current

₹ in Million

Particulars	**As at March 31, 2019**	As at March 31, 2018
Foreign currency Derivative Liabilities	**-**	2
Site restoration obligation	**43**	-
TOTAL	**43**	2

Note 17: Provisions : Non-Current

₹ in Million

Particulars	**As at March 31, 2019**	As at March 31, 2018
Provision for employee benefits		
- Gratuity	**111**	76
TOTAL	**111**	76

Note 18: Other Financial Liabilities : Current

₹ in Million

Particulars	**As at March 31, 2019**	As at March 31, 2018
Foreign currency Derivative Liabilities	**1**	16
Creditors for capital supplies / services	**112**	22
Accrued wages and salaries	**233**	227
TOTAL	**346**	265

Note 19: Provisions : Current

₹ in Million

Particulars	**As at March 31, 2019**	As at March 31, 2018
Provision for employee benefits		
Gratuity	**45**	42
Compensated absences	**67**	50
Provision for Contingencies	**215**	-
TOTAL	**327**	92

Note 20: Other Current Liabilities

₹ in Million

Particulars	**As at March 31, 2019**	As at March 31, 2018
Contract Liability	**39**	20
Statutory Dues	**105**	98
Advance from Customers	**648**	432
Others	**1**	1
TOTAL	**793**	551

Note 21: Other Income

₹ in Million

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest income		
- Bank Deposits	**0**	0
- Other financial assets	**12**	12
Dividend Income	**-**	41
Net Gain on financials assets carried at FVTPL	**91**	45
Net gain on disposal of Property, Plant and Equipment and Intangible Assets	**2**	8
Foreign Exchange Gain (net)	**30**	57
Miscellaneous Income	**4**	0
TOTAL	**139**	163

Note 22: Employee Benefits Expense

₹ in Million

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries and wages, including bonus	**4,151**	4,006
Contribution to provident and other funds	**138**	117
Gratuity (Refer note 25)	**21**	19
Staff welfare expenses	**120**	135
TOTAL	**4,430**	4,277

Note 23: Other Expenses

₹ in Million

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Power & Fuel	**133**	135
Rent	**454**	431
Repairs and maintenance - Machinery	**25**	24
Repairs and maintenance - Lease Premises	**22**	29
Repairs and maintenance - Others	**197**	178
Insurance charges	**38**	41
Legal and other professional fees	**72**	69
Subcontracting Expenses (Refer note 31)	**87**	-
Advertisement, Promotion & Selling Expenses	**6**	6
Travelling Expenses	**381**	361
Expenditure on corporate social responsibility (CSR) (Refer Note 31)	**24**	28
Recruitment Expenses	**40**	46
Training	**12**	10
Communication	**24**	20
Provision for Contingencies	**185**	-
Miscellaneous Expenses	**82**	76
TOTAL	**1,782**	1,454

24. Capital commitments and Contingent Liabilities

i. Capital commitments

The estimated amount of contracts remaining to be executed on capital account (net of capital advances), and not provided for as at March 31, 2019 ₹ 2 million (March 31, 2018: ₹ 78 million).

ii. Contingent liabilities

Amount in ₹ Million

Sr. No	Nature of dues	Period	Grounds of Dispute	As at March 31, 2019 *	As at March 31, 2018 *
1	Income-tax	A.Y 2008-09	Income tax order on account of transfer Pricing Adjustment	**-** **(47)**	27 (47)
2	Income-tax	A.Y 2009-10	Income tax order on account of 1. Transfer Pricing Adjustment 2. Disallowance of deduction under section 10A	**498** **(261)**	498 (225)
3	Income-tax	A.Y 2010-11	Income tax order on account of 1. Transfer Pricing Adjustment 2. Disallowance of deduction under section 10A	**285** **(188)**	285 (148)
4	Income-tax	A.Y 2011-12	Income tax order on account of 1. Transfer Pricing Adjustment 2. Disallowance of deduction under section 10A	**-** **(128)**	- (109)
5	Income-tax	A.Y 2012-13	Income tax order on account of Transfer Pricing Adjustment	**515** **(441)**	474 (391)
6	Income-tax	A.Y 2013-14	Income tax order on account of Transfer Pricing Adjustment	**206** **(139)**	206 (124)
7	Income-tax	A.Y 2016-17(**)	Income tax order on account of income adjustment	**23** **(Nil)**	- (Nil)
8	Service Tax	F.Y 2007-08 to 2012-13	Non-payment of service tax for receiving import services (reverse charge basis) for the period 2007-08 to 2012-13	**86(#)** **(11)**	32 (Nil)
9	Service Tax	F.Y 2012-13 to 2017-18	Non-payment of service tax on amount received against Notice Pay from employees	**7** **(Nil)**	4 (Nil)
10	Service Tax	F.Y 2012-13 to 2017-18	Non-payment of service tax on amount received against non-reversal of Cenvat credit under Rule 6(3) of the Cenvat Credit Rules	**26** **(Nil)**	12 (Nil)
11	Telecom Disputes Settlement and Appellate Tribunal	F.Y 2014-15	Department Of Telecom has raised a demand on the Company 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.	**-** **(21)**	40 (21)

* The figures in bracket indicate demands paid under disputes.
**There are no adjustment/addition been made in the assessment order by the Assessing Officer.
The Assessing Officer has inadvertently erred in computing total income of the Company. Due to incorrect computation of income, a demand has been raised on the Company. The Company has filed petition for rectification u/s 154 of the Income tax Act, 1961 and also filed appeal to the Commissioner of Income tax (Appeals).
Excluding interest component.

iii. The Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Company's results of operations or financial condition.

iv. Bank guarantee outstanding as at March 31, 2019: ₹ 7 million (March 31, 2018 ₹ Nil)

25. Details of employee benefits as required by the Ind AS 19 – Employee Benefits are as under:

i. Defined Contribution Plan

Contribution to Defined Contribution Plans recognized as expenses for the year ended are as under:

Amount in ₹ Million

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Employer's Contribution to Provident Fund	**91**	74
Employer's Contribution to Employee's State Insurance	**4**	3

In addition to above mentioned defined contribution plan the Company pays employer contribution in Ireland as per local laws.

ii. Defined Benefit Plan

The benefit plan comprises of Gratuity. The Gratuity plan is unfunded. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method. Actuarial gains and losses in respect of defined benefit plans are recognised in other comprehensive income.

a) Changes in the present value of defined benefit obligation

Amount in ₹ Million

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Defined benefit obligation at the beginning of the year	**118**	116
Interest cost	**8**	7
Current Service Cost	**13**	13
Benefit Paid	**(12)**	(18)
Actuarial (Gain)/ loss arising from changes in demographic assumptions	**0**	(0)
Actuarial (Gain)/ loss arising from changes in financial assumptions	**0**	(2)
Actuarial (Gain)/ loss arising from experience adjustments	**29**	2
Projected benefit obligation, at the ended of the year	**156**	118

b) Components of expenses recognized in the Statement of Profit and Loss:

Amount in ₹ Million

Particulars	For the year Ended March 31, 2019	For the year Ended March 31, 2018
Interest cost	**8**	7
Service cost	**13**	13
Total	**21**	20

c) Components of expenses recognized in other comprehensive income

Amount in ₹ Million

Particulars	For the year Ended March 31, 2019	For the year Ended March 31, 2018
Actuarial (Gain)/ loss arising from changes in demographic assumptions	**0**	0
Actuarial (Gain)/ loss arising from changes in financial assumptions	**0**	(2)
Actuarial (Gain)/ loss arising from experience adjustments	**29**	2
Total	**29**	0

d) Actuarial Assumptions

Particulars	As at March 31, 2019	As at March 31, 2018
Discount Rate (per annum)	**6.9%**	7.1%
Salary Escalation Rate (per annum)	**7%**	7%
Attrition Rate	**0% to 58%**	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.

e) The significant actuarial assumptions for the determination of the defined benefit obligations are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting year, while holding all other assumptions constant.

If the discount rate increases (decreases) by 0.50%, the defined benefit obligations would decrease by 4 million (increase by 3 million) as of March 31, 2018

If the expected salary growth increases (decreases) by 0.50%, the defined benefit obligations would increase by 4 million (decrease by 3 million) as of March 31, 2018.

f) Expected benefit payments for the year ended

Amount in ₹ Million

March 31, 2019	46
March 31, 2020	32
March 31, 2021	25
March 31, 2022	20
March 31, 2023	20
March 31, 2024 to March 31, 2028	79

26. Payment to auditors (net of taxes for which input credit is availed)

Amount in ₹ Million

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Audit Fees (including quarterly audits)	**4**	4
For Other services	**1**	1
Total	**5**	5

27. Financial Instruments

The Company is exposed primarily to fluctuations in foreign currency exchange rates, credit risk and liquidity risk which may impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential effects on the financial performance of the Company. The Company's Board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions.

Financial instruments by category

The carrying value of financial instruments by categories as of March 31, 2019 are as follows:

Amount in ₹ Million

	Fair value through P&L	Fair value through OCI	Derivative instruments in hedging relationship	Amortised Cost	Total Carrying Value	Total fair Value
Assets:						
Investments	1,049	-	-	5	1,054	1,054
Trade Receivables	-	-	-	1,825	1,825	1,825
Cash and Cash equivalents	-	-	-	85	85	85
Other Financial Assets	-	-	93	183	276	276
Total	**1,049**	**-**	**93**	**2,098**	**3,240**	**3,240**
Liabilities:						
Trade Payables	-	-	-	401	401	401
Other Financial liabilities	-	-	1	387	388	388
Total	**-**	**-**	**1**	**788**	**789**	**789**

The carrying value of financial instruments by categories as of March 31, 2018 are as follows:

Amount in ₹ Million

	Fair value through P&L	Fair value through OCI	Derivative instruments in hedging relationship	Amortised Cost	Total Carrying Value	Total fair Value
Assets:						
Investments	975	-	-	5	980	980
Trade Receivables	-	-	-	1,490	1,490	1,490
Cash and Cash equivalents	-	-	-	103	103	103
Other Financial Assets	-	-	6	166	172	172
Total	**975**	**-**	**6**	**1,764**	**2,745**	**2,745**
Liabilities:						
Trade Payables	-	-	-	400	400	400
Other Financial liabilities	-	-	18	249	267	267
Total	**-**	**-**	**18**	**649**	**667**	**667**

Fair value hierarchy

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosure are required):

The different levels have been defined as follows:

Level-1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level-2 – Inputs other than quoted prices included within level-1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level- 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data

Amount ₹ in Million

As at March 31, 2019	Level 1	Level 2	Level 3	Total
Financial Assets:				
Mutual fund units	1,049	-	-	1,049
Derivative Financial Assets	-	93	-	93
Total	**1,049**	**93**	**-**	**1,142**
Financial Liabilities:				
Derivative Financial liabilities	-	1	-	1
Total	**-**	**1**	**-**	**1**

Amount ₹ in Million

As at March 31, 2018	Level 1	Level 2	Level 3	Total
Financial Assets:				
Mutual fund units	975	-	-	975
Derivative Financial Assets	-	6	-	6
Total	**975**	**6**	**-**	**981**
Financial Liabilities:				
Other Financial Liabilities	-	18	-	18
Total	**-**	**18**	**-**	**18**

Credit Risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms and conditions.

The Company's financial instruments that are subject to credit risk predominantly consist of trade receivables, unbilled revenue, mutual fund investment, forward contracts, cash and cash equivalent and other financial assets.

The Company invests only in debt mutual funds with top mutual funds houses having very good credit rating and having a good Assets under Management.

The credit terms agreed with the customer is 30-45 days and the average collection period of the Company is around 35 days. Over the last 10 years, the Company has never faced any credit default from its customers, it has always received full realization of all its invoices.

The counterparty for the forward contracts booked is normally a bank with a high quality credit rating. The Company books plain vanilla forward contract to protect its exchange rate risk.

Exposure to Credit Risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 3,240 Million and ₹ 2,745 Million as of March 31, 2019 and March 31, 2018 respectively, being the total of the carrying amount of trade receivables, investments, cash and cash equivalents, other balance with banks, and other financial assets.

In addition, the Company is exposed to credit risk in relation to financial guarantees given to banks provided by the Company. The Company's maximum exposure in this respect is the maximum amount the Company would have to pay if the guarantee is called on.

Trade receivable

Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each Balance Sheet date whether a financial asset or a group of financial assets is impaired. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. As on 31 March 2019 and 31 March 2018, expected credit loss provision is ₹ Nil.

Market Risk

Market risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company exposure to market risk is primarily on account of foreign currency exchange rate risk and mutual fund price risk.

i. Foreign Currency Exposures

The Company's revenue is denominated in GBP, AUD, NZD and EUR. The majority of the costs are in Indian Rupees. This exposes the company to currency fluctuation. The Company monitors and manages the financial risk relating to its operations by analyzing its foreign exchange exposure by the level and extent of currency risks.

Amount in Million

Particulars	Foreign Currency Amount		Indian Rupees Equivalent	
	As at March 31, 2019	As at March 31, 2018	**As at March 31, 2019**	As at March 31, 2018
Trade Payable	**USD 1**	USD 0	**52**	13
Trade Payable	**EUR 0**	EUR 0	**4**	6
Trade Payable	**GBP 0**	GBP 0	**5**	1
Trade Receivables	**AUD 10**	AUD 6	**498**	288
Trade Receivables	**EUR 3**	EUR 2	**241**	181
Trade Receivables	**GBP 12**	GBP 11	**1,063**	1,020
Trade Receivables	**NZD 1**	-	**24**	-

Forward Exchange / Contracts

The Company's revenue is denominated in GBP, AUD, NZD and EUR. The majority of the costs are in Indian Rupees. This exposes the Company to currency fluctuation.

The Company monitors and manages the financial risk relating to its operations by analyzing its foreign exchange exposure by the level and extent of currency risks.

The Company uses derivative financial instruments governed by the policies approved by the Board such as forward to manage and mitigate its foreign currency exposure. The Company has a risk management policy approved and adopted by the Board which is used to hedge forex fluctuation. The counterparty is generally a bank. The Company can enter into a contract for 1 day to 3 years depending on the nature of forex billing.

The following are outstanding currency exchange forward contracts, which have been designated as cash flow hedges as of:

As at March 31, 2019

Foreign Currency	Amount of contracts (In million)	Fair value (₹ in million) (Gain)/Loss
AUD / INR	22	(57)
EUR / INR	5	(17)
GBP / INR	10	(18)

As at March 31, 2018

Foreign Currency	Amount of contracts (In million)	Fair value (₹ in million) (Gain)/Loss
AUD / INR	3	2
EUR / INR	5	(8)
GBP / INR	8	(7)

The movement in Hedging Reserve for derivatives designated as Cash Flow Hedges is as follows:

Amount ₹ in Million

Particulars	**For the ended March 31, 2019**	For the ended March 31, 2018
Credit /(Debit) balance at the beginning of the year	**8**	39
Changes in the fair value of the effective portion of cash flow Hedges	**62**	(48)
Tax impact on effective portion of outstanding cash flow hedges	**(22)**	17
Credit / (Debit) balance at the end of the year	**48**	8

Net gain on derivative instruments of ₹53 million recognized in Hedging Reserve as at March 31, 2019, is expected to be transferred to the statement of profit and loss by March 31, 2020.

ii. Interest Rate Risk

The Company's investment is primarily in Debt Mutual Funds, hence the Company is not significantly exposed to interest rate risk.

iii. Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company has always generated sufficient cash flows from its operations to meet its financial obligations as and when they fall due.

As at March 31, 2019

Amount ₹ in Million

	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
Non-derivative financial liabilities:					
Trade and other payables	401	-	-	-	401
Other financial liabilities	345	-	43	-	388
Total	**746**	**-**	**43**	**-**	**789**
Derivative financial liabilities	1	-	-	-	1
Total	**1**	**-**	**-**	**-**	**1**

As at March 31, 2018

Amount ₹ in Million

	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
Non-derivative financial liabilities:					
Trade and other payables	400	-	-	-	400
Other financial liabilities	249	-	-	-	249
Total	**649**	**-**	**-**	**-**	**649**
Derivative financial liabilities	16	-	-	-	16
Total	**16**	**-**	**-**	**-**	**16**

28. Disclosures for Revenue from Contracts with Customers

i. Performance obligations and remaining performance obligations

The remaining performance obligations disclosure provides the aggregate amount of the transaction price yet to be recognised as of the end of the reporting period and an explanation as to when the Company expects to recognise these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation for contracts where the entity has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in scope of contracts, periodic revalidations, adjustments for revenue that has not materialized and adjustments for currency.

During the year ended March 31, 2019, Company has not entered into any fixed price contracts. Hence, as on March 31, 2019 there are no unsatisfied performance obligations.

ii. Contract assets and liabilities

The contract assets primarily relate to Company's rights to consideration for work completed but not billed at the reporting date due to contractual terms. The contract assets are transferred to receivables when the rights become unconditional.

The contract liabilities primarily relate to the advance consideration received from customers. Revenue is recognised from the contract liability amounts as and when services are delivered and related performance obligations satisfied. The unused credit or balance is deferred until used by the customer or expired.

Significant changes in the contract liabilities balances during the year ended 31 March 2019 as follows:

Amount ₹ in Million

Particulars	**For the ended March 31, 2019**	For the ended March 31, 2018
Contract liabilities:		
Balances as of April 1, 2018	**20**	27
Less: Revenue recognised during the reporting period	**7**	7
Add: Invoiced during the year but, not recognised as revenues	**26**	-
Balances as of March 31, 2019	**39**	20

Contract Price

The following table provides information in respect of amount of revenue recognised in the statement of profit and loss with the contracted price showing separately each of the adjustments made to the contract price:

Amount ₹ in Million

Particulars	**For the ended March 31, 2019**	For the ended March 31, 2018
Contracted transaction for year ended March 31, 2019	**7,598**	7,209
Less: Adjustment for upfront discount	**(172)**	(173)
Revenue recognized in the statement of profit and loss for the ended March 31, 2019	**7,426**	7,036

29. Earnings Per Share is calculated as follows:

₹ in Million except earnings per share

Particulars	**For the ended March 31, 2019**	For the ended March 31, 2018
Net Profit / (Loss) attributable to shareholders	**655**	808
Equity Shares outstanding as at end of the year (in nos.)	**1,000,000**	1,000,000
Weighted average Equity Shares outstanding as at the year ended 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 ₹)	**655**	**808**
Earnings Per Share (Diluted) (in ₹)	**655**	**808**

30. Segment Reporting

Ind AS 108 establishes standards for the way that companies report information about their operating segments and related disclosures, as applicable about products and services, geographic areas, and major customers.

Based on the “management approach” as defined in Ind AS 108, the management evaluates the Company’s performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments. Accordingly, information has been presented business segments and geographic segments.

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Company’s chief operating decision maker monitors the operating results of the Company’s business as single segment.

Business Segment:

The Company is engaged in the business of providing voice based call centre services. As the Company is engaged in only one business segment, the Balance Sheet as at March 31, 2019 and Statement of Profit and Loss for the year ended then pertain to only one business segment.

Geographical Segments:

Amount in ₹ Million

Sr. No	Particulars	Within India	Outside India	Total
1	Segment revenue by location of customers	- [-]*	7,426 [7,036]*	7,426 [7,036]*
2	Carrying amount of segment asset (Gross)	4,120 [2,831]*	1,940 [2,700]*	6,060 [5,531]*
3	Additions to tangible and intangible assets	356 [214]*	11 [25]*	367 [239]*

*Figures in bracket refer to amount for the year ended on 31 March 2018.

During the year ended March 31, 2019, three customers with total revenue of ₹ 7,009 million individually accounted for more than 10% of the revenue. Geographies contributed more than 10% of total revenue are as below:

Amount ₹ in Million

Sr. No	Countries	**For the ended March 31, 2019**	For the ended March 31, 2018
1	United Kingdom	**4,446**	4,345
2	Australia	**1,836**	1,648
3	Ireland	**727**	700

31. Related Party Disclosures

As required by Ind AS 24 - Related Party Disclosures, following are details of transactions during the year ended March 31, 2019 and outstanding balances as of that date with the related parties of the Company as defined in Ind AS 24:

Names of related parties and nature of relationship:

Name of the Related Party*	Relationship
Tech Mahindra Limited	Holding Company
Birendra Sen	Director
Suchitra Kerkar	Director
Ritesh Idnani	Director
Manoj Bhat	Director
Sujit Baksi	Director
Abhijit Tikekar (Till 14/09/2018)	Company Secretary
Mahesh Kulkarni (w.e.f 23/01/2019)	Company Secretary

* We have disclosed only those related parties with whom the Company has transactions during the year.

Related Party transactions for the year ended March 31, 2019:

Amount in ₹ Million

Nature of Transactions	Name of the Party	**For the year ended March 31, 2019**	For the year ended March 31, 2018
Revenue	Tech Mahindra Limited	**417**	343
Subcontracting Expenses	Tech Mahindra Limited	**87**	-
Reimbursement of Expenses (Net)-Paid / (Receipt)	Tech Mahindra Limited	**11**	61
Remuneration to Key Management Personnel	Birendra Sen	**13**	7
Remuneration to Key Management Personnel	Suchitra Kerkar	**9**	5
Purchase of Intangible Assets-Software licences	Tech Mahindra Limited	**12**	-
Employee Stock Options granted to the Employees	Tech Mahindra Limited	**11**	11
Dividend Paid	Tech Mahindra Limited	**600**	600
CSR Contribution	Tech Mahindra Foundation (Section 8)	**24**	28

Related Party Balances as at March 31, 2019

Amount in ₹ Million

Balances As on	Name of the Party	As at March 31, 2019	As at March 31, 2018
Trade Payables (Net)	Tech Mahindra Limited	**108**	70
Trade Receivable (Net)	Tech Mahindra Limited	**180**	46
Other Receivable	Tech Mahindra Limited	**10**	8
Contract Liabilities	Tech Mahindra Limited	**3**	4

32. Income Tax Expense

Amount in ₹ Million

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current Tax:		
In respect of current year	490	431
Deferred Tax		
In respect of current year	(35)	(31)
Total Income Tax Expense recognised	**455**	**400**

The income tax expense for the year ended can be reconciled to the accounting profit as follows:

Amount in ₹ Million

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit before income taxes	**1,110**	1,208
Enacted tax rates in India	**34.94%**	34.61%
Income tax expense calculated at 34.94%	**388**	418
Effect of income that is exempt from tax	**-**	(14)
Effect of expenses that are not deductible in determining taxable profit	**74**	6
Effect of income chargeable under capital gain tax, But exempt u/s 54EC due to investment in Government Bonds	**-**	(10)
Other	**(7)**	-
Income tax expense recognised in profit or loss	**455**	400

The tax rate used for the above reconciliations are the rates as applicable for the respective year ended payable by corporate entities in India on taxable profits under the India tax laws.

33. 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, 2019	Recognised in Profit and Loss	Recognised in OCI	As at March 31, 2018
Depreciation	**102**	15	-	87
Gratuity	**54**	23	(10)	41
Bonus	**2**	-	-	2
Leave Encashment	**24**	7	-	17
Fair valuation of Mutual funds	**(4)**	24	-	(28)
MTM on forward contracts	**(18)**	(57)	22	17
Net Deferred Tax Assets	**160**	12	12	136

34. Employee share based Payment

Expense for the year:

The fair value of each option granted for the holding Company's stock option is estimated on the date of the grant using the Black- Scholes option pricing model based on valuation report received from the independent third party consultant. Charge on account of Employee share based payment is ₹ 11 million (March 31, 2018: ₹ 11 millions)

35. Based on the information available with the Company, there are no outstanding amounts payable to creditors who have been identified as "suppliers" within the meaning of "Micro, Small and Medium Enterprises Development (MSMED) Act, 2006".

36. Previous year figures have been regrouped as noted below:

Particulars	Amount as per audited financial statements as on 31 March 2018	Amount reclassified in current year	Nature of reclassification
Note 20:Trade payables - Creditors for accrued wages and salaries	627	227	Regrouped to Note 18: Other Financial Liabilities – Accrued wages and salaries

37. The previous year figures have been audited by a firm other than B S R & Co. LLP.

For **B S R & Co LLP**
Chartered Accountants
Firm Registration No: 101248W/W-100022

Ashish Gupta
Partner
Membership No: 215165

Place: Pune
Dated: May 13, 2019

For Tech Mahindra Business Services Ltd

Birendra Sen
Director
DIN No:07956092

Suchitra Kerkar
Director
DIN No: 07956158

Mahesh Kulkarni
Company Secretary

Place: Mumbai
Dated: May 13, 2019

TECH MAHINDRA ICT SERVICES (MALAYSIA) SDN. BHD.

Board of Directors

Mr. Manish Goenka
Mr. Suresh Bhat (Resigned on 1-Dec-2018)
Mr. Hrishikesh Mahesh Pandit
Mr. Chong Li Khuen
Mr. Sabrina Ong Lee Leigh

Registered Office

35-3, Jalan SS 15/8A, 47500
Subang Jaya, Selangor Darul Ehsan,
Kuala Lumpur, Malaysia

Bankers

HSBC Bank Malaysia Berhad

Auditors

Deloitte PLT

DIRECTORS' REPORT

The directors of TECH MAHINDRA ICT SERVICES (MALAYSIA) SDN. BHD. have pleasure in submitting their report and the audited financial statements of the Company for the financial year ended 31 March 2019.

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 services facility and generally, any type of business in connection therein.

RESULTS OF OPERATIONS

The results of operations of the Company for the financial year are as follows:

	RM
Profit for the year	17,144,890

In the opinion of the directors, the results of operations of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDEND

The amounts of dividends paid by the Company since 31 March 2018 were as follows:

	RM
In respect of the financial year ended 31 March 2019:	
Interim single-tier dividend of 280%, paid on 16 August 2018	29,831,200

The directors do not recommend any other dividend payment in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

The Company did not issue any further shares and debentures during the financial year.

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As of the end of the financial year, there were no unissued shares of the Company under options.

OTHER STATUTORY INFORMATION

Before the statement of comprehensive income and statement of financial position 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 have satisfied themselves that there were no known bad debts to be written off and that adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Company had been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

(a) which would require the writing off of bad debts or the setting up of an 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 financial statements which would render any amount stated in the financial statements of the Company misleading.

At the date of this report, there does not exist:

(a) 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; or

(b) Any contingent liability of the Company which has arisen since the end of the financial year except as disclosed in the financial statements.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

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 year and the date of this report which is likely to affect substantially the results of operations of the Company for the financial year in which this report is made.

DIRECTORS

The directors of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Manish Goenka

Hrishikesh Mahesh Pandit

Chong Li Khuen

Sabrina Ong Lee Leigh

Suresh Bhat Hosdrug (resigned on 01 December 2018)

DIRECTORS' INTERESTS

None of the directors in office at the end of the financial year held shares or had beneficial interest in the shares of the Company or its related companies during or at the beginning and end of the financial year. Under the Articles of Association, the directors are not required to hold any shares in the Company.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive any 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 except for any benefit which may be deemed to have arisen by virtue of the transactions with related companies as disclosed in Note 15 to the financial statements.

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

There were no indemnity given to or insurance effected for any directors, officers, and auditors of the Company in accordance with section 289 of the Companies Act 2016.

HOLDING COMPANY

The Company is a wholly-owned subsidiary of Tech Mahindra Limited, a company incorporated in India, which is also regarded by the directors as the ultimate holding company.

AUDITORS

The auditors, Deloitte PLT, have indicated their willingness to accept appointment as auditors of the Company.

AUDITORS' REMUNERATION

The amount receivable as remuneration by the auditors for the financial year ended 31 March 2019 is as disclosed in Note 6 to the financial statements.

Signed on behalf of the Board in accordance with a resolution of the Directors,

HRISHIKESH PANDIT	**MANISH GOENKA**

Date: May 31, 2019

STATEMENT BY DIRECTORS

The directors of **TECH MAHINDRA ICT SERVICES (MALAYSIA) SDN. BHD**. state that, in their opinion, the accompanying financial statements of the Company are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31 March 2019 and of the financial performance and the cash flows of the Company for the year ended on that date.

Signed on behalf of the Board

in accordance with a resolution of the directors,

HRISHIKESH PANDIT

MANISH GOENKA

Date: May 31, 2019

DECLARATION BY THE DIRECTOR PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, **HRISHIKESH PANDIT,** 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 of the Company 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 Notaries Act 1952.

Subscribed and solemnly declared by the
abovenamed **HRISHIKESH PANDIT** in
India this 31st day of May 2019.

Before me,

NOTARY PUBLIC

INDENDENT AUDITOR'S REPORT TO THE MEMBER OF TECH MAHINDRA ICT SERVICES (MALAYSIA) SDN. BHD.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Tech Mahindra ICT Services (Malaysia) Sdn. Bhd., which comprise the statement of financial position as of 31 March 2019, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 9 to 43.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as of 31 March 2019, and of its financial performance and its 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 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report, but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Company 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 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Company that are free from materials misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternatives but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matter

This report is made solely to the member of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility towards any other person for the contents of this report.

DELOITTE PLT (LLP0010145-LCA)
Chartered Accountants (AF0080)

WONG KING YU
Partner - 03194/06/2019 J
Chartered Accountant

Kuching
31 May 2019

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2019

	Note	**2019**	2018
		RM	RM
Revenue	5	**111,498,424**	120,634,956
Cost of services		**(59,750,812)**	(68,552,279)
Gross profit		**51,747,612**	52,082,677
Other income		**4,174,856**	1,545,156
Administrative expenses		**(37,896,024)**	(51,143,784)
Profit before tax	6	**18,026,444**	2,484,049
Tax expense	8	**(881,554)**	(86,225)
Total comprehensive income for the year		**17,144,890**	2,397,824

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

STATEMENT OF FINANCIAL POSITION AS OF 31 MARCH 2019

	Note	**2019 RM**	2018 RM
ASSETS			
Non-current Assets			
Property, plant and equipment	9	**557,839**	1,082,300
Current Assets			
Trade and other receivables	10	**48,823,589**	41,230,854
Cash and bank balances	11	**33,599,069**	48,110,399
Total Current Assets		**82,422,658**	89,341,253
TOTAL ASSETS		**82,980,497**	90,423,553
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital	14	**10,654,000**	10,654,000
Retained earnings		**45,559,660**	58,245,970
TOTAL EQUITY		**56,213,660**	68,899,970
Non-current Liability			
Other payables	13	**442,088**	288,130
Current Liabilities			
Trade payables	12	**792,112**	4,169,339
Other payables and accrued expenses	13	**24,572,807**	16,785,530
Tax liabilities		**959,830**	280,584
Total Current Liabilities		**26,324,749**	21,235,453
TOTAL LIABILITIES		**26,766,837**	21,523,583
TOTAL EQUITY AND LIABILITIES		**82,980,497**	90,423,553

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

	Note	Share capital RM	Distributable - Retained earnings RM	Total Equity RM
At 1 April 2017		10,654,000	55,848,146	66,502,146
Total comprehensive income for the year		-	2,397,824	2,397,824
At 31 March 2018/ 1 April 2018		10,654,000	58,245,970	68,899,970
Total comprehensive income for the year		-	17,144,890	17,144,890
Dividend on ordinary shares		-	(29,831,200)	(29,831,200)
At 31 March 2019		10,654,000	45,559,660	56,213,660

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

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2019

	Note	**2019 RM**	2018 RM
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES			
Profit before tax		**18,026,444**	2,484,049
Adjustments for:			
Allowance for doubtful debts	6	**517,969**	13,967,764
Allowance for doubtful advances and other receivables	6	**223,823**	(921,313)
Depreciation of property, plant and equipment	9	**771,038**	993,650
Leave encashment expenses	13	**577,942**	635,556
Net unrealised foreign exchange (gain)/loss	6	**(573,953)**	2,577,414
Property, plant and equipment written off		**-**	3,572,746
Interest income		**(221,080)**	(42,506)
Operating Profit Before Working Capital Changes		**19,322,183**	23,267,360
Changes in working capital:			
(Increase)/Decrease in trade and other receivables		**(5,848,335)**	30,744,341
Increase/(Decrease) in:			
Trade payables		**(3,325,780)**	2,790,447
Other payables and accrued expenses		**8,277,247**	(14,746,063)
Cash Generated From Operations		**18,425,315**	42,056,085
Leave encashment paid	13	**(580,614)**	(543,776)
Tax paid		**(202,308)**	(25,775)
Net Cash From Operating Activities		**17,642,393**	41,486,534
CASH FLOWS (USED IN)/FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	9	**(246,577)**	(118,273)
Proceeds from disposal of property, plant and equipment		**-**	12,500
Loans given to related parties		**(2,304,488)**	(5,412,471)
Interest income received on loans to related parties		**218,760**	-
Cash Used In Investing Activities		**(2,332,305)**	(5,518,244)
CASH FLOW USED IN FINANCING ACTIVITY			
Dividend paid		**(29,831,200)**	-
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(14,521,112)**	35,968,290
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**48,110,399**	12,425,107
Effect of foreign exchange differences		**9,782**	(282,998)
CASH AND CASH EQUIVALENTS AT END OF YEAR	11	**33,599,069**	48,110,399

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. GENERAL INFORMATION

The Company is a private limited liability company, incorporated and domiciled in Malaysia.

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 services facility and generally, any type of business in connection therein.

The Company is a wholly-owned subsidiary of Tech Mahindra Limited, a company incorporated in India and produces financial statements available for public use.

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 Center, Persiaran APEC, 63000 Cyberjaya.

The financial statements of the Company have been approved and authorised by the Board of Directors for issuance on 31 May 2019.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the provisions of the Companies Act 2016 in Malaysia.

2.1 Application of New and revised MFRS

In the current year, the Company has applied a number of amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatorily effective for an accounting period that begins on or after 1 January 2018 as follows:

MFRS 9	Financial Instruments
MFRS 15	Revenue from Contracts with Customers (and the related Clarifications)
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
Amendments to MFRS 140	Transfers of Investment Property
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration
Amendments to MFRSs	Annual Improvements to MFRSs 2014-2016

The adoption of new and revised MFRSs has had no material impact on the disclosures or on the amounts recognised in the financial statements.

2.2 Accounting Standards Issued But Not Yet Effective

At the date of authorisation for issue of these financial statements, the new and revised Standards and Issues Committee Interpretations ("IC Interpretations") which were in issue but not yet effective and not early adopted by the Company are as listed below.

MFRSs	Amendments to references to the conceptual framework in MFRS Standards[2]
MFRS 16	Leases[1]
MFRS 17	Insurance Contracts[3]
Amendments to MFRS 3	Definition of a Business[2]
Amendments to MFRS 9	Prepayment Features with Negative Compensation[1]
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to MFRS 101 and 108	Definition of Material[2]
Amendments to MFRS 119	Employee Benefits[1]
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures[1]
IC Interpretation 23	Uncertainty over Income Tax Payments[1]
Amendments to MFRSs	Annual Improvements to MFRSs 2015-2017[1]

[1] Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted.

[2] Effective for annual periods beginning on or after 1 January 2020, with earlier application permitted.

[3] Effective for annual periods beginning on or after 1 January 2021, with earlier application permitted.

[4] Effective for annual periods beginning on or after a date to be determined.

The directors are currently assessing the impact of adoption of these MFRSs. As at the date of authorisation of issue of the financial statements, this assessment process is still on-going. Thus, the impact of adoption cannot be determined and estimated reliably now until the process is complete, except as discussed below:

MFRS 16 Leases

MFRS 16 specifies how a MFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with MFRS 16's approach to lessor accounting substantially unchanged from its predecessor, MFRS 117.

At lease commencement, a lessee will recognise a right-of-use asset and a lease liability. The right-of-use asset is treated similarly to other non-financial assets and depreciated accordingly and the liability accrues interest. The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease if that can be readily determined. If that rate cannot be readily determined, the lessees shall use their incremental borrowing rate.

The directors of the Company anticipate that the application of MFRS 16 in the future may have an impact on the amounts reported and disclosures made in the financial statements. However, it is not practicable to provide a reasonable estimate of the effect of MFRS 16 until the Company performs a detailed review.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Company have been prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristic into account when pricing the asset or liability at the measurement date Fair value for measurement and/or disclosure purpose in these financial statements is determined on such as basis, except for share-based payment transactions that are within the scope of MFRS 2, leasing transactions that are within the scope of MFRS 117, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in MFRS 102 or value in use in MFRS 136.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

(a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

(b) Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

(c) Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

Revenue

Effective 1 April 2018, the Company adopted MFRS 15 "Revenue from contracts with customers" which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. MFRS 15 replaces MFRS 18 Revenue, MFRS 111 Construction Contracts and the related interpretations. The Company has adopted MFRS 15 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. 1 April 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information has not been restated – i.e. the comparative information continues to be reported under MFRS 118 and MFRS 111. The adoption of the standard did not have any significant impact on the financial statements of the Company.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services, net of indirect taxes, discounts, rebates, credits, price concessions, incentives, performance bonuses, penalties, or other similar items.

Revenue from time and material contracts is recognised as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognised as unbilled revenue.

Revenue from fixed price maintenance contracts is recognised ratably over the period of the contract in accordance with its terms.

Revenue on fixed price development contracts is recognised using the 'percentage of completion' method of accounting, unless work completed cannot be reasonably estimated. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity. If the Company does not have a sufficient basis to measure the progress of completion or to estimate the total contract revenues and costs, revenue is recognised only to the extent of contract cost incurred for which recoverability is probable. When total cost estimates exceed revenues in an arrangement, the estimated losses are recognised in the statement of profit and loss in the period in which such losses become probable based on the current contract estimates.

The solutions offered by the Company may include supply of third party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognises gross amount of consideration as revenue when it is acting as a principal and net amount of consideration as revenue when it is acting as an agent.

Contracts assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled revenue when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract liability ("Unearned revenue") arises when there are billing in excess of revenue.

In arrangements for hardware and software implementation and integration, related services and maintenance services, the Company has applied the guidance in MFRS 15 by applying the revenue recognition criteria for each distinct performance obligation. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the Company is unable to determine the standalone selling price, the Company uses the expected cost plus margin approach in estimating the standalone selling price. Fixed price development contracts and related services, the performance obligation is satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

Revenue from licenses where the customer obtains a 'right to use' the licenses is recognised at the time the license is made available to the customer. Revenue from licenses where the customer obtains a 'right to access' is recognised over the access period. The Company has applied the principles of MFRS 15 to account for revenues for these performance obligations.

The Company recognises revenue for a sales-based or usage-based royalty promised in exchange for a license of intellectual property only when (or as) the subsequent sale or usage occurs.

The Company accounts for volume discount and pricing incentives to customers as a reduction based on ratable allocation of the discounts/incentives amount to each of the underlying performance obligation that corresponds to the progress made by the customer towards earning the discount/incentive. Also, when the level of discount varies with increases in levels of revenue transactions, the Company recognises the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognised until the payment is probable and the amount can be estimated reliably. The Company recognises changes in the estimated amount of obligations for discounts in the period in which the change occurs.

Deferred contract costs are upfront costs incurred for the contract and are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

Foreign Currency Conversion

The financial statements of the Company are presented in Ringgit Malaysia, which is also the functional currency.

In preparing the financial statements of the Company, transactions in currencies other than the functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, 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 fair value was determined. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the profit or loss for the year.

The closing rate used in the translation of foreign balances are as follows:

	2019	2018
	RM	RM
Currency		
1 United States Dollar (USD)	**4.0848**	3.8660
1 Singapore Dollar (SGD)	**3.0161**	2.9512
1 Indian Rupee (INR)	**0.0591**	0.0593
1 Euro (EUR)	**4.5884**	4.7742
1 Australian Dollar (AUD)	**2.8983**	2.9603

Employee Benefits

(i) Short-term benefits

Wages, salaries, paid annual leave, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Company.

(ii) Defined contribution plans

The Company makes statutory contributions to the Employees Provident Fund ("EPF"), a statutory defined contribution plan, which is charged to the statement of comprehensive income in the period to which they relate. Once the contributions have been paid, the Company has no further payment obligations. The employees' contributions to EPF are included in salaries and wages.

Income Tax

Income tax for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is provided for, using the "liability" method, on temporary differences at the reporting 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 future taxable profits 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 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 the accounting profit nor taxable profit.

The carrying amount of deferred tax assets, if any, is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is measured at the tax rates that are expected to apply in the year when the asset is realised or the liability settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised as income or expenses in the profit or loss.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Property, plant and equipment are depreciated on the straight-line to their residual values over their estimated useful lives, summarised as follows:

Office equipment	5 years
Computers	3 years
Plant and equipment	3 to 5 years
Lease improvement	Lease period
Furniture and fixtures	5 years

The estimated useful lives, residual values and depreciation method are reviewed at each statement of financial position date, with the effect of any changes in estimates accounted for on a prospective basis.

Gain or loss arising from the disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset, and is recognised in the statement of comprehensive income.

Impairment of Non-financial Assets

At each statement of financial position date, the Company reviews the carrying amounts of non-financial assets to determine if there is any indication that those assets may be impaired. If any such an indication exists, the asset's recoverable amount, which is the higher of net selling price and value in use, is estimated.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in the profit or loss.

An impairment loss is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. A reversal is recognised in the statement of comprehensive income.

Financial Instruments (before 1 January 2018)

Financial instruments are recognised in the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(a) Financial Assets

Financial assets of the Company are classified as financial assets at fair value through profit and loss (FVTPL) and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

(i) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset 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 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 financial asset, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

(iii) Impairment of financial assets

Financial assets other than those at FVTPL are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when 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 investment have been affected.

The objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty;
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is 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 financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered 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.

For financial assets measured at amortised cost, 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 previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(iv) Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

(b) Financial liabilities and equity instruments

(iii) 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.

(iv) 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. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of direct attributable transaction costs.

(v) Financial Liabilities

Financial liabilities are classified as either financial liabilities “at FVTPL” or “other financial liabilities”.

(vi) Other Financial Liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(vii) Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid or payable is recognised in profit or loss.

Financial Instruments (from 1 January 2018)

Financial instruments are recognised in the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset 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 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 financial asset, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

(i) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using the effective interest method less impairment losses, if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value

Financial assets not measured at amortised cost are carried at fair value through profit or loss (FVTPL) on initial recognition, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in 'other comprehensive income', for investment in equity instruments which are not held for trading.

The Company, on initial application of MFRS 9 Financial Instruments, has made an irrevocable election to present in 'other comprehensive income', subsequent changes in fair value of equity instruments not held for trading.

Financial asset at FVTPL, are measured at fair values at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss.

(iii) Impairment of financial assets

The Company applies the expected credit loss model for recognizing impairment loss on financial assets.

Expected credit loss is the difference between the contractual cash flows and the cash flows that the entity expects to receive discounted using effective interest rate.

Loss allowances for trade receivables are measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. Lifetime expected credit loss is computed based on a provision matrix which takes into account historical credit loss experience adjusted for forward looking information. For other financial assets, expected credit loss is measured at the amount equal to twelve months expected credit loss unless there has been a significant increase in credit risk from initial recognition, in which case, those are measured at lifetime expected credit loss.

(iv) Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Financial liabilities and equity instruments

(i) 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.

(ii) 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. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of direct attributable transaction costs.

(iii) Financial Liabilities

Financial liabilities are classified as either financial liabilities “at FVTPL” or “at amortised cost using the effective interest rate method”.

(iv) Other Financial Liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(v) Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company’s obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid or payable is recognised in profit or loss.

Provisions

Provisions for liabilities are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and 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 can be made.

Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. Provisions are reversed if it is no longer probable that the Company will be required to settle the obligation.

Leases

Assets acquired under leases which transfer substantially all the risks and rewards incident to ownership of the assets are capitalised under property, plant and equipment. The assets and the corresponding lease obligations are recorded at their fair values or, if lower, at the present value of the minimum lease payments of the leased assets at the inception of the respective leases.

Finance costs, which represent the differences between the total lease commitments and the fair values of the assets acquired, are charged to the profit and loss over the term of the relevant lease periods so as to give a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

All other leases which do not meet such criteria are classified as operating leases. Lease payments under operating leases are recognised as an expense in the profit and loss on a straight-line basis over the terms of the relevant lease.

Statement of Cash Flow

The Company adopts the indirect method in the preparation of the statement of cash flows.

Cash and bank balances are short-term, highly liquid investments with maturities of three months or less from the date of acquisition and are readily convertible to cash with insignificant risk of changes in value.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY RESOURCES OF ESTIMATION UNCERTAINTY

(i) Critical judgements in applying the Company's accounting policies

In the process of applying the Company's accounting policies which are disclosed in Note 3, management is of the opinion that there are no instances of application of judgements that are expected to have a significant effect on the amounts recognised in the financial statements.

(ii) Key sources of estimation uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation 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 except for the matters disclosed below.

- Expected Credit Loss (ECL):

  The impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period. As at 31 March 2019, the carrying amount of trade receivables was RM24,671,689 (2018: RM21,838,619) and allowance for expected credit loss has been made as stated in Note 10.

5. REVENUE

	2019 RM	2018 RM
Revenue from contracts and customers		
Sale of equipment	**5,191,412**	19,984,917
Rendering of services	**106,307,012**	100,650,039
	111,498,424	120,634,956
Timing of revenue recognition		
At a point of time	**60,372,963**	68,829,415
Over time	**51,125,461**	51,805,541
	111,498,424	120,634,956

6. PROFIT BEFORE TAX

The following amounts have been included in arriving at profit before tax:

	2019 RM	2018 RM
After charging/(crediting):		
Staff costs (Note 7)	**55,196,994**	51,465,360
Depreciation of property, plant and equipment (Note 9)	**771,038**	993,650
Foreign exchange (gain)/losses:		
Unrealised	**(573,953)**	2,577,414
Realised	**216,222**	5,300
Leave encashment expenses (Note 13)	**577,942**	635,556
Allowance for doubtful debts (Note 10)	**517,969**	13,967,764
Allowance for doubtful advances and other receivables (Note 10)	**223,823**	(921,313)
Auditors' remuneration	**31,000**	26,000
Property, plant and equipment written off (Note 9)	**-**	3,572,746
Interest income on loans to related parties	**(221,080)**	(42,506)

7. STAFF COSTS

	2019 RM	2018 RM
Salaries and allowances	**49,368,214**	45,369,757
Defined contribution plan	**3,245,054**	2,716,258
Other staff-related expenses	**2,583,726**	3,379,345
	55,196,994	51,465,360

8. TAX EXPENSE

	2019 RM	2018 RM
Current year income tax	**881,554**	86,225

The Company was awarded MSC Malaysian Status and is eligible for income tax exemption on statutory income from 31 May 2014 to 30 May 2019.

The Income Tax (Exemption) (No. 2) Order 2017 [P.U. (A) 117/2017] gazetted on 10 April 2017 enacted the incremental portion chargeable income as compared to the immediate preceding year of assessment enjoys reduced income tax rate as follows with effect on years of assessment 2018 and 2019.

% of increase in chargeable income as compared to the immediate preceding year of assessment	Percentage point reduction in tax rate	Tax rate after reduction (%)
Less than 5%	Nil	24
5% to 9.99%	1	23
10% to 14.99%	2	22
15% to 19.99%	3	21
20% and above	4	20

Following this, the applicable tax rate to be used for the measurement of any applicable deferred tax will be the abovementioned expected rate.

A reconciliation of income tax expense to profit before taxation at the applicable statutory income tax rate to tax expense at the effective income tax rate of the Company is as follows:

	2019 RM	2018 RM
Profit before taxation	**18,026,444**	2,484,049
Tax at Malaysian statutory tax rate of 24% (2018: 24%)	**4,326,347**	596,172
Tax effect of expenses not deductible for tax purposes	**936,483**	423,304
Deferred tax asset not recognised	**388,966**	3,713,749
Tax-exempt income	**(4,770,242)**	(4,647,000)
	881,554	86,225

As mentioned in Note 3, the temporary differences which would give rise to deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilised. As of 31 March 2019, the estimated deferred tax assets of the Company calculated at the applicable tax rate, which have not been recognised in the financial statements due to uncertainty of their realisation, are as follows:

	2019 RM	2018 RM
Temporary differences arising from:		
Allowance for doubtful debt	**17,094,646**	15,473,956
At statutory tax rate of	**24%**	24%
	4,102,715	3,713,749

9. PROPERTY, PLANT AND EQUIPMENT

	Office equipment RM	Computers RM	Plant and equipment RM	Lease improvement RM	Furniture and fixtures RM	Total RM
Cost						
Balance as of 1 April 2017	469,897	8,286,617	576,894	255,783	66,193	9,655,384
Additions	13,957	99,516	-	-	4,800	118,273
Disposals	-	(1,509,488)	-	-	-	(1,509,488)
Written off	-	(3,784,102)	-	-	-	(3,784,102)
Balance as of 31 March 2018/ 1 April 2018	483,854	3,092,543	576,894	255,783	70,993	4,480,067
Additions	40,426	199,751	-	-	6,400	246,577
Balance as of 31 March 2019	524,280	3,292,294	576,894	255,783	77,393	4,726,644
Accumulated depreciation						
Balance as of 1 April 2017	142,218	3,231,958	450,843	255,783	31,659	4,112,461
Depreciation charge for the year	93,445	832,969	54,036	-	13,200	993,650
Disposals	-	(1,496,988)	-	-	-	(1,496,988)
Written off	-	(211,356)	-	-	-	(211,356)
Balance as of 31 March 2018/ 1 April 2018	235,663	2,356,583	504,879	255,783	44,859	3,397,767
Depreciation charge for the year	96,145	612,635	47,592	-	14,666	771,038
Balance as of 31 March 2019	331,808	2,969,218	552,471	255,783	59,525	4,168,805
Net carrying amount						
At 31 March 2018	248,191	735,960	72,015	-	26,134	1,082,300
At 31 March 2019	192,472	323,076	24,423	-	17,868	557,839

10. TRADE AND OTHER RECEIVABLES

	2019 RM	2018 RM
Trade receivables:		
External	**36,450,159**	32,938,917
Immediate holding company	**5,030,236**	4,311,541
Total trade receivables	**41,480,395**	37,250,458
Less: Loss Allowance	**(16,808,706)**	(15,411,839)
Net trade receivables	**24,671,689**	21,838,619
Other receivables:		
Accrued income	**12,188,403**	11,929,503
Staff loan and advances	**380,241**	286,832
Prepaid Expense	**2,134,714**	171,370
Deposits	**1,275,274**	1,270,274
Other receivables:		
External	**643,160**	322,998
Related company	**7,816,048**	5,473,375
Total other receivables	**24,437,840**	19,454,352
Less: Allowance for doubtful advance and other receivables	**(285,940)**	(62,117)
Net other receivables	**24,151,900**	19,392,235
Total trade and other receivables	**48,823,589**	41,230,854

The currency exposure profile of trade and other receivables of the Company is as follows:

	2019	2018
	RM	RM
Ringgit Malaysia	**38,176,770**	33,076,901
Euro	**1,863,643**	1,568,673
United States Dollar	**8,783,176**	6,481,890
GBP	**-**	103,390
	48,823,589	41,230,854

(a) **Trade receivables**

Trade receivables are usually settled on 30 to 90 days.

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

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

The ageing analysis of the trade receivables is as follows:

	2019	2018
	RM	RM
Neither past due nor impaired	**809,356**	13,343,004
Past due, not impaired		
Past due 1 - 30 days	**3,487,852**	4,110,583
Past due 31 - 60 days	**11,504,585**	265,538
Past due 61 - 90 days	**2,662,260**	626,587
Past due 91 - 120 days	**2,100,319**	340,510
Past due 120 days and above	**4,107,317**	3,152,397
	23,862,333	8,495,615
Past due and impaired	**16,808,706**	15,411,839
	41,480,395	37,250,458

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

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are credit worthy debtors with good payment records with the Company. None of the Company's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

Trade receivables disclosed above include amounts that are past due at the end of the reporting date for which the Company has not recognised an allowance for doubtful receivables because there has not been any significant change in credit quality and the amounts are still considered recoverable. The Company does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Company to the counterparty.

Receivables that are past due and impaired

Trade receivables are provided for based on estimated irrecoverable amounts from the service rendered, determined by reference to past default experience. Allowances of RM16,808,706 (2018: RM15,411,839) were made based on individual assessment of receivables over 365 days because historical experience is such that receivables that are past due beyond 365 days are generally not recoverable.

The Company's trade receivables that are impaired at the reporting date and the movement of allowance account used to record the impairment are as follows:

	2019	2018
	RM	RM
At beginning of year	**15,411,839**	1,444,075
Foreign exchange difference	**878,898**	-
Allowance/(Reversal) for the year (Note 6)	**517,969**	13,967,764
At end of year	**16,808,706**	15,411,839

The aging analysis of the Company's trade receivables that are impaired is as follows:

	2019	2018
	RM	RM
Past due 120 days and above	16,808,706	15,411,839

(b) **Other receivables**

Accrued income represents invoices not issued to customers of which goods and/or services rendered have been completed and have been included under sales.

The amount due from related company is unsecured, interest bearing and receivable on demand

The Company's other receivables that are impaired at the reporting date and the movement of allowance account used to record the impairment are as follows:

	2019	2018
	RM	RM
At beginning of year	**62,117**	983,430
Allowance for the year	**223,823**	-
Allowance written back during the year	**-**	(921,313)
At end of year	**285,940**	62,117

11. CASH AND BANK BALANCES

Cash and cash equivalents included in the statement of cash flows consist of the following amounts in the statement of the financial position:

	2019	2018
	RM	RM
Cash at banks*	**10,577,879**	18,177,374
Fixed Deposits with licensed bank	**23,021,190**	29,933,025
	33,599,069	48,110,399

* Includes funds in transit of RM5,206,712 (2018: Nil).

The effective interest rate of fixed deposits ranges from 1.24% to 2.75% (2018: 1.11% to 2.85%) per annum and the maturity period ranges from 1 to 3 months (2018: 1 to 3 months).

The foreign currency profile of cash and cash equivalents is as follows:

	2019	2018
	RM	RM
Ringgit Malaysia	**32,570,992**	45,613,187
United States Dollars	**1,028,077**	2,497,212
	33,599,069	48,110,399

12. TRADE PAYABLES

	2019	2018
	RM	RM
Amount due to immediate holding company:		
Tech Mahindra Limited	**499,229**	1,386,666
External trade payables	**292,883**	2,782,673
	792,112	4,169,339

Trade payables are usually settled on 30 to 60 days.

Amount due to immediate holding company is unsecured, interest-free and repayable upon demand.

The currency exposure profile of trade payables of the Company is as follows:

	2019	2018
	RM	RM
Ringgit Malaysia	**532,212**	3,748,859
Indian Rupee	**-**	33,880
United States Dollar	**259,900**	386,600
	792,112	4,169,339

13. OTHER PAYABLES AND ACCRUED EXPENSES

	2019	2018
	RM	RM
Current		
Other payables	**6,329,852**	8,943,269
Accrued expenses	**13,603,036**	6,443,476
Unearned Revenue	**3,619,299**	221,535
Provision for leave encashment	**1,020,620**	1,177,250
	24,572,807	16,785,530
Non-current liabilities		
Provision for leave encashment	**442,088**	288,130

Other payables are mainly due to lease and goods and services tax payable. Accrued expenses arose mainly from accrued project expenses.

Movement in provision for leave encashment:

	2019	**2018**
	RM	**RM**
Balance at beginning of the year	1,465,380	1,373,600
Charge for the year (Note 6)	577,942	635,556
Leave encashment paid	(580,614)	(543,776)
Balance at end of the year	1,462,708	1,465,380

The currency exposure profile of other payables and accrued expenses is as follows:

	2019	2018
	RM	RM
Ringgit Malaysia	**23,113,738**	15,578,673
United States Dollar	**1,390,493**	1,161,600
Indian Rupees	**61,733**	38,414
Australian Dollar	**6,843**	6,843
	24,572,807	16,785,530

14. SHARE CAPITAL

	2019 Number of ordinary shares	2018 Number of ordinary shares	2019 RM	2018 RM
Issued and fully paid:				
Ordinary shares	10,654,000	10,654,000	10,654,000	10,654,000

The Company's issued and fully paid-up share capital comprises ordinary shares with a par value of RM1 each.

15. SIGNIFICANT RELATED PARTY TRANSACTIONS

The Company has transactions with its holding company and related companies and the financial statements reflect the effects of these transactions on the basis agreed upon between the Company and its related companies.

List of Related parties:

Name of Related party	Nature of relationship
Tech Mahindra Limited	Holding Company
Sofgen Services PTE Limited	Fellow Subsidiary
Tech Mahindra Vietnam Company Limited	Fellow Subsidiary

Significant transactions with the immediate holding company and related companies during the year consist of:

	2019 RM	2018 RM
Transactions during the year		
Revenue		
Service income charged to immediate holding company	**55,181,551**	48,844,498
Other income charged to related companies	**221,080**	42,506
Reimbursement of expenses		
Charged by immediate holding company	**4,302,733**	7,504,969
Balances as at 31 March 2019		
Trade receivables	**5,030,236**	4,311,541
Loans Given	**7,761,045**	5,412,470
Other receivable	**10,176**	18,399
Interest Receivable	**44,827**	42,506
Trade payables	**499,229**	1,386,666

16. FAIR VALUE OF THE FINANCIAL INSTRUMENTS

The fair value of the financial instruments of the Company as at 31 March 2019 are not materially different from their carrying values because of the short-term maturities of these instruments.

17. FINANCIAL RISK MANAGEMENT POLICIES

The Company's financial risk management policy seeks to ensure that adequate financial resourses 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 Company's exposure to credit risk arises from its receivables and the maximum risk associated with recognised financial assets are the carrying amounts as presented in the statement of financial position.

The main 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.

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables are represented by the carrying amounts in the statement of financial position. The Company does not hold any collateral on the balance outstanding.

Ongoing credit evaluation is performed on the financial condition of account receivables. Apart from the customers as disclosed in Note 10, the Company does not have any significant credit risk exposure to any single counterparty having similar characteristics. The directors are of the opinion that the risk of incurring material losses related to this credit risk is remote.

(b) Foreign Currency Risk

The Company is exposed to transactional currency risk primarily through sales and purchases that are denominated in 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.

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)	Increase/ (Decrease) in the Company's results)
	2019	2018
	RM	RM
Effects on profit before taxation:		
USD		
- strengthened by 5%	**408,043**	371,545
- weakened by 5%	**(408,043)**	(371,545)
EUR		
- strengthened by 5%	**93,182**	78,434
- weakened by 5%	**(93,182)**	(78,434)
INR		
- strengthened by 5%	**(3,087)**	(3,615)
- weakened by 5%	**3,087**	3,615
AUD		
- strengthened by 5%	**(342)**	(342)
- weakened by 5%	**342**	342
GBP		
- strengthened by 5%	**-**	25,847
- weakened by 5%	**-**	(25,847)

(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.

All financial assets and liabilities in 2019 and 2018 are receivable and repayable on demand or due within 1 year from the end of the reporting period.

18. CATERGORIES OF FINANCIAL INSTRUMENTS

The table below provides an analysis of financial instruments categorised as follows:

a. Amortised Cost
b. Other financial liabilities ["OFL"]

The management considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values

	Carrying Amount RM	Amortised Cost RM	OFL RM
2019			
Financial assets			
Trade and other receivables	46,376,787	46,376,787	-
Cash at bank	33,599,069	33,599,069	-
At 31 March 2019	79,975,856	79,975,856	-
Financial liabilities			
Trade payables	792,112	-	792,112
Other payables and accrued expenses	19,005,167	-	19,005,167
At 31 March 2019	19,797,279	-	19,797,279
2018			
Financial assets			
Trade and other receivables	41,132,865	41,132,865	-
Cash at bank	48,110,399	48,110,399	-
At 31 March 2018	89,243,264	89,243,264	-
Financial liabilities			
Trade payables	4,169,339	-	4,169,339
Other payables and accrued expenses	15,386,745	-	15,386,745
At 31 March 2018	19,556,084	-	19,556,084

19. CONTINGENT LIABILITIES

	2019 RM	2018 RM
Bank Guarantees	**413,793**	-
Claims against the Company not acknowledged as debts	**703,898**	-
	1,117,691	-

On 1 March 2019, Industrial Court of Malaysia has ordered the Company to compensate its four ex-employees for dismissal case amounting to RM703,898. The Company has filed a stay application against the said award on 13 May 2019. Further, the Company obtained leave to commence certiorari proceedings to the High Court of Malaysia in Kuala Lumpur, against the judgment made by Industrial Court. The Company has disclosed this claim as its contingent liabilities as the final outcome has not been determined.

20. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation.

	As previously stated RM	Reclassification RM	As reclassified RM
Statement of financial position			
Trade and other receivables	41,304,235	(73,381)	41,230,854
Other payables and accrued expenses	(16,858,911)	73,381	(16,785,530)

TECH MAHINDRA (SHANGHAI) CO., LTD.

Board of Directors
Mr. Amitava Ghosh
Mr. Ravikanth Karne
Mr. Mukesh Sharma

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, 2018.

Financial Results(Local Currency RMB)

For the years ended December 31	**2018**	2017
	RMB	RMB
Income	**136,305,236.13**	169,904,361.54
Profit/(Loss) before tax	**21,051,768.03**	(8,049,972.03)
Profit/(Loss) after tax	**17,419,964.83**	(8,049,972.03)

Review of Operations:

During the year under review, your company recorded an income of RMB 136,305,236.13, a decrease of 19.77% over the previous year. Profit after tax was RMB 17,419,964.83 an increase of 316% over the previous year. The Company continues to invest in strengthening its marketing infrastructure in China

Outlook for the Current Year:

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

Acknowledgments:

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 (Shanghai) Co., Ltd.

Amitava Ghosh	**Ravikant Karne**	**Mukesh Sharma**
Director	**Director**	**Director**

Place: Shanghai
Date : 4th April, 2019

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF TECH MAHINDRA (SHANGHAI) CO., LTD.

1. Opinion

We have audited the financial statements of Tech Mahindra (Shanghai) Co., Ltd.(the Company), which comprise the statement of financial position as at 31 December, 2018 and the statement of comprehensive income, statement of changes in equity and statement of Cash Flows for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December, 2018 and its financial performance and its cash flows for the year then ended in accordance with China Accounting Standards for Business Enterprises and the China "Accounting System for Business Enterprises".

2. Basis for Opinion

We conducted our audit in accordance with China Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with China Accounting Standards for Business Enterprises and China Accounting System for Business Enterprises 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

4. Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level assurance, but is not a guarantee that an audit conducted in accordance with China Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

During the process of our audit in accordance with China Auditing Standards, we exercise professional judgment and maintain professional skepticism. We also:

(1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(2) Obtain an understanding of internal control relevant to the audit 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.

(3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(4) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, we shall not express unqualified opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

(5) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the those Charged with Governance about planned scope and timing of the audit, as well as significant findings from the audit, including notable internal control weaknesses identified from the audit.

Zhang Xiaozhuan, China Certified Public Accountant

Fu Shasha, China Certified Public Accountant

Shanghai Linfang Certified Public Accountants Co., Ltd.
15F, Hechuang Building,
No. 450 Caoyang Road,
Shanghai China
4 April, 2019

BALANCE SHEET AS AT 31 DECEMBER 2018

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

ITEM	Notes	**2018.12.31**	2017.12.31
Current assets:			
Cash at bank and in hand	5	**22,720,189.93**	20,522,866.26
Notes receivable & Accounts receivable	6	**65,554,799.27**	78,188,868.25
Prepayments	7	**3,362,311.18**	756,568.08
Other receivables	8,9	**2,024,210.17**	852,469.06
Other current assets		**-**	636,432.64
Total current assets		**93,661,510.55**	100,957,204.29
Non-current assets:			
Fixed assets	10,11,12	**1,089,136.51**	1,721,762.47
Long-term deferred expenses (deferred assets)	13	**2,985,159.28**	3,471,834.05
Total non-current assets		**4,074,295.79**	5,193,596.52
TOTAL ASSETS		**97,735,806.34**	106,150,800.81
Current liabilities			
Notes payable & Accounts payable	14	**27,882,778.63**	45,610,097.20
Advances from customers	15	**392,236.19**	1,766,955.71
Accrued payroll	16	**1,760,306.96**	3,383,156.64
Taxes payable	17	**854,077.47**	1,233,317.91
Incl.: Tax payable	17	**814,445.15**	1,192,694.45
Other payables	18	**5,641,812.09**	10,372,643.18
Total current liabilities		**36,531,211.34**	62,366,170.64
Non-current liabilities			
Total non-current liabilities		**-**	-
TOTAL LIABILITIES		**36,531,211.34**	62,366,170.64
Owners' equity			
Paid-in capital	19	**102,818,436.17**	102,818,436.17
Undistributed profits	20	**(41,613,841.17)**	(59,033,806.00)
Total owner's equity		**61,204,595.00**	43,784,630.17
TOTAL LIABILITIES AND OWNERS' EQUITY		**97,735,806.34**	106,150,800.81

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

Legal Representative:	AMITAVA GHOSH
Person in charge of accounting function:	RAVIKANTH KARNE
Person in charge of accounting department:	XIA MEI

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

	Notes	**Year ended 2018.12.31**	Year ended 2017.12.31
1. Total operating revenues		**136,305,236.13**	169,904,361.54
Incl.: Operating revenues		**136,305,236.13**	169,904,361.54
Incl.: Revenues from main operation	21	**136,305,236.13**	169,904,361.54
2. Less: Total operating costs		**118,878,452.38**	177,976,019.23
Incl.: Cost of operation		**86,194,870.29**	134,424,201.48
Incl.: Costs of main operation		**86,194,870.29**	134,424,201.48
Tax and its additions		**377,625.93**	453,131.62
Selling and distribution expenses		**5,288,211.66**	5,224,951.93
General and administrative expenses		**26,674,978.90**	37,421,963.64
Finance expenses	22	**342,765.60**	451,770.56
3. Operating Profit		**17,426,783.75**	(8,071,657.69)
Add: Non-operating incomes		**3,636,227.50**	77,920.33
Government subsidy		**3,636,227.50**	77,920.33
Less: Non-operating expenses		**11,243.22**	56,234.67
4. Total profit		**21,051,768.03**	(8,049,972.03)
less: Income tax expenses	23	**3,631,803.20**	-
5. Net profit		**17,419,964.83**	(8,049,972.03)

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

Legal Representative: AMITAVA GHOSH
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 2018

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

		Year ended 2018.12.31	Year ended 2017.12.31
1.	**Cash Flows from Operating Activities**		
	Cash received from sales of goods or rendering of services	**154,771,713.47**	182,787,990.21
	Tax refund	**630,673.15**	3,454.85
	Cash received relating to other operating activities	**3,804,107.56**	152,967.95
	Sub-total of Cash Inflows	**159,206,494.18**	182,944,413.01
	Cash paid for goods and services	**31,071,870.52**	47,636,949.72
	Cash paid to and on behalf of employees	**99,140,574.36**	111,769,061.25
	Payments of taxes and levies	**9,042,833.88**	9,426,070.21
	Cash paid relating to other operating activities	**16,797,689.00**	10,181,454.78
	Sub-total of Cash Outflows	**156,052,967.76**	179,013,535.96
	Net Cash Flows from Operating Activities	**3,153,526.42**	3,930,877.05
2.	**Cash Flows from Investing Activities**		
	Sub-total of Cash Inflows	**-**	-
	Cash paid to acquire fixed assets, intangible assets and other long-term assets	**487,658.81**	4,313,742.04
	Sub-total of Cash Outflows	**487,658.81**	4,313,742.04
	Net Cash Flows from investing Activities	**(487,658.81)**	(4,313,742.04)
3.	**Cash Flows from Financing Activities**		
	Sub-total of Cash Inflows	**-**	-
	Sub-total of Cash Outflows	**-**	-
	Net Cash Flows from Financing Activities	**-**	-
4.	**Effect of Foreign Exchange Rate Fluctuation on Cash**	**(468,543.94)**	(575,533.03)
5.	**Net Increase (decrease) in Cash and Cash Equivalents**	**2,197,323.67**	(958,398.02)
Add:	Cash and cash equivalents at the beginning of the reporting period	**20,522,866.26**	21,481,264.28
6.	**Cash and Cash Equivalents at the end of the reporting period**	**22,720,189.93**	20,522,866.26

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

Legal Representative:	AMITAVA GHOSH
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 2018

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

	PAID-IN CAPITAL	CAPITAL SURPLUS	SURPLUS RESERVE	RETAINED EARNINGS	TOTAL
Closing Balance at 31 December 2016	102,818,436.17	-	-	(50,983,833.97)	51,834,602.20
Beginning Balance at 1 January 2017	102,818,436.17	-	-	(50,983,833.97)	51,834,602.20
Net profit	—	—	—	(8,049,972.03)	(8,049,972.03)
Movements in 2017	-	-	-	(8,049,972.03)	(8,049,972.03)
Closing Balance at 31 December 2017	102,818,436.17	-	-	(59,033,806.00)	43,784,630.17

	PAID-IN CAPITAL	CAPITAL SURPLUS	SURPLUS RESERVE	RETAINED EARNINGS	TOTAL
Closing Balance at 31 December 2017	102,818,436.17	-	-	(59,033,806.00)	43,784,630.17
Beginning Balance at 1 January 2018	102,818,436.17	-	-	(59,033,806.00)	43,784,630.17
Net profit	—	—	—	17,419,964.83	17,419,964.83
Movements in 2018	-	-	-	17,419,964.83	17,419,964.83
Closing Balance at 31 December 2018	102,818,436.17	-	-	(41,613,841.17)	61,204,595.00

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

Legal Representative:	AMITAVA GHOSH
Person in charge of accounting function:	RAVIKANTH KARNE
Person in charge of accounting department:	XIA MEI

NOTES TO THE 2018 FINANCIAL REPORTS

(All amounts are stated 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 incorporated by Tech Mahindra Limited. Registered at China(Shanghai) Pilot Free Trade Zone Administration for Market Regulation, the Company was established on 23 December, 2002 and obtained the Business License for Enterprise as a Legal Person with Uniform Social Credit Code No.91310115744229270H. The registered capital is USD13,900,000 and the residential address for the Company is Room 23102, 23104, 23202, 23204, Pudong Software Park, No.498 Guoshoujing Road, China (Shanghai) Pilot Free Trade Zone. The Company has an approved operating period from 23 December, 2002 to 22 December, 2022.

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 softwares, enterprise resource solution softwares, enterprise integrating softwares, custom relationship management softwares etc.); sales of the self-produced products and related technical consulting services; providing outsourcing design, research and development services in the fields of machinery and electronics; providing comprehensive logistics solution design; wholesale, import & export and agency business(except auction) of electronic equipment, machinery and parts, steel products, computer hardwares and softwares, and providing related technical and auxiliary services. Goods under state trade control are not included, and 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 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 in which 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, except for those attributable to foreign currency borrowings that have been made specifically for the construction of fixed assets, which are capitalized as part of the fixed asset costs and those arising in the pre-operating period, which are recorded as long-term deferred expenses.

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. Exchange differences arising from foreign currency capital contribution should be recognized as capital surplus.

(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.

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

Accounts receivable comprises related party receivables and receivables from non-related parties.

The Company makes specific bad debts provision on an individual basis for accounts receivable that are distinctively different from any other receivable in recoverability. If there are indications that the balances cannot be recovered, the specific provision will be adjusted accordingly.

Ageing	Provision Percentage (%)
Within 1 year	0%
1-2 years	0%
2-3 years	0%
More than 3 years	0%

Other receivables

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, insolvency 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) Inventories

Inventories include raw materials, work in progress, finished goods, low value consumables and packaging materials, etc. are presented at the lower of cost and net realizable value.

Inventories include raw materials, work in progress, finished goods, low value consumables and packaging materials, etc. are presented at the cost on acquisition.

The costs of inventories comprise all costs of purchase, costs of conversion and other costs. Inventories should be recorded at actual cost/standard cost on acquisition. The differences arising between the actual cost and the standard cost will be proportionally allocated to the costs at the end of each month/year. The cost of raw materials and finished goods shall be assigned by using the first-in, first-out (FIFO), weighted average or specific identification method. Low value consumable should be amortized using the “fifty percent amortization method’ / the “immediate write-off method”. The packaging materials should be assigned to the costs of conversion when issued for use. The costs of raw materials and direct labor, the systematically allocated manufacturing overheads under the normal volume of production should be assigned to the costs of finished goods and work in progress.

Provisions for declines in the value of inventories are determined on an item-by-item basis when the carrying value of the inventories are higher than their net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs to completion, estimated costs necessary to make the sale and the prescribed tax.

(h) Short-term investment

Short-term investment is presented at the lower of cost and market value. Short-term investment is initially measured at the actual total costs on acquisition, except for the cash dividends declared but unpaid and bond interest due but unpaid.

A provision for decline in value of individual investment should be made item by item for the shortfall of market value below cost.

Cash dividends or interest, other than those cash dividends declared but unpaid and bond interest due but unpaid on acquisition, should offset against the carrying amount of the investment upon receipt. On disposal of a current investment, the difference between the carrying amount and the actual price received for the current investment should be recognized as return on investment for the current period.

(i) Long-term investment

Initial and subsequent measurement for long-term bond investment: a long-term bond investment should be recorded at its actual total cost on acquisition (including incidental expenses such tax payments and handling charges) less any interest receivable due but unpaid within the actual installment for bonds. Interest income should be calculated periodically as return on investment on accrual basis.

Amortization of long-term bond investment premium and discount: the premium or discount should be amortized, over the period between the acquisition date and the maturity date, when the relevant bond interest is recognized as income by straight-line method / the effective-interest-rate method.

Long-term equity investments are X% equity investment of the investee enterprise held by the Company, and should be accounted for using the cost / equity method.

Under the cost method, long-term equity investment should be recorded at actual cost on acquisition, and the carrying amount of the long-term equity investment should normally remain constant unless additional investment is made or the investment is recouped.

Under the equity method, long-term equity investment should be recorded at actual cost on acquisition. The difference between the initial investment cost and the investor’s share of owners’ equity of the investee enterprise is referred to as “equity investment difference” and should be measured as follows: an excess of the initial investment cost over the investor’s share of owners’ equity of the investee enterprise should be recognized as equity investment difference and amortized over a period of ten years using straight-line method; or a shortfall of the initial investment cost over the investor’s share of owners’ equity of the investee enterprise should be recognized as capital surplus.

The Company should adjust the carrying amount of the investment based on its share of the investee enterprise’s net profit or loss and recognize investment income for the current period accordingly. The Company recognizes net losses incurred by the investee enterprise to the extent that carrying amount of the investment is reduced to zero. The Company should reduce the carrying amount of investments when cash dividends are declared.

(j) 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
Buildings and structures	20 yrs	10%	4.50%
Computer and electronic equipment	3 yrs	0%	33.33%
Office equipment	3 yrs	0%	33.33%
Furniture	3 / 5 yrs	0%	33.33% / 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.

Fixed assets acquired under finance lease

Fixed assets acquired under finance lease should be recorded at an amount equal to the lower of the carrying amount of the leased asset originally recorded in the books of the lesser and the present value of the minimum lease payments at the inception of the lease. The enterprise should record the minimum lease payments as long-term accounts payable, and the difference between the recorded amount of the lease asset and the liability should be recorded as unrecognized finance charges.

A fixed asset held under finance lease should be depreciated on the same basis as fixed assets.

(k) Construction in progress

Construction in progress represents fixed assets under construction or installation, which is recorded at actual cost. Cost comprises the original cost of machinery and equipment, installation costs, construction costs and other direct costs. Borrowing costs on specific borrowings for financing the construction or acquisition of fixed assets are capitalized as part of the cost of the fixed assets until the assets are ready for their intended use. Construction in progress is transferred to fixed assets when the assets are ready for their intended use and depreciation begins from the following month.

(l) Intangible assets

Intangible assets are XXXX that are obtained or received by the way of XXXX, and are recorded at actual cost on acquisition. The intangible assets are amortized on the straight-line basis over the expected useful lives of XX years

(m) 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 respective beneficial periods of the leased asset, and presented at an amount net of accumulated amortization.

(n) 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.

(o) Borrowing costs

Borrowing costs, including interests and ancillary costs, incurred in connection with specific borrowings obtained for the acquisition or construction of fixed assets are capitalized as costs of the fixed assets when capital expenditures and borrowing costs are incurred and the activities have commenced to enable the assets to be ready for their intended use. The capitalization of borrowing costs ceases when the assets are ready for their intended use. Borrowing costs incurred thereafter are expensed.

The capitalized interests for each accounting period are determined by using the weighted average amount of accumulated expenditures incurred in that period and the weighted average interest rate of the related specific borrowings for the acquisition or construction of fixed assets. The amount of interest capitalized during a period shall not exceed the amount of interest incurred during that period.

Interests incurred in connection with other borrowings are expensed as incurred.

(p) Contingent liability

Contingent liability should be recognized when the Company has a present obligation as a result of warranties, guarantees and pending litigation, 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 amount of a provision should be the best estimate of the expenditure required to settle the liability according to past experiences.

(q) 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 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.

(r) 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.

(s) Accounting for income taxes

The Company accounts for enterprise 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) Enterprise income tax

The applicable enterprise income tax rate is 25%.

(b) Value added tax

Approved by the State Council, Shanghai was to carry out the reform pilot program of converting business tax to VAT in transportation industries and certain modern service sectors. Accordingly, the Ministry of Finance and State Administration of Taxation issued "Notice on Carry Out Pilot Program for Converting Business Tax to VAT in the Transportation Industry and Certain Modern Service Sectors in Shanghai" (Caishui [2011] No. 111), which should take into effect from January 1, 2012.

Approved by the State Council, the pilot program for converting business tax to VAT in the transportation and certain modern service sectors should be extended beyond Shanghai to other eight provinces and municipalities directly under the Central Government, which include Beijing, Tianjin, Jiangsu Province, Zhejiang Province (incl. Ningbo City), Fujian Province (incl. Xiamen City), Hubei Province, and Guangdong Province (incl. Shenzhen) etc. Accordingly, the Ministry of Finance and State Administration of Taxation issued "Notice on Carry Out Pilot Program for Converting Business Tax to VAT in the Transportation Industry and Certain Modern Service Sectors in Eight Provinces and Municipalities Directly under the Central Government including Beijing" (Caishui [2012] No. 71). In Beijing, the Notice should take into effect from September 1, 2012. In Jiangsu Province and Anhui Province, the Notice should take into effect from October 1, 2012. In Fujian Province and Guangdong Province, the Notice should take into effect from November 1, 2012. In Tianjin, Zhejiang Province and Hubei Province, the Notice should take into effect from December 1, 2012.

Approved by the State Council, the reform pilot program of converting business tax to VAT in transportation industries and certain modern service sectors should be carried out in a nationwide scale since August 1, 2013. Accordingly, the Ministry of Finance and State Administration of Taxation issued "Notice on Carry Out Pilot Program for Converting Business Tax to VAT in the Transportation Industry and Certain Modern Service Sectors in a Nationwide Scale." (Caishui [2013] No. 37).

The Company's IT Services is subject to VAT rate of 6%.

The Company's sales of goods are subject to Value Added Tax (VAT). The applicable tax rate for domestic sales is 17% from January to April, and 16% from May to December. The Company has been approved to use the "exempt, credit and refund" method on goods exported.

The Company's sales of goods are subject to VAT and the applicable tax levy rate is 3%./ The Company's sales of goods for April to December are subject to 'Simplied VAT Levy Measures', and the corresponding VAT rate is 5%.

Input VAT on purchases of goods 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 withholds amounts from employees and sends the withheld amounts to the tax authorities.

5 MONETARY ASSETS

	2018.12.31	2017.12.31
Cash at bank	**22,720,189.93**	20,522,866.26
Total	**22,720,189.93**	20,522,866.26

6 ACCOUNTS RECEIVABLE

	2018.12.31	2017.12.31
Accounts receivable	74,297,112.55	86,804,948.39
Less: Provision for bad debt	8,742,313.28	8,616,080.14
Accounts receivable - net	65,554,799.27	78,188,868.25

The ageing as at year end are as follows:

	2018.12.31			2017.12.31		
	Amount	**% of total**	**Provision for bad debts**	Amount	% of total	Provision for bad bebts
Within 1 yr	**6,41,33,709.62**	**86.3%**	**-**	7,81,23,996.25	90.0%	-
1~2 ys	**14,21,089.65**	**1.9%**	**-**	86,80,952.14	10.0%	86,80,952.14
2~3 ys	**87,42,313.28**	**11.8%**	**87,42,313.28**	-	-	-
Total	**7,42,97,112.55**	**100%**	**87,42,313.28**	8,68,04,948.39	100%	86,80,952.14

Debtors with large amounts:

Name of Debtors	**Ending Balance**	**Description**	**Ageing**
Huawei Technology Co.,Ld.	1,13,85,616.58	Service fee	Within 1 yr,1~2 ys
Empresa Publica de Aguas	87,42,313.28	Service fee	2~3 ys

7 PREPAYMENTS

	2018.12.31		2017.12.31	
	Amount	**%**	Amount	%
Within 1 yr	**3,199,764.58**	**95.1%**	660,068.08	87.2%
1~2 ys	**66,046.60**	**2.0%**	96,500.00	12.8%
2~3 ys	**96,500.00**	**2.9%**	-	-
Total	**33,62,311.18**	**100%**	7,56,568.08	100%

Name of Debtors	**Ending Balance**	**Description**	**Ageing**
Blue Binaries Engineering and Solution Pvt. Ltd.	18,59,355.70	Service fee	Within 1 yr

8 INTEREST RECEIVABLE

Item	**2018.1.1**	Increase	Decrease	2018.12.31
CMB fixed deposit	**76,367.12**	153,371.89	229,739.01	-
Total	**76,367.12**	153,371.89	229,739.01	-

9. OTHER RECEIVABLES

	2018.12.31	2017.12.31
	2,024,210.17	776,101.94

The ageing as at year end are as follows:

	2018.12.31		2017.12.31	
	Amount	**%**	Amount	%
Within 1 yr	**1,372,477.45**	**67.8%**	362,563.97	46.7%
1~2 ys	**250,170.00**	**12.4%**	278,100.89	35.8%
2~3 ys	**277,455.64**	**13.7%**	124,107.08	16.0%
Over 3 ys	**124,107.08**	**6.1%**	11,330.00	1.5%
Total	**2,024,210.17**	**100%**	776,101.94	100%

Debtors with large amounts:

Name of Debtors	**Ending Balance**	**Descriptions**	**Ageing**
Zhejiang Geelly Automobile	640,000.00	Deposit	Within 1 yr

10 FIXED ASSETS – COST

	2018.1.1	**Increase**	**Decrease**	**2018.12.31**
Computer and electronic equipment	4,067,073.28	338,696.98	-	**4,405,770.26**
Office equipment	2,219,024.85	13,826.69	-	**2,232,851.54**
Furniture	338,141.74		-	**338,141.74**
Total	6,624,239.87	352,523.67	-	**6,976,763.54**

11 ACCUMULATED DEPRECIATION

	2018.1.1	**Increase**	**Decrease**	**2018.12.31**
Computer and electronic equipment	2,865,105.85	606,346.96	-	**3,471,452.81**
Office equipment	1,881,524.07	245,367.28	-	**2,126,891.35**
Furniture	155,847.48	133,435.39	-	**289,282.87**
Total	4,902,477.40	985,149.63	-	**5,887,627.03**

12 FIXED ASSETS – NET

	2018.12.31	2017.12.31
Computer and electronic equipment	**934,317.45**	1,201,967.43
Office equipment	**105,960.19**	337,500.78
Furniture	**48,858.87**	182,294.26
Total	**1,089,136.51**	1,721,762.47

13 LONG-TERM DEFERRED EXPENSES

	2018.1.1	**Increase**	**Decrease**	**2018.12.31**
Software and maintenance	116,712.19	-	80,263.67	**36,448.52**
Leasehold improvements	3,355,121.86	135,135.14	541,546.24	**2,948,710.76**
Total	3,471,834.05	135,135.14	621,809.91	**2,985,159.28**

14 ACCOUNTS PAYABLE

	2018.12.31	2017.12.31
	27,882,778.63	45,610,097.20

Creditors with large amounts:	**Ending balance**	**Description**
Tech Mahindra Limited	24,883,406.26	Service fee

15 ADVANCES FROM CUSTOMERS

	2018.12.31	2017.12.31
	392,236.19	1,766,955.71

Creditors with large amounts:	Ending balance	Description
BMW China	377,873.37	Service fee

16 ACCRUED PAYROLL

	2018.12.31	2017.12.31
Wages payable	**1,760,306.96**	3,383,156.64
Total	**1,760,306.96**	3,383,156.64

17 TAXES PAYABLE

Taxes	2018.12.31	2017.12.31
Value added tax	**227,717.96**	353,613.44
Individual income tax	**409,328.85**	839,081.01
Enterprise income tax	**177,398.34**	-
Subtotal	**814,445.15**	1,192,694.45
Others	**39,632.32**	40,623.46
Total	**854,077.47**	1,233,317.91

18 OTHER PAYABLES

	2018.12.31	2017.12.31
Total	**5,641,812.09**	10,372,643.18

Creditor with large amount	Ending Balance	Description
Tech Mahindra Limited	**1,194,611.87**	Current account

19 PAID-IN CAPITAL

	2018.12.31		2017.12.31	
Name of Investor	**Registered Capital (USD)**	**Registered Capital (RMB)**	Registered Capital (USD)	Registered Capital (RMB)
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.

20 UNDISTRIBUTED PROFITS

	2018.12.31	2017.12.31
Undistributed profits at beginning of year	**(59,033,806.00)**	(50,983,833.97)
Current year net profit	**17,419,964.83**	(8,049,972.03)
Distributable profit	**(41,613,841.17)**	(59,033,806.00)
Undistributed profits at the end of year	**(41,613,841.17)**	(59,033,806.00)

21 REVENUES FROM MAIN OPERATION

Item	2018	2017
Software designing, developing and maintenance (Domestic)	**112,994,130.49**	130,852,847.33
Software designing, developing and maintenance (Exports)	**19,925,828.65**	29,475,519.07
Sales of goods (Domestic)	**3,385,276.99**	9,575,995.14
Total	**136,305,236.13**	169,904,361.54

22 FINANCE EXPENSES

	2018	2017
Interest income	**167,880.06**	152,967.95
Exchange losses/gains-net	**468,543.94**	575,533.03
Other finance expenses	**42,101.72**	29,205.48
Total	**342,765.60**	451,770.56

23 INCOME TAX

Item	2018	2017
Income tax expenses of the current year	**3,628,379.53**	-
Prior year adjustment recognized in the current year	**3,423.67**	-
Total	**3,631,803.20**	-

The applicable income tax rate of the Company for the reporting period is 25% (see note 4a), and the taxable income has been reconciled from current year profit according to the prevalent tax laws and regulations.

24 RECONCILE NET PROFIT TO CASH FLOW FROM OPERATING ACTIVITIES

Item	2018	2017
Profit/loss after tax	**17,419,964.83**	(8,049,972.03)
Add: Impairment provision for assets	**126,233.10**	8,616,080.14
Depreciation of fixed assets	**985,149.63**	984,248.67
Amortization of long-term deferred expenses	**621,809.91**	533,192.10
Decrease of prepaid expenses (increase/-)	**(358,197.41)**	(88,266.35)
Increase of accrued expense (decrease/-)	**(4,717,845.68)**	(3,333,129.19)
Finance expenses	**468,543.94**	575,533.03
Increase of trade and other payables (decrease/-)	**9,724,981.72**	15,680,033.31
Others	**(21,117,113.62)**	(10,986,842.63)
Net Cash From Operating Activities	**3,153,526.42**	3,930,877.05

25 RELATED PARTY TRANSACTION

Related party relationships

Name of Entity	**Relationship with the Company**
Tech Mahindra Limited	Investor
Mahindra & Mahindra Ltd.	Controlled by the same party

Related party transactions

Name of Entity	**Description**	**Transactions in 2018**
Tech Mahindra Limited	Rendering of services	9,272,340.92
Tech Mahindra Limited	Receipt of services	(3,520,960.84)
Mahindra & Mahindra Ltd.	Rendering of services	3,199,199.61

Ending Balances of related party transactions

Name of Entity	**Account Name**	**Description**	**Ending balance**
Tech Mahindra Limited	Accounts receivable	Rendering services	693,784.75
Tech Mahindra Limited	Accounts payable	Receiving services	24,883,406.26
Tech Mahindra Limited	Other payable	Paid on behalf	1,194,611.87
Mahindra & Mahindra Ltd.	Accounts receivable	Rendering services	1,763,566.59

26 CONTINGENCIES

No disclosure is required.

27 EVENTS AFTER THE REPORTING PERIOD

No disclosure is required.

28 COMPARISON INFORMATION

The comparison information has been reclassified so as to be in line with the information reported for the year 2018.

SUPPLEMENTARY INFORMATION PROVIDED BY THE MANAGEMENT

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

ADJUSTMENTS TO INCOME BEFORE TAX

account or sub account name	Description (Reference included)	Adjusted amount for taxable income	Remarks
Increases to the taxable amounts			
Administrative expenses	Entertainment expenses exceed deductible limit	65,131.54	
Non-opeartion expense	Penalty	9,000.00	
Non-opeartion expense	Property losses	2,243.24	
Payroll Payables	Accrued but unpaid expenses	1,760,444.01	
Bad debt	Bad debt provisions	8,742,313.24	
Accrued expense	Accrued but unpaid expenses	4,306,358.15	
	Research and development expenses		
Total increases to the taxable amount		14,885,490.18	
Decreases to the taxable amounts			
Payroll Payables	Accrued but unpaid expenses	1,760,444.01	
Bad debt	Bad debt provisions	8,616,080.14	
Accrued expense	Accrued but unpaid expenses	9,024,203.83	
Total decreases to the taxable amount		19,400,727.98	
Adjustments - net			(4,515,237.80)
Audited income before tax			21,051,768.03
Taxable income after adjustment			16,536,530.23

Note: The taxable income shall be finally settled by tax authorities.

TECH MAHINDRA (NANJING) COMPANY LTD

Board of Directors
Mr. Amitava Ghosh
Mr. Ravikanth Karne

Registered Office
Suite 413-246, Business
Building, Nanjing Hightech
Industry Developing
Zone, Nanjing

Bankers
Standard Chartered Bank
China Merchant Bank

Auditors
Shanghai Linfang Certified Public Accountants Co., Ltd.

DIRECTORS ' REPORT

Your directors present their report together with the audited accounts of your company for the year ended December 31, 2018.

Financial Results

For the years ended December 31	**2018** **RMB**	2017 RMB
Income	**4,262,113.94**	4,525,535.94
Profit/(Loss) before tax	**690,764.00**	540,750.10
Profit/(Loss) after tax	**626,621.81**	540,750.10

Review of Operations:

During the year under review, your company recorded an income of RMB 4,262,113.94, a decrease of 5.82 % over the previous year. Profit after tax was RMB 626,621.81 an increase of 15.88% over the previous year. The Company continues to invest in strengthening its marketing infrastructure in China

Outlook for the Current Year:

The liquidation process initiated earlier was withdrawn due to business reasons.

The future is cautiously optimistic.

Acknowledgments:

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 (Nanjing) Company Ltd

Amitava Ghosh	**Ravikant Karne**
Director	**Director**

Place: Shanghai
Date : 26th February, 2019

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 2018, the income statement, cash flow statement and statement of changes in equity for the year then ended and notes to these financial statements. The financial statements are prepared by the Company in accordance with the accounting standards stated in statements notes 2.

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 2018, and its financial performance and its cash flows for the year then ended in accordance with the accounting standards stated in statements notes 2.

4. Matters of Emphasis

We draw attention to Note 2 in the financial statements, which indicates that the investor has decided to dissolve the Company, therefore the financial statements are prepared under discontinued operation basis. Our opinion is not modified in respect to this matter.

Zhang Xiaozhuan, China Certified Public Accountant

Fu Shasha, China Certified Public Accountant

Shanghai Linfang Certified Public Accountants Co., Ltd.

15F, Hechuang Building,

No. 450 Caoyang Road,

Shanghai China

February 26, 2019

BALANCE SHEET AS AT 31 DECEMBER 2018

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

ASSETS	Notes	2018.12.31	2017.12.31
Cash at bank and in hand	5	**8,618,677.74**	8,187,681.52
Notes receivable & Accounts receivable	6	**431,621.13**	318,198.12
Prepayments	7	**11,250.00**	30,233.30
Other receivables	8	**68,771.98**	69,312.97
Other current assets		**15,209.41**	28,611.21
Fixed assets	9,10,11	**107,972.77**	134,531.43
Long-term deferred expenses (deferred assets)	12	**2,926.94**	5,696.09
TOTAL ASSETS		**9,256,429.97**	8,774,264.64
LIABILITIES AND OWNER'S EQUITY			
Notes payable & Accounts payable	13	**11,800.00**	11,200.00
Advances	14	**-**	208,965.07
Accrued payroll	15	**217,877.59**	157,360.41
Incl.: Wages payable		**217,877.59**	157,360.41
Taxes payable	16	**10,473.64**	7,755.91
Incl.: Tax payable	16	**10,473.64**	7,755.91
Other payables	17	**22,509.31**	21,835.63
TOTAL LIABILITIES		**262,660.54**	407,117.02
Owners' equity			
Paid-in capital	18	**52,646,896.26**	52,646,896.26
Undistributed profits	19	**(43,653,126.83)**	(44,279,748.64)
Total owner's equity		**8,993,769.43**	8,367,147.62
TOTAL LIABILITIES AND OWNERS' EQUITY		**9,256,429.97**	8,774,264.64

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 2018

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

		Notes	**Year ended 2018.12.31**	Year ended 2017.12.31
1.	**Total operating revenues**		**4,262,113.94**	4,525,535.94
	Incl.: Operating revenues		**4,262,113.94**	4,525,535.94
	Incl.: Revenues from main operation	20	**4,262,113.94**	4,525,535.94
2.	**Less: Total operating costs**		**3,573,182.59**	3,988,817.24
	Incl.: Cost of operation		**1,458,013.65**	1,834,274.14
	Incl.: Costs of main operation		**1,458,013.65**	1,834,274.14
	Tax and its additions		**1,244.80**	-
	General and administrative expenses		**2,231,285.07**	2,189,730.98
	Finance expenses	21	**(117,360.93)**	(35,187.88)
3.	**Operating Profit**		**688,931.35**	536,718.70
	Add: Non-operating incomes		**1,832.65**	4,031.40
4.	**Total profit**		**690,764.00**	540,750.10
	less: Income tax expenses		**64,142.19**	-
5.	**Net profit**		**626,621.81**	540,750.10

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 2018

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

		Year ended 2018.12.31	Year ended 2017.12.31
1.	**Cash Flows from Operating Activities**		
	Cash received from sales of goods or rendering of services	**3,962,719.66**	4,641,277.19
	Tax refund	**-**	-
	Cash received relating to other operating activities	**111,819.56**	96,943.95
	Sub-total of Cash Inflows	**4,074,539.22**	4,738,221.14
	Cash paid for goods and services	**170,714.21**	-
	Cash paid to and on behalf of employees	**2,345,526.57**	2,861,961.89
	Payments of taxes and levies	**58,121.88**	1,634.40
	Cash paid relating to other operating activities	**1,068,091.26**	1,047,991.70
	Sub-total of Cash Outflows	**3,642,453.92**	3,911,587.99
	Net Cash Flows from Operating Activities	**432,085.30**	826,633.15
2.	**Cash Flows from Investing Activities**		
	Cash paid to acquire fixed assets, intangible assets and other long-term assets	**10,198.00**	43,910.00
	Sub-total of Cash Outflows	**10,198.00**	43,910.00
	Net Cash Flows from investing Activities	**(10,198.00)**	(43,910.00)
3.	**Cash Flows from Financing Activities**		
	Net Cash Flows from Financing Activities	**-**	-
4.	**Effect of Foreign Exchange Rate Fluctuation on Cash**	**9,108.92**	(60,314.63)
5.	**Net Increase (decrease) in Cash and Cash Equivalents**	**430,996.22**	722,408.52
Add:	Cash and cash equivalents at the beginning of the reporting period	**8,187,681.52**	7,465,273.00
6.	**Cash and Cash Equivalents at the end of the reporting period**	**8,618,677.74**	8,187,681.52

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 2018

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

	PAID-IN CAPITAL	CAPITAL SURPLUS	SURPLUS RESERVE	RETAINED EARNINGS	TOTAL
Closing Balance at 31 December 2016	52,646,896.26	-	-	(44,820,498.74)	7,826,397.52
Add: Changes in accounting policies	-	-	-	-	-
Corrections of prior period errors	-	-	-	-	-
Beginning Balance at 1 January 2017	52,646,896.26	-	-	(44,820,498.74)	7,826,397.52
Net profit	—	—	—	540,750.10	540,750.10
Movements in 2017	-	-	-	540,750.10	540,750.10
Closing Balance at 31 December 2017	**52,646,896.26**	**-**	**-**	**(44,279,748.64)**	**8,367,147.62**

	PAID-IN CAPITAL	CAPITAL SURPLUS	SURPLUS RESERVE	RETAINED EARNINGS	TOTAL
Closing Balance at 31 December 2017	52,646,896.26	-	-	(44,279,748.64)	8,367,147.62
Add: Changes in accounting policies	—	—	—	—	—
Corrections of prior period errors	—	—	—	—	—
Beginning Balance at 1 January 2018	**52,646,896.26**	**-**	**-**	**(44,279,748.64)**	**8,367,147.62**
Net profit	—	—	—	626,621.81	626,621.81
Movements in 2018	-	-	-	626,621.81	626,621.81
Closing Balance at 31 December 2018	**52,646,896.26**	**-**	**-**	**(43,653,126.83)**	**8,993,769.43**

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

NOTES TO THE 2018 FINANCIAL REPORTS

(All amounts are stated 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 business lisecnce of Unified social credit code 913201006606980458(1/1). 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 (including embedded system software, computer aid design, manufacturing and engineering service software, enterprise resource planning software, enterprise integrating software, customer 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 investor of the Company decided to dissolve the Company in the near future. Therefore, the Company's financial statements as of December 31, 2018 are prepared on the following basis

The assets and liabilities in the balance sheet of the Company as of December 31, 2018 have been adjusted due to the discontinued operation of the Company, including but not limited to the possible losses of assets to be realized.

Since the basic accounting assumptions of going concern cannot be applied to the company any longer at the end of year 2018, therefore, assets and liabilities can no longer be classified as current assets (liabilities) and non-current assets (liabilities) according to their liquidity.

At the end of 2018, the management of the Company considered that the Company is not obligated to pay significant debts due to liquidation and deregistration, therefore, the liabilities that may be incurred during the future liquidation period are not estimated and included in the financial statements as of the end of 2018, except for the employees dismissing compensation for closing the company.

The Company's income statement (except for the following adjustments to the value of assets and liabilities as a result of the Company's discontinued operation status) is still based on the accounting policies and accounting estimates in accordance with Accounting Standards for Business Enterprises and Accounting System for Business Enterprises to determine and measure the results to be presented. At the end of 2018, the Company's net realizable value (or recoverable amount) of each asset is compared with its original book value and is measured at the lower of book and net realizable value. The difference is recognized in profit or loss for the year 2018. And at the end of 2018, the amount of indebtedness of the Company's liabilities is equal to its book value.

The cash flow statement of the Company is presented according to the format and the classification of the Accounting Standards for Business Enterprises and Accounting System for Business enterprises.

The basis of the statement of changes in shareholders' equity of the Company is determined according to the basis of the above financial statements of balance sheet and income statement.

The disclosure basis of the notes to the main items of the financial statements is determined separately according to the above information.

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 first day of the month in which 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, except for those attributable to foreign currency borrowings that have been made specifically for the construction of fixed assets, which are capitalized as part of the fixed asset costs and those arising in the pre-operating period, which are recorded as long-term deferred expenses.

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. Exchange differences arising from foreign currency capital contribution should be recognized as capital surplus.

(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

Accounts receivable comprises related party receivables and receivables from non-related parties.

The Company makes specific bad debts provision on an individual basis for accounts receivable that are distinctively different from any other receivable in recoverability. If there are indications that the balances cannot be recovered, the specific provision will be adjusted accordingly.

(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, insolvency 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
electronic equipment	5yrs	0%	20%
office supplies	3/5 yrs	0%	33.33%/20.00%
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 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 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 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) Enterprise income tax

The applicable enterprise income tax rate is 20%.

(b) Value added tax

The Company’s revenue from rendering of services subject to Value Added Tax (VAT),and the applicable tax rate of output VAT is 6%.

Input VAT on purchases of goods 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

	2018.12.31	2017.12.31
Cash at bank	**86,18,677.74**	81,87,681.52
Total	**86,18,677.74**	81,87,681.52

6 ACCOUNTS RECEIVABLE

	2018.12.31	2017.12.31
Accounts receivable	**4,32,733.28**	3,19,310.27
Less: Provision for bad debt	**1,112.15**	1,112.15
Accounts receivable - net	**4,31,621.13**	3,18,198.12

The ageing as at year end are as follows:

	2018.12.31			2017.12.31		
	Amount	**% of total**	**Provision for bad bebts**	Amount	% of total	Provision for bad bebts
Within 1 yr	**4,31,621.13**	**99.7%**	**-**	3,18,198.12	99.6%	-
1~2 ys	**-**	**-**	**-**	1,112.15	0.4%	1,112.15
2~3 ys	**1,112.15**	**0.3%**	**1,112.15**	-	-	-
Total	**4,32,733.28**	**100%**	**1,112.15**	3,19,310.27	100%	1,112.15

Debtors with large amounts:

Name of Debtors	**Ending Balance**	**Description**	**Ageing**
Tech Mahindra Limited	4,31,621.13	service fee	Within 1 yr

7 PREPAYMENTS

	2017.12.31		2016.12.31	
	Amount	**%**	Amount	%
Within 1 yr	**11,250.00**	**100.0%**	30,233.30	100.0%
Total	**11,250.00**	**100%**	30,233.30	100%

8 OTHER RECEIVABLES

2018.12.31	2017.12.31
68,771.98	69,312.97

The ageing as at year end are as follows:

	2017.12.31		2016.12.31	
	Amount	**%**	Amount	%
Within 1 yr	**10,342.90**	**15.0%**	10,883.89	15.7%
1~2 ys	**-**	**-**	58,429.08	84.3%
2~3 ys	**58,429.08**	**85.0%**	-	-
Total	**68,771.98**	**100%**	69,312.97	100%

Debtors with large amounts:

Name of Debtors	**Ending Balance**	**Descriptions**	**Ageing**
Rental deposit	58,429.08	deposit	2~3 yr

9 FIXED ASSETS – COST

	2018.1.1	**Increase**	Decrease	2018.12.31
Electronic equipment	**42,11,075.19**	**-**	-	42,11,075.19
Office equipment	**7,60,709.65**	**10,198.00**	-	7,70,907.65
Furniture	**52,510.00**	**-**	-	52,510.00
Total	**50,24,294.84**	**10,198.00**	-	50,34,492.84

10 ACCUMULATED DEPRECIATION

	2018.1.1	Increase	Decrease	2018.12.31
Electronic equipment	**40,94,524.87**	**31,527.23**	-	41,26,052.10
Office equipment	**7,42,728.54**	**5,229.43**	-	7,47,957.97
Furniture	**52,510.00**	**-**	-	52,510.00
Total	**48,89,763.41**	**36,756.66**	-	49,26,520.07

11 FIXED ASSETS – NET

	2018.12.31	2017.12.31
Electronic equipment	**85,023.09**	1,16,550.32
Office equipment	**22,949.68**	17,981.11
Total	**1,07,972.77**	1,34,531.43

12 LONG-TERM DEFERRED EXPENSES

	2018.1.1	Increase	Decrease	2018.12.31
Leaseholding improvement	**5,696.09**		2,769.15	2,926.94
Total	**5,696.09**		2,769.15	2,926.94

13 ACCOUNTS PAYABLE

2018.12.31	2017.12.31
11,800.00	11,200.00

14 ADVANCES

2018.12.31	2017.12.31
-	2,08,965.07

15 ACCRUE PAYROLL

	2018.12.31	2017.12.31
Wages payable	**2,17,877.59**	1,57,360.41
Total	**2,17,877.59**	1,57,360.41

16 TAX PAYABLE

Taxes	2018.12.31	2017.12.31
Individual income tax	**3,208.53**	7,755.91
Enterprise income tax	**7,265.11**	-
Total	**10,473.64**	7,755.91

17 OTHER PAYABLES

	2018.12.31	2017.12.31
Total	**22,509.31**	21,835.63

18 PAID-IN CAPITAL

	2018.12.31		2017.12.31	
Name of Investor	Registered Capital (USD)	Registered Capital	Registered Capital (USD)	Registered Capital
Tech Machindra Limited	**76,50,000.00**	**5,26,46,896.26**	76,50,000.00	5,26,46,896.26
Total	**76,50,000.00**	**5,26,46,896.26**	76,50,000.00	5,26,46,896.26

The paid-in capital has been verified by Jiangsu Zhongtianxin CPA Co., Ltd with the Capital Verification Report No.22[2013].

19 UNDISTRIBUTED PROFITS

	2018.12.31	2017.12.31
Undistributed profits at beginning of year	**(4,42,79,748.64)**	(4,48,20,498.74)
Current year net profit	**6,26,621.81**	5,40,750.10
Distributable profit	**(4,36,53,126.83)**	(4,42,79,748.64)
Undistributed profits at the end of year	**(4,36,53,126.83)**	(4,42,79,748.64)

20 REVENUES FROM OTHER OPERATION

Item	2018	2017
Software designing, developing and maintenance (Domestic)	**3,81,397.35**	32,422.00
Software designing, developing and maintenance (Exports)	**38,80,716.59**	44,93,113.94
Total	**42,62,113.94**	45,25,535.94

21 FINANCE EXPENSES

	2017	2016
Interest income	**(96,943.95)**	(78,235.96)
Exchange losses/gains-net	**60,314.63**	(9,053.53)
Other finance expenses	**1,441.44**	2,734.41
Total	**(35,187.88)**	(84,555.08)

22 RECONCILE NET PROFIT TO CASH FLOW FROM OPERATING ACTIVITIES

Item		2018	2017
Profit/loss after tax		6,26,621.81	5,40,750.10
Add	Impairment provision for fixed assets	**-**	1,112.15
	Depreciation of fixed assets	**36,756.66**	32,279.67
	Amortization of long-term deferred expenses	**2,769.15**	4,910.59
	Decrease of prepaid expenses (increase/-)	**18,983.30**	(26,833.33)
	Increase of accrued expense (decrease/-)	**673.68**	479.13
	Finance expenses	**(9,108.92)**	60,314.63
	Increase in trade and other payables (decrease/-)	**(99,480.22)**	1,42,188.80
	Others	**(1,45,130.16)**	71,431.41
Net Cash From Operating Activities		**4,32,085.30**	8,26,633.15

23 RELATED PARTY TRANSACTION

Related party relationships

Name of Entity	**Relationship with the Company**
Tech Mahindra Limited	Parent company

Related party transactions

Name of Entity	Description	Transactions in 2018
Tech Mahindra Limited	Providing services	38,80,716.59

Ending Balance of related party transactio

Name of Entity	Account Name	Description	Ending balance
Tech Mahindra Limited	Accounts Receivable	Providing services	4,31,621.13

24 CONTINGENCIES

No disclosure is required.

25 EVENTS AFTER THE REPORTING PERIOD

No disclosure is required.

26 COMPARISON INFORMATION

The comparison information has been reclassified so as to be in line with the information reported for the year 2018.

SUPPLEMENTARY INFORMATION PROVIDED BY THE MANAGEMENT

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

ADJUSTMENTS TO INCOME BEFORE TAX

account or subaccount name	Description (Reference included)	Adjusted amount for taxable income	Remarks
Increases to the taxable amounts			
Administrative expenses	Entertainment expenses exceed deductible limit	22.80	
Accrued Payroll	Accrued but unpaid wages and salaries	57,037.79	
Total increases to the taxable amount		57,060.59	
Decreases to the taxable amounts			
Accrued Payroll	Accrued but unpaid wages and salaries	106,402.71	
Total decreases to the taxable amount		106,402.71	
Adjustments - net			(49,342.12)
Audited income before tax			690,764.00
Taxable income after adjustment			641,421.88

Note: The taxable income shall be finally settled by tax authorities.

CITISOFT PLC

Board of Directors
Vikram N Nair
Lakshmanan Chidambaram
Balram B Pal

Company Secretary
Ms E J Newell

Registered Office
63 Queen Victoria Street
London
EC4N 4UA

Auditors
Kreston Reeves LLP
Springfield House
Springfield Road
Horsham
West Sussex
RH12 2RG

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2019

The directors present their report and the financial statements for the year ended 31 March 2019.

Principal activity

The company's principal activity during the year continued to be that of providing management consultancy and implementation services to the asset management industry. Citisoft Plc ("Citisoft") is a UK based business 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 with a primary focus on North America and the UK/EMEA.

Going concern

The company has sufficient financial resources together with a number of customers and suppliers across different geographic areas and industries. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. The current economic conditions continue to create uncertainty over the level of demand for the company's services. The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current facilities. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Results and dividends

The profit for the year, after taxation, amounted to £88,452 (2018 : loss £76,619).

The results for the company for the year show a pre-tax profit of £108,269 (2018: loss of £109,282) on a turnover of £1,282,690 (2018: £1,641,585).

During the year under review, the Board of Directors of the company has not approved or paid any dividend from the profits of the company.

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 (2018: 30 days).

Directors

The directors who served during the year were:

V N Nair

L Chidambaram

B B Pal

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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 to 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 auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and

- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Post balance sheet events

There have been no significant events since 31 March 2019 that need to be disclosed.

Auditors

Under section 487(2) of the Companies Act 2006, Kreston Reeves LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 2 May 2019 and signed on its behalf.

Vikram N Nair
Director

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2019

The Directors present their strategic report for the year ended 31 March, 2019.

Business review

At a group level Citisoft comprises Citisoft Plc, its UK trading entity, and Citisoft Inc, a subsidiary company conducting business in North America. Citisoft Inc has been showing growth in the last few years and has achieved revenue in 2019 of US$ 20,359,319 and loss of US$ 165,057 (2018: Revenue: US$ 19,314,500 and Loss of US$ 388,995) respectively for the same year end. Citisoft group accounts, however, are consolidated at the parent company level so the accounts herein reflect Citisoft Plc on a stand-alone basis, where the final results show a pleasing turnaround from those reported last year.

Citisoft in the UK is currently struggling to win new clients due to a combination of challenging market conditions and limitations presented by its current scale and lack of local senior management. The business is now of a size which limits its opportunities to win new deals of a certain size and where skill sets outside our current pool are required. Previously, we have relied on the contractor market to supplement these resources, but this market continues to shrink due to ongoing taxation changes making this type of employment less attractive.

The UK market has been difficult over the past year as uncertainties over Brexit have continued. We have seen many projects moved to Europe and most firms in London have restricted spending until more certainty is known. Despite uncertainties surrounding the actual date for Brexit, some of these issues are beginning to get clearer and indications are that firms will start to unlock this spending in readiness of the changing market environment. It would appear that whatever the changes and the long term impacts are for the UK Financial Services business, they will require investment in the short term to meet the changes.

In order to address these conditions, we have continued to manage our cost base and to develop deeper and stronger relationships with existing clients. In order to grow in response to the market changes in the UK and Europe, Citisoft Plc will need investment to expand our capabilities and geographical reach. To achieve this ‘Citisoft’, combining both Citisoft Plc and Citisoft Inc, will operate as one global firm under the leadership of Paul Migliore as the Global CEO and Thomas Secaur as the Global COO. We believe that this business strategy will best serve our business going forward in competing for and winning new client relationships.

To grow the UK practice there is a need to attract senior level talent. This has been a challenge given our limited capacity to offer a competitive financial package to perspective candidates who are looking for compensation levels in excess of our current levels. In exchange for base pay, candidates have been willing to and have requested equity stakes, which is not an option given the current ownership structure. We will continue to work diligently to identify suitable talent.

Principal risks and uncertainties

In our view, the risks our business faces in the UK and Europe are not the same as in the previous year. Where previously we have been concerned that client firms may refrain from embarking on large change programmes, it is now our belief that the market will become increasingly active with more strategic change being instigated. The lack of investment in Citisoft PLC has led to a shrinkage in scale and we are not currently well prepared to service any significant upturn in demand. We also need to seriously consider the geographical reach and the prospects of winning new business in continental Europe and beyond.

Currently, we are constrained in our ability to invest in our business through the acquisition of senior level talent to help build a more robust business development capability. This will continue to be a challenge in 2019 and limits our ability to proactively identify and win new business. Any investment in resources will need to be in advance of the business and will be most likely to have a short term negative impact.

Financial key performance indicators

We continued to take rigorous control of our cost base, and operate as efficiently as possible. The main drivers of our business are utilisation and fee rates. During the last year, we have held our rates and, in some cases, managed small increases in the daily rate levied. Whilst we will typically continue to resource engagements through an Associate model, given the growing challenges in this market, we must be adding to our permanent headcount in advance of demand for our services.

Citisoft PLC and Citisoft Inc need to operate as a global firm and now are under the leadership of Paul Migliore as the Global CEO and Thomas Secaur as the Global COO. Going forward, we are focusing on our co-branding to develop a single global firm “Citisoft” in the marketplace. We believe that this business strategy will best serve our firm going forward in competing for, and winning new client relationships.

This report was approved by the board on 2 May 2019 and signed on its behalf.

Vikram N Nair
Director

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CITISOFT PLC

Opinion

We have audited the financial statements of Citisoft plc (the 'company') for the year ended 31 March 2019, which comprise the Statement of Income and Retained Earnings, the Balance Sheet and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

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 Auditors' 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.

Graham Hunt BA FCA (Senior Statutory Auditor)

for and on behalf of
Kreston Reeves LLP

Chartered Accountants
Statutory Auditor

Horsham

7 May 2019

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 £	2018 £
Turnover	4	**1,282,690**	1,641,585
Cost of sales		**(1,003,755)**	(1,408,917)
Gross profit		**278,935**	232,668
Administrative expenses		**(171,511)**	(342,280)
Operating profit/(loss)	5	**107,424**	(109,612)
Interest receivable and similar income	7	**845**	330
Profit/(loss) before tax		**108,269**	(109,282)
Tax on profit/(loss)	8	**(19,817)**	32,663
Profit/(loss) after tax		**88,452**	(76,619)
Retained earnings at the beginning of the year		**620,074**	696,693
		620,074	696,693
Profit/(loss) for the year		**88,452**	(76,619)
Retained earnings at the end of the year		**708,526**	620,074

The notes on pages 10 to 19 form part of these financial statements.

BALANCE SHEET AS AT 31 MARCH 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	9	**5,590**	732
Investments	10	**505,793**	505,793
		511,383	506,525
Current assets			
Debtors: amounts falling due within one year	11	**192,052**	282,895
Cash at bank and in hand		**630,706**	475,890
		822,758	758,785
Creditors: amounts falling due within one year	12	**(143,499)**	(163,120)
Net current assets		**679,259**	595,665
Total assets less current liabilities		**1,190,642**	1,102,190
Net assets		**1,190,642**	1,102,190
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	**708,526**	620,074
		1,190,642	1,102,190

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 2 May 2019.

V N Nair
Director

The notes on pages 10 to 19 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. General information

The company is a private company limited by share capital incorporated in United Kingdom.

The address of its registered office and principal place of business is:
63 Queen Victoria Street
London EC4N 4UA

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The functional currency of the company is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates. The financial statements have been rounded to the nearest £.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42,11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Tech Mahindra Limited as at 31 March 2019 and these financial statements may be obtained from Tech Mahindra Limited at the address set out in note 15.

2.3 Going concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

2.4 Group accounts not prepared

The directors have satisfied themselves that the parent company, Tech Mahindra Limited, prepares group accounts in line with the requirement 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.

2.5 Revenue

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. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

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

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Office equipment: 5 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Financial instruments

Financial assets, liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. 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 and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets and liabilities classified at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs). If an arrangement constitutes a financing transaction, the financial asset or liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when, there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the conditions set out by FRS 102 to be classified as basic financial instruments are subsequently measured at amortised cost using the effective interest method.

Debt instruments that have no stated interest rate (and do not constitute a financing transaction) and are classified as payable or receivable within one year are initially measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

2.10 Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Foreign currency translation

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

All foreign exchange gains and losses are included in profit or loss.

2.13 Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments.

2.14 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the company in independently administered funds

2.15 Taxation

Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.16 Employee benefits

When employees have rendered service to the company, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 2, the directors are 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 results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing bases. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements

Impairment of financial assets - The company's management reviews periodically items classified as trade receivables to asses whether a provision for impairment should be recorded in profit or loss. Management estimates the amount and timing of future cash flows when determining the level of provisions required. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgement and uncertainty.

4. Turnover

An analysis of turnover by class of business is as follows:

	2019	2018
	£	£
Rendering of services	**1,282,690**	1,641,585
	1,282,690	1,641,585

Analysis of turnover by country of destination:

	2019	2018
	£	£
United Kingdom	**500,072**	355,083
Europe	**245,154**	344,770
Rest of world	**537,464**	941,732
	1,282,690	1,641,585

5. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2019	2018
	£	£
Exchange differences	**(21,282)**	98,663
Auditor's remuneration - The audit of the company's annual accounts	**9,600**	8,500
Auditor's remuneration - Other assurance and taxation services	**4,085**	10,710
Depreciation of tangible fixed assets	**451**	811

6. Employees

Staff costs were as follows:

	2019	2018
	£	£
Wages and salaries	**313,977**	456,733
Social security costs	**37,080**	53,326
Cost of defined contribution scheme	**43,016**	65,654
	394,073	575,713

The average monthly number of employees, including the directors who are also employees, during the year was as follows:

	2019	2018
	No.	No.
Production	**2**	3
Administration and support	**1**	1
Sales	**-**	1
	3	5

7. Interest receivable

	2019	2018
	£	£
Interest income on bank deposits	**785**	119
Other interest receivable	**60**	211
	845	330

8. Taxation

	2019	2018
	£	£
Corporation tax		
Current tax on profits for the year	**19,775**	(32,663)
Adjustments in respect of previous periods	**42**	-
	19,817	(32,663)
Total current tax	**19,817**	(32,663)
Deferred tax		
Total deferred tax	**-**	-
Taxation on profit/(loss) on ordinary activities	**19,817**	(32,663)

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2018 - the same as) the standard rate of corporation tax in the UK of 19% (2018 - 19%) as set out below:

	2019	2018
	£	£
Profit/(loss) on ordinary activities before tax	**108,269**	(109,282)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	**20,571**	(20,764)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**340**	759
Capital allowances for year in excess of depreciation	**(1,083)**	(91)
Adjustments to tax charge in respect of prior periods	**42**	(12,527)
Non-taxable income	**(11)**	(40)
Other differences leading to an increase (decrease) in the tax charge	**(42)**	-
Total tax charge for the year	**19,817**	**(32,663)**

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

9. Tangible fixed assets

	Office equipment £
Cost or valuation	
At 1 April 2018	**108,132**
Additions	**5,309**
At 31 March 2019	**113,441**
Depreciation	
At 1 April 2018	**107,400**
Charge for the year on owned assets	**451**
At 31 March 2019	**107,851**
Net book value	
At 31 March 2019	**5,590**
At 31 March 2018	**732**

10. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2018	505,793
At 31 March 2019	505,793

Subsidiary undertaking

The following was a subsidiary undertaking of the company:

Name	Class of shares	Holding	Principal activity
Citisoft Inc*	Ordinary	100%	Provision of management consultancy and implementation services to the asset management industry.

*Citisoft Inc. is a company incorporated in the United States of America.

11. Debtors

	2019 £	2018 £
Trade debtors	**71,070**	171,175
Amounts owed by group undertakings	**111,725**	78,666
Other debtors	**7,787**	26,570
Prepayments and accrued income	**1,470**	6,484
	192,052	282,895

12. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	**64,620**	67,352
Amounts owed to group undertakings	**21,757**	43,513
Corporation tax	**19,775**	-
Other taxation and social security	**15,276**	22,941
Accruals and deferred income	**22,071**	29,314
	143,499	163,120

13. Share capital

	2019	2018
	£	£
Authorised, allotted, called up and fully paid		
8,430,752 (2018 - 8,430,752) Ordinary shares of £0.01 each	**84,308**	84,308
2,810,248 (2018 - 2,810,248) A Ordinary shares of £0.01 each	**28,102**	28,102
	112,410	112,410

Rights, preferences and restrictions

The rights attaching to the ordinary shares and to the A ordinary shares are identical. Both classes of shares rank pari passu.

14. Reserves

Share premium account

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

Profit and loss account

The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments

15. Controlling party

The company's immediate parent is Tech Mahindra Limited, incorporated in India.

The ultimate parent is Tech Mahindra Limited, incorporated in India.

The financial statements of Tech Mahindra Limited are available upon request from the Company Secretary at Rajiv Gandhi Infotech Park, Phase III, Pune, India.

CITISOFT INC.

Board of Directors
Mr. Lakshmanan Chidambaram
Mr. Thomas Secaur

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, 2019 is given below.

Review of Operations:

During the year under review, Citisoft, Inc. recorded an income of US$ 20,359,319.Profit (loss) after tax was US$ (157,610). The Company continues to invest in strengthening its operations and administrative infrastructure to support anticipated growth in the coming years.

Dividends:

During the year under review, no dividend is recommended for the year ended 31st March, 2019.

Directors:

The directors who served during the year were as follows:

Mr. Lakshmanan Chidambaram

Mr. Thomas Secaur

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.

THOMAS SECAUR
Director

Place: Boston, USA
Date: April 24, 2019

REPORT OF INDEPENDENT AUDITORS

Board of Directors and Stockholders
Citisoft, Inc.
Boston, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of Citisoft, Inc., a Delaware corporation and wholly-owned subsidiary of Citisoft Plc, (the “Company”), which comprise the balance sheets as of March 31, 2019 and 2018, and the related statements of operations and comprehensive loss and statements of changes in stockholders’ equity 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 audits 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, 2019 and 2018, 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, Hamlin Associates CPAs LLP

April 24, 2019

CITISOFT INC

BALANCE SHEETS AS AT MARCH 31, 2019 AND 2018

		2019		2018
Assets				
Current assets:				
Cash	**$**	**3,291,207**	$	3,240,977
Accounts receivable, trade, net of allowance for doubtful accounts of $15,000 and $512,000 in 2019 and 2018, respectively		**3,369,144**		2,706,640
Other receivables		**3,450**		27,019
Investments		**689,901**		638,225
Prepaid expenses		**65,358**		61,452
Refundable income taxes		**199,576**		252,645
Total current assets		**7,618,636**		6,926,958
Property and equipment, net of accumulated depreciation		**204,396**		232,830
Other assets:				
Deferred income taxes		**365,756**		290,115
Goodwill		**546,633**		607,633
Total other assets		**912,389**		897,748
Total assets	**$**	**8,735,421**	$	8,057,536
Liabilities and stockholders' equity				
Current liabilities:				
Accounts payable	**$**	**212,434**	$	70,730
Accounts payable, affiliates		**145,577**		110,392
Accrued expenses		**1,733,409**		1,080,262
Total current liabilities		**2,091,420**		1,261,384
Deferred income taxes		**221,622**		232,737
Total liabilities		**2,313,042**		1,494,121
Stockholders' equity				
Common stock, $0.01 par value; 1,000 shares authorized and 1,000 shares issued and outstanding		**10**		10
Additional paid in capital		**683,895**		683,895
Accumulated other comprehensive income		**69,052**		52,478
Retained earnings		**5,669,422**		5,827,032
Total stockholders' equity		**6,422,379**		6,563,415
Total liabilities and stockholders' equity	**$**	**8,735,421**	$	8,057,536

STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME FOR THE YEARS ENDED MARCH 31, 2019 AND 2018

	2019	2018
Revenue		
Consulting revenue	$ **20,359,319**	$ 19,314,500
Consulting revenue - affiliates	**702,703**	1,253,207
	21,062,022	20,567,707
Cost of revenue		
Cost of revenue	**13,700,851**	13,004,968
Cost of revenue - affiliates	**702,703**	1,253,207
	14,403,554	14,258,175
Gross profit	**6,658,468**	6,309,532
Selling, general and administrative expenses	**6,881,687**	6,544,044
Loss from operations	**(223,219)**	(234,512)
Other income (expense)		
Interest income, net	**19,666**	70
Realized gains on sale of investments	**27,656**	22,442
Goodwill impairment	**(61,000)**	(260,000)
Realized loss on foreign currency exchange	**(5,051)**	-
Total other expense, net	**(18,729)**	(237,488)
Loss before benefit from income taxes	**(241,948)**	(472,000)
Benefit from income taxes (net of $7,446 and $16,222 for tax provision on other comprehensive income in 2019 and 2018, respectively)	**(84,338)**	(99,227)
Net loss	**(157,610)**	(372,773)
Other Comprehensive Income		
Realized and unrealized gains on investments	**51,676**	74,771
Less: reclassification adjustment for realized gain included in net loss	**(27,656)**	(22,442)
Other comprehensive income	**24,020**	52,329
Provision for income tax on items related to other comprehensive income	**7,446**	16,222
Other comprehensive income, net of tax	**16,574**	36,107
Net comprehensive loss	$ **(141,036)**	$ (336,666)

CITISOFT INC

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

YEARS ENDED MARCH 31, 2019 AND 2018

	Common Stock		Additional Paid-In-Capital	Retained Earnings	Accumulated Other Comprehensive Income	Total Stockholders' Equity
	Shares	Amount				
Balance at March 31, 2017	1,000	$ 10	$ 4,790	$ 6,199,805	$ 16,371	$ 6,220,976
Net loss	-	-	-	(372,773)	-	(372,773)
Other comprehensive income, net of tax	-	-	-	-	36,107	36,107
Reclassification of advances from stockholders to additional paid-in-capital	-	-	679,105	-	-	679,105
Balance at March 31, 2018	1,000	10	683,895	5,827,032	52,478	6,563,415
Net loss	-	-	-	(157,610)	-	(157,610)
Other comprehensive income, net of tax	-	-	-	-	16,574	16,574
Balance at March 31, 2019	1,000	$ 10	$ 683,895	$ 5,669,422	$ 69,052	$ 6,422,379

STATEMENTS OF CASH FLOWS YEARS ENDED MARCH 31, 2019 AND 2018

	2019	2018
	$	$
Operating activities		
Net (loss) income	**(157,610)**	(372,773)
Other comprehensive income, net of tax	**16,574**	36,107
Adjustments to reconcile net (loss) income to net cash provided by (used in) operating activities:		
Depreciation and amortization	**54,947**	50,756
Allowance for doubtful accounts	**497,000**	(160,000)
Goodwill impairment	**61,000**	260,000
Deferred income taxes	**(86,756)**	(67,766)
Realized gains from investments	**(27,656)**	(22,442)
Unrealized gains on investments	**(24,020)**	(52,329)
Changes in operating assets and liabilities:		
Accounts receivable, trade	**(1,159,504)**	3,190,005
Accounts receivable, other	**23,569**	8,106
Prepaid expenses	**(3,906)**	(4,975)
Accounts payable	**141,704**	(186,250)
Accounts payable, other	**35,185**	(166,502)
Income taxes payable	**53,069**	(257,799)
Accrued expenses	**653,147**	(603,966)
Customer deposits	**-**	(181,919)
Net cash provided by (used in) operating activities	**76,743**	1,468,253
Investing activities		
Purchases of property and equipment	**(26,513)**	(12,547)
Purchases of investments	**-**	(150,000)
Net cash used in investing activities	**(26,513)**	(162,547)
Increase (decrease) in cash	**50,230**	1,305,706
Cash, beginning of period	**3,240,977**	1,935,271
Cash, end of period	**3,291,207**	3,240,977

NOTES TO FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2019 AND 2018

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 results of operations and financial position of Citisoft, Inc. during the years ended March 31, 2019 and 2018. The financial statements include all inter-company transactions. Any eliminations of inter-company transactions are recorded during the consolidation of the Company's financial information with its parent company, Citisoft Plc, which have not been reflected in the accompanying financial statements.

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 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.

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 equivalents. 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, 2019 and 2018.

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.

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 management's expectations.

Management has reviewed accounts receivable and has determined that an allowance for doubtful accounts totaling $15,000 and $512,000 was warranted as of March 31, 2019 and 2018, respectively.

Investments

The Company's investments in marketable securities are reported in accordance with Accounting Standards Codification (ASC) Topic 320, "Investments – Debt and Equity Securities" (ASC 320). Under this standard, debt and equity securities are classified into one of the following three reporting categories: held to maturity securities, trading securities or available-for-sale securities. The Company has classified marketable securities as available-for-sale securities and are recorded at fair market value at year end with unrealized gains and losses being excluded from earnings and reflected as a component of other comprehensive income. The basis, on which cost is determined in computing realized gain or loss, is specific identification of the securities sold.

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; significant renewals and betterments are capitalized.

At March 31, 2019 and 2018, property and equipment, at cost, and accumulated depreciation consisted of the following:

		2019		2018
Cost	$	**552,590**	$	526,077
Less: accumulated depreciation		**(348,194)**		(293,247)
Net book value	$	**204,396**	$	232,830

Depreciation expense for the years ended March 31, 2019 and 2018 amounted to $54,947 and $50,756, respectively.

Goodwill

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, 2019 and 2018 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, 2019 and 2018, 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 a 10% and 30% impairment charge totaling $61,000 and $260,000 was warranted as of and for the years ended March 31, 2019 and 2018, respectively. 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 Statements of Operations and Comprehensive Loss.

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.

Fair Value of Financial Instruments

The Company’s financial instruments consist primarily of cash and cash equivalents, accounts receivable, accounts payable and investments. The carrying amounts of the Company’s cash and cash equivalents, accounts receivable, accounts payable and investments approximate fair value due to their short-term nature.

Advertising Costs

The Company expenses the costs of advertising as incurred. Advertising costs for the years ended March 31, 2019 and 2018 amounted to approximately $148,000 and $205,000, respectively, and are included in selling, general and administrative expenses in the accompanying statements of income and comprehensive income.

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, 2019 and 2018.

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, 2019 and 2018, 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, 2019 and 2018. 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.

In accordance with ASU 2015-17 "Income Taxes: Balance Sheet Classification of Deferred Taxes," the presentation of deferred income taxes is required to be presented as noncurrent in a classified balance sheet. The ASU is effective for annual periods beginning after December 15, 2017 and interim periods within annual periods beginning after December 15, 2018. Early adoption is allowed as of the beginning of an annual or interim period. The ASU may be applied prospectively to all deferred tax liabilities and assets or retrospectively to all periods presented. Effective March 31, 2018, the Company adopted this standard and classified the deferred tax assets and liabilities as noncurrent in the accompanying balance sheets.

Subsequent Events

Management has evaluated subsequent events through the date the financial statements were issued. For the year ended March 31, 2019, there were no material subsequent events noted during the evaluation.

Note 2 – Investments

Investments are reported at fair value in accordance with the provisions of ASC Topic 820, "Fair Value Measurements and Disclosures" (ASC 820). ASC 820 defines fair value 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. As a basis for considering market participant assumptions in fair value measurements, ASC 820 establishes a fair value hierarchy that is based on the subjectivity of inputs to valuation techniques used to measure fair value. It distinguishes between observable inputs (Levels 1 & 2) which are either observable from market data or corroborated by observable market data and those that are unobservable (Level 3).

The Company did not have any level 2 or level 3 assets or liabilities as of March 31, 2019 and 2018. In addition, the Company did not have any transfers of assets and liabilities between levels 1, 2 and 3 during the period ending March 31, 2019 and 2018.

The following tabulation summarizes changes in relationships between the cost and fair values of marketable securities:

	Level 1		
	Aggregate Fair Value	**Cost**	**Accumulated Holding Gain**
March 31, 2018	$ 638,225	$ 530,000	$ 108,225
March 31, 2019	$ 689,901	$ 530,000	$ 159,901

Note 3 – Accrued Expenses

Accrued expenses as of March 31, 2019 and 2018 consisted of the following:

		2019		2018
Employee bonus and vacation	$	**909,124**	$	695,906
Executive plan benefit		**496,984**		312,808
Canadian tax accrued on sales and services		**247,436**		-
Payroll taxes		**48,265**		36,000
Professional fees		**31,600**		35,548
	$	**1,733,409**	$	1,080,262

Note 4 – Income Taxes

The benefit from income taxes for the years ended March 31, 2019 and 2018 is comprised of the following:

		2019		2018
Current provision (benefit):				
Federal	$	**-**	$	(53,429)
State		**9,864**		38,190
		9,864		(15,239)
Deferred benefit:				
Federal		**(66,765)**		(45,144)
State		**(19,991)**		(22,622)
		(86,756)		(67,766)
Total	$	**(76,892)**	$	(83,005)

At March 31, 2019 and 2018, the Company had net operating loss carry-forwards of approximately $551,000 and $462,000 for federal and state income tax purposes, respectively.

Significant components of activities that gave rise to the deferred tax assets and liabilities included in the financial statements are as follows:

		2019		2018
Deferred tax assets (liabilities) :				
Accrued expenses and allowance for doubtful accounts	$	195,894	$	273,293
Net operating loss carryforward		169,862		16,822
		365,756		290,115
Depreciation and amortization		(221,622)		(232,737)
Net deferred tax assets (liabilities)	$	144,134	$	57,378

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon generating future taxable income during the periods in which temporary differences representing net future deductible amounts become deductible.

As of March 31, 2019 and 2018, management believes a valuation allowance for any deferred tax assets is not necessary as that the value of deferred tax assets will be realized through profitability in subsequent years.

Note 5 – Related Party Transactions

The Company obtained consulting support services and related expenses from its parent company, Citisoft Plc, during the years ended March 31, 2019 and 2018 totaling $702,703 and $1,253,207, 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, 2019 and 2018, the Company was indebted to its parent company Citisoft Plc in the amount of $145,577 and $110,392 in connection with consulting support services.

During the year ended March 31, 2018, the Company reached an agreement with its parent Company whereby the outstanding balance of advances amounting to $679,105 in connection with the 2002 acquisition of the Rowan Group were reclassified to additional paid-in-capital on the accompanying statements of changes in stockholders' equity.

Note 6 – Contingencies and Commitments

Real Estate Lease Agreement

The Company has an operating lease for its office premises extending through May 31, 2021. 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. Management fully expects to comply with all of the related lease obligations and provisions. Total rent expense including maintenance costs for the years ended March 31, 2019 and 2018 amounted to approximately $264,000 and $265,000, respectively.

The following is a schedule by years of future minimum rental payments required under the real estate lease agreement as of March 31, 2019:

Year Ended March 31,		Amount
2020	$	268,700
2021		274,000
2022		45,850
Total minimum payments	$	588,550

Note 7 – Common Stock

As of March 31, 2019 and 2018, 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 8 – Significant Customers

During the years ended March 31, 2019 and 2018, approximately $5,400,000 and $8,900,000 of the Company's sales, excluding amounts billed for consulting revenue by affiliate, were to two and three customers, respectively. Amounts due from these customers and included in accounts receivable, trade, at March 31, 2019 and 2018 amounted to approximately $897,000 and $1,100,000, respectively.

Note 9 – Retirement Plan

Supplemental Executive Retirement Plan

The Company has in effect a non-qualified deferred compensation arrangement for certain select employees. All contributions made by the Company is subject to a four (4) year vesting period starting on the date the contribution was made and will be allocated to each participant's individual account within the Plan's investment account. As of March 31, 2019, there were no amounts contributed to the plan by the Company. As of March 31, 2018, the amount contributed to the plan by the Company amounted to $150,000. Contributions accumulated under the Plan are invested in marketable securities and are carried at fair market value, which as of March 31, 2019 and 2018 amounted to $689,901 and $638,225, respectively, and is included in investments on the accompanying balance sheets. (See Note 2).

Corporate Owned Incentive Life Insurance Plan

The Company has in effect a nonqualified deferred pension life insurance Plan for all eligible employees. Each employee participant may elect to defer compensation to the Plan pre-tax, subject to Internal Revenue Service limitations.

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 10 – Supplemental Disclosure Cash Flow Information

Cash (received) paid for income taxes during the years ended March 31, 2019 and 2018 consists of the following:

		2019		2018
Income taxes, net	$	**(58,075)**	$	320,735

Supplemental information of non-cash financing activities:

During the year ended March 31, 2018, the Company entered into a non-cash financing activity whereby outstanding advances payable to its parent Company, amounting to $679,105 were reclassified to additional paid-in-capital.

vCUSTOMER PHILIPPINES, INC.

Board of Directors
Mr. Anand Achuthan
Mr. Uttiya Sengupta
Mr. Narinder Singh Sethi
Ms. Lynette De Guzman
Ms. Jeane R.T Montes

Registered Office
3rd Floor eCommerce Plaza, Eastwood City Cyberpark,
Bagumbayan, Quezon City Philippines 1110

Bankers
UNION BANK OF THE PHILIPPINES

Auditors
Navarro Amper & Co.

vCUSTOMER PHILIPPINES, INC.

DIRECTORS' REPORT

Your Directors present their Report together with the audited accounts of vCustomer Philippines, Inc. (vCPI) for the year ended March 31, 2019.

Financial Results (PHP):

For the years ended	**March 31, 2019**	March 31, 2018
Revenue	**393,817,830**	423,210,795
Profit	**29,314,511**	48,398,583

Review of Operations:

For the fiscal year ended March 31, 2019, vCPI reported revenue amounted to PHP 393,817,830, a decrease of PHP 29,392,965 over the last reporting year ended March 31, 2018. Profit/Loss for the fiscal year ended March 31, 2019 amounted to PHP 29,314,511, 39% decrease over the last reporting year.

Future Plans and Appropriations:

vCPI made a reversal of the Appropriated Retained Earnings of PHP 228 million intended for the expansion projects due to the completion of the said projects. Additional appropriation of PHP 260 million from its current retained earnings as at March 31, 2019 to be used by the Company for its expansion projects, office renovation and equipment upgrade in the year 2019 until 2021. vCPI is expecting engagement of additional account/clients and increase and employee headcount.

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
Director/Chief Finance Officer

Date: May 14, 2019

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders

vCUSTOMER PHILIPPINES, INC. AND A SUBSIDIARY

3rd Floor, eCommerce Plaza, Eastwood Cyberpark
Quezon City, Philippines

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of vCustomer Philippines, Inc. and a Subsidiary, (the Group), which comprise the consolidated statements of financial position as at March 31, 2019 and 2018, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at March 31, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with PFRS, 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.

In preparing the consolidated financial statements, Management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are responsible for overseeing Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

Navarro Amper & Co.
BOA Registration No. 0004, valid from November 12, 2018 to July 16, 2021
SEC Accreditation No. 0001-FR-5, issued on January 15, 2019; effective until January 14, 2022, Group A
TIN 005299331

By:

Joeffrey Mark P. Ferrer
Partner
CPA License No. 0115793
SEC P.A. A-843-A issued on May 2, 2019: effective until September 2, 2019, Group A
TIN 211965340
BIR A.N. 08-002552-058-2018, issued on October 30, 2018; effective until October 30, 2021
PTR No. A-4255741, issued on January 10, 2019, Taguig City

Taguig City, Philippines
May 14, 2019

STATEMENTS OF FINANCIAL POSITION

	Notes	As at March 31	
		2019	2018
ASSETS			
Current Assets			
Cash and cash equivalents	6	**P246,919,062**	P202,481,942
Trade and other receivables	7	**30,806,459**	43,691,467
Prepaid expenses	8	**12,273,862**	17,710,555
Refundable deposits - current portion	12	**70,000**	6,816,951
Total Current Assets		**290,069,383**	270,700,915
Non-current Assets			
Property and equipment - net	9	**22,930,758**	18,696,211
Investment in a subsidiary	10	**9,499,950**	9,499,950
Intangible asset - net	11	**76,111**	144,444
Refundable deposits - net of current portion	12	**11,847,201**	-
Total Non-current Assets		**44,354,020**	28,340,605
		P334,423,403	P299,041,520
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	13	**P 33,101,488**	P 28,837,116
Income tax payable		**2,229,060**	3,149,216
Total Current Liabilities		**35,330,548**	31,986,332
Non-current Liabilities			
Retirement benefit obligation	19	**6,320,034**	3,709,506
Deferred tax liability	21	**131,432**	18,804
Total Non-current Liabilities		**6,451,466**	3,728,310
Total Liabilities		**41,782,014**	35,714,642
Equity			
Share capital	15	**9,500,000**	9,500,000
Additional paid-in capital	15	**156,044**	156,044
Total Paid-in Capital		**9,656,044**	9,656,044
Retained earnings		**263,580,034**	233,448,301
Cumulative remeasurement gain on retirement benefits	19	**19,405,311**	20,222,533
		292,641,389	263,326,878
		P334,423,403	P299,041,520

See accompanying Notes to Financial Statements.

vCUSTOMER PHILIPPINES, INC.

STATEMENTS OF COMPREHENSIVE INCOME

	Notes	For the Years Ended March 31	
		2019	2018
Service Revenue	14	**P393,817,830**	P423,210,795
Cost of Services	16	**230,277,927**	266,677,748
Gross Profit		**163,539,903**	156,533,047
Operating Expenses	17	**128,773,357**	118,067,818
Income from Operation		**34,766,546**	38,465,229
Other Income - net			
Other income	9, 13	**1,373,644**	1,919,968
Foreign exchange gain - net		**2,563,821**	4,089,278
Interest income	6	**202,091**	167,261
		4,139,556	6,176,507
Profit Before Tax		**38,906,102**	44,641,736
Income Tax Expense	20	**8,774,369**	8,726,241
Net Income		**30,131,733**	35,915,495
Other Comprehensive Income			
Item that will not be reclassified subsequently to profit or loss			
Remeasurement gains (loss) on retirement benefits	19	**(817,222)**	12,483,088
		P 29,314,511	P 48,398,583

See accompanying Notes to Financial Statements.

STATEMENTS OF CHANGES IN EQUITY

	Notes	For the Years Ended March 31	
		2019	2018
SHARE CAPITAL	15	**P 9,500,000**	P 9,500,000
ADDITIONAL PAID-IN CAPITAL	15	**156,044**	156,044
RETAINED EARNINGS			
Appropriated			
Balance at beginning of year		**228,000,000**	195,000,000
Appropriation for business expansion	15	**260,000,000**	228,000,000
Reversal of appropriation	15	**(228,000,000)**	(195,000,000)
Balance at end of year		**260,000,000**	228,000,000
Unappropriated			
Balance at beginning of year	15	**5,448,301**	2,532,806
Net profit during the year		**30,131,733**	35,915,495
Appropriation for business expansion	15	**(260,000,000)**	(228,000,000)
Reversal of appropriation	15	**228,000,000**	195,000,000
Balance at end of year		**3,580,034**	5,448,301
Total Retained Earnings		**263,580,034**	233,448,301
CUMULATIVE REMEASUREMENT GAIN (LOSS) ON RETIREMENT BENEFITS			
Item that will not to be reclassified subsequently to profit or loss			
Balance at beginning of year		**20,222,533**	7,739,445
Remeasurement gain (loss) during the year	19	**(817,222)**	12,483,088
		19,405,311	20,222,533
		P292,641,389	P263,326,878

See accompanying Notes to Financial Statements.

vCUSTOMER PHILIPPINES, INC.

STATEMENT OF CASH FLOW

	Notes	For the Years Ended March 31	
		2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax		**P 38,906,102**	P 44,641,736
Adjustments for:			
Depreciation and amortization	9, 11	**12,694,074**	16,303,671
Retirement benefits costs	20	**1,793,306**	4,846,387
Write-off of payables	13	**(1,373,644)**	(1,884,968)
Interest income	6	**(202,091)**	(167,261)
Unrealized foreign exchange gain - net		**(2,628,638)**	(376,083)
Gain on sale of property and equipment	9	**-**	(35,000)
Operating profit before working capital changes		**49,189,109**	63,328,482
Changes in operating assets and liabilities:			
Decrease (Increase) in:			
Trade and other receivables		**12,885,008**	(5,431,216)
Prepaid expenses		**5,436,693**	(11,048,438)
Refundable deposits		**(5,100,250)**	1,394,550
Increase in trade and other payables		**5,637,326**	2,018,215
Cash generated from operations		**68,047,886**	50,261,593
Income tax paid		**(9,581,897)**	(7,805,959)
Interest received	6	**202,091**	167,261
Net cash generated from operating activities		**58,668,080**	42,622,895
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of property and equipment	9	**(16,860,288)**	(16,052,123)
Acquisitions of intangible assets	11	**-**	(205,000)
Proceeds on disposal of property and equipment	9	**-**	35,000
Net cash used in investing activities		**(16,860,288)**	(16,222,124)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		**2,629,328**	262,089
NET INCREASE IN CASH AND CASH EQUIVALENTS		**44,437,120**	26,662,860
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**202,481,942**	175,819,082
CASH AND CASH EQUIVALENTS AT END OF YEAR		**P246,919,062**	P202,481,942

See accompanying Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS
AS AT AND FOR THE YEARS ENDED MARCH 31, 2019 AND 2018

1. CORPORATE INFORMATION

vCustomer Philippines, Inc. (the "Company") was registered with the Securities and Exchange Commission (SEC) on February 24, 2010. The primary purpose of the 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 Company is formerly 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 (TML) ("the Ultimate Parent"), a corporation also organized and existing under the laws of India. Effective March 29, 2016, the Company became directly a wholly owned subsidiary of the Ultimate Parent as a result of merger of New vC Services Private Limited and the Ultimate Parent.

The Company's registered principal office address is at 3rd Floor, eCommerce Plaza, Eastwood Cyberpark, Quezon City, Philippines.

Registration with the Philippine Economic Zone Authority (PEZA)

The Company was registered with the PEZA as an Ecozone IT Enterprise at the Eastwood City Cyberpark on March 29, 2010. The Company took over the vCustomer Services India Private Limited (vSIPL)-Philippine Branch's (Philippine Branch) operations effective April 1, 2010.

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 (GIT) incentive, in lieu of all national and local taxes.

On December 28, 2011, 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 of November 1, 2012 to October 31, 2013.

On May 23, 2014, PEZA approved the Company's application for extension of ITH based on Capital Equipment to Labor Ratio (CELR) criterion in accordance with EPZA (now PEZA) General 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, the Company's entitlement to ITH lapsed. Starting November 2014, the Company's PEZA registered activities are subject to 5% GIT in lieu of all taxes.

2. FINANCIAL REPORTING FRAMEWORK AND BASIS OF PREPARATION STATEMENT OF COMPLIANCE

The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS), which includes all applicable PFRS, Philippine Accounting Standards (PAS), and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), Philippine Interpretations Committee (PIC) and Standing Interpretations Committee (SIC) as approved by the Financial Reporting Standards Council (FRSC) and the Board of Accountancy (BOA), and adopted by the SEC.

Basis of Adoption

The Company is qualified to adopt the Philippine Financial Reporting Standard for Small and Medium-Sized Entities (PFRS for SMEs) under the criteria set by the SEC. However, the Company chose to adopt the full PFRS on the ground that it is a subsidiary of a Company reporting under the full International Financial Reporting Standards ("full IFRS").

Basis of Preparation

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

- Certain financial instruments carried at amortized cost; and
- Defined benefit obligation recognized as the present value of the obligation.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Functional and Presentational Currency

These financial statements are presented in Philippine Peso, the currency of the primary economic environment in which the Company operates. All amounts are recorded in the nearest peso, except when otherwise indicated.

Separate Financial Statements

These are the Company's separate financial statements. Separate financial statements are those presented by a parent, an investor in an associate or a venture in a jointly controlled entity, in which the investments are accounted for on the basis of the direct equity interest rather than on the basis of the reported results and net assets of the investees. In addition, the Company's also prepares consolidated financial statements as its primary financial statements.

3. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

Adoption of New and Revised Accounting Standards Effective in 2018

The Company adopted all accounting standards and interpretations as at March 31, 2019. The following new and revised accounting standards and interpretations that have been published by the International Accounting Standards Board (IASB) and issued by the FRSC in the Philippines, were assessed to be applicable to the Company's financial statements, are as follows:

PFRS 15, *Revenue from Contracts with Customers*

The standard combines, enhances, and replaces specific guidance on recognizing revenue with a single standard. An entity will recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

It defines a new five-step model to recognize revenue from customer contracts:

- Identify the contract(s) with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognize revenue when (or as) the entity satisfies a performance obligation.

Application of this guidance will depend on the facts and circumstances present in a contract with a customer and will require the exercise of judgment.

The application of the new accounting standard did not have a significant impact on the Company's financial statements as the Company does not have complex revenue transactions. The Company has a straightforward recognition of revenue, wherein it bills the Ultimate Parent for all costs and expenses incurred plus a fixed mark-up for services rendered.

Amendments to PFRS 15, *Clarifications to PFRS 15*

The amendments in the standard addresses three topics namely identifying performance obligations, principal versus agent considerations, and licensing and provide some transition relief for modified contracts and completed contracts.

- Added a clarification that the objective of the assessment of a promise to transfer goods or services to a customer is to determine whether the nature of the promise, within the context of the contract, is to transfer each of those goods or services individually or, instead, to transfer a combined item or items to which the promised goods or services are inputs;
- Clarification on how to assess control in in determining whether a party providing goods or services is a principal or an agent; and
- Clarification on when an entity's activities significantly affect the intellectual property by amending the application guidance.

The application of the amendments did not have a significant impact on the Company's financial statements as the Company does not have complex revenue transactions. The Company has a straightforward recognition of revenue, wherein it bills the Ultimate Parent for all costs and expenses incurred plus a fixed mark-up for services rendered.

PFRS 9, *Financial Instruments (2014)*

The Company has applied PFRS 9 and the related consequential amendments to other PFRS Standards.

The Company has elected to apply the modified retrospective approach. Consequently, the Company did not restate comparatives in respect of the classification and measurement of financial instruments, impairment of financial assets and general hedge accounting.

PFRS 9 introduced new requirements for:

- classification and measurement of financial assets and financial liabilities;
- impairment of financial assets; and
- general hedge accounting.

(a) *Classification and measurement of financial assets and financial liabilities*

All recognized financial assets that are within the scope of PFRS 9 are required to be measured subsequently at amortized cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Specifically:

- debt instruments 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 amount outstanding, are measured subsequently at amortized cost;
- debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at fair value through other comprehensive income (FVTOCI); and
- all other debt investments and equity investments are measured subsequently at fair value through profit or loss (FVTPL).

  Despite the foregoing, the Company may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Company may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination in other comprehensive income; and
- the Company may irrevocably designate a debt investment that meets the amortized cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

This standard also contains requirements for the classification and measurement of financial liabilities and derecognition requirements. Specifically, PFRS 9 requires that changes in the fair value of the financial liability attributable to changes in the credit risk of that liability be presented in other comprehensive income (OCI), unless the recognition of the effects of changes in the liability's credit risk in OCI 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, but are instead transferred to retained earnings when the financial liability is derecognized.

The application of the new accounting standard did not have a significant impact on the Company's financial statements as the Company's financial assets and liabilities will continue to be measured at amortized cost.

(b) Impairment of financial assets

The impairment model under this standard reflects expected credit losses (ECL), as opposed to incurred credit losses under PAS 39. Under the impairment approach of this standard, it is no longer necessary for a credit event to have occurred before credit losses are recognized. Instead, an entity always accounts for expected credit losses and changes in those expected credit losses. The amount of expected credit losses should be updated at each reporting date to reflect changes in credit risk since initial recognition.

In particular, PFRS 9 requires the Company to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset. However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), the Company is required to measure the loss allowance for that financial instrument at an amount equal to 12-month ECL. PFRS 9 also requires a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables, contract assets and lease receivables in certain circumstances.

The application of the new accounting standard did not have a significant impact on the Company's financial statements as no ECL was recognized for the year for the Company's financial assets and liabilities as there have been no changes in credit risk since initial recognition.

(c) General hedge accounting

The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about the Company's risk management activities have also been introduced.

The application of the new accounting standard did not have a significant impact on the Company's financial statements as the Company does not have any hedging transactions.

Annual Improvements to PFRS 2014-2016 Cycle

The annual improvements address the following issues:

Amendments to PFRS 1, *First-time Adoption of International Financial Reporting Standards*

The amendments include the deletion of short-term exemptions stated in the appendix of PFRS 1, because they have now served their intended purpose.

Amendments to PAS 28, *Investments in Associates and Joint Ventures*

The amendments clarify that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is a venture capital organization, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.

The amendments did not have a significant impact on the Company's financial statements, as the Company is neither a first time adopter of PFRS nor a venture capital organization. Furthermore, the Company does not have any associate or joint venture that is an investment entity.

Philippine Interpretation IFRIC 22, *Foreign Currency Transactions and Advance Consideration*

The interpretation covers foreign currency transactions when an entity recognizes a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration before the entity recognizes the related asset, expense or income. It does not apply when an entity measures the related asset, expense or income on initial recognition at the fair value of the consideration received or paid at a date other than the date of initial recognition of the non-monetary asset or non-monetary liability.

The application of the interpretation did not have an impact on the Company's financial statements. This is because the Company already accounts for the transactions involving payment of receipts of advance consideration in a foreign currency in a way that is consistent with the interpretation.

New Accounting Standards Effective after the Reporting Period Ended March 31, 2019

The Company will adopt the following PFRS once these become effective:

PFRS 16, *Leases*

This standard specifies how a PFRS reporter will recognize, measure, present and disclose leases. It provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value.

A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the identified asset's use and to obtain substantially all the economic benefits from that use. An asset is typically identified by being explicitly specified in a contract, but an asset can also be identified by being implicitly specified at the time it is made available for use by the customer.

Lessors continue to classify leases as operating or finance, with PFRS 16's approach to lessor accounting substantially unchanged from its predecessor, PAS 17, *Leases*.

The standard is effective for annual reporting periods beginning on or after January 1, 2019. Earlier application is permitted only if PFRS 15 is also adopted.

The Management of the Company does not anticipate that the application of the standard in the future will have material impact on the Company's financial statements but will result in the recognition of right-of-use asset, lease liability and additional disclosures to the financial statements.

Amendments to PFRS 9, *Prepayment Features with Negative Compensation*

The amendments include:

Changes regarding symmetric prepayment options

Under the amendments, the sign of the prepayment amount is not relevant, i.e. depending on the interest rate prevailing at the time of termination, a payment may also be made in favor of the contracting party effecting the early repayment. The calculation of this compensation payment must be the same for both the case of an early repayment penalty and the case of an early repayment gain.

Clarification regarding the modification of financial liabilities

The amendments contain a clarification regarding the accounting for a modification or exchange of a financial liability measured at amortized cost that does not result in the derecognition of the financial liability. An entity recognizes any adjustment to the amortized cost of the financial liability arising from a modification or exchange in profit or loss at the date of the modification or exchange. A retrospective change of the accounting treatment may therefore become necessary if in the past the effective interest rate was adjusted and not the amortized cost amount.

The amendments are effective for periods beginning on or after January 1, 2019. Earlier application is permitted.

The Management of the Company does not anticipate that the application of the amendments in the future will have a material impact on the Company's financial statements.

PAS 28, *Long-term Interests in Associates and Joint Ventures*

The amendment clarifies that an entity applies PFRS 9 including its impairment requirements, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

The amendment is effective for periods beginning on or after January 1, 2019. Earlier application is permitted.

The Management of the Company does not anticipate that the application of the amendments in the future will have any impact on the Company's financial statements as the Company does not have long-term interests in associates and joint ventures.

New Accounting Standards Effective after the Reporting Period Ended March 31, 2019 - Adopted by FRSC but pending for approval by BOA

The Company will adopt the following once these become effective.

Philippine Interpretation IFRIC 23, *Uncertainty over Income Tax Treatments*

This interpretation applies in determining the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under PAS 12, *Income Taxes*.

An entity has to consider whether it is probable that the relevant authority will accept each tax treatment, or group of tax treatments, that it used or plans to use in its income tax filing.

- If the entity concludes that it is probable that a particular tax treatment is accepted, the entity has to determine taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment included in its income tax filings; and

- If the entity concludes that it is not probable that a particular tax treatment is accepted, the entity has to use the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The decision should be based on which method provides better predictions of the resolution of the uncertainty.

An entity has to reassess its judgements and estimates if facts and circumstances change.

The interpretation is effective for annual reporting periods beginning on or after April 1, 2019. Earlier application is permitted.

The Management is still evaluating the impact of this interpretation on the Company's determination of taxable profit/ loss and tax rate.

Amendments to PAS 19, *Plan Amendment, Curtailment or Settlement*

The amendments in Plan Amendment, Curtailment or Settlement are:

- If a plan amendment, curtailment or settlement occurs, it is now mandatory that the current service cost and the net interest for the period after the remeasurement are determined using the assumptions used for the remeasurement; and

- In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling.

The amendments are effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted.

Management is still evaluating the impact of these amendments on the Company's financial statements.

Annual Improvements to PFRS 2015-2017 Cycle

Amendments to PAS 12, *Income Tax Consequences of Payments on Financial Instruments classified as Equity*

The amendments clarify that the requirements in the former paragraph 52B (to recognize the income tax consequences of dividends where the transactions or events that generated distributable profits are recognized) apply to all income tax consequences of dividends by moving the paragraph away from paragraph 52A that only deals with situations where there are different tax rates for distributed and undistributed profits.

Amendments to PAS 1 and PAS 8, *Definition of Material*

The amendments relate to a revised definition of 'material':

Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

Three new aspects of the new definition include (i) obscuring; (ii) could reasonably be expected to influence; and (iii) primary users.

The amendments stress especially five ways material information can be obscured:

- if the language regarding a material item, transaction or other event is vague or unclear;

- if information regarding a material item, transaction or other event is scattered in different places in the financial statements;

- if dissimilar items, transactions or other events are inappropriately aggregated;

- if similar items, transactions or other events are inappropriately disaggregated; and

- if material information is hidden by immaterial information to the extent that it becomes unclear what information is material.

The amendments are effective for periods beginning on or after January 1, 2020. Earlier application is permitted.

The Management of the Company is still evaluating the impact of the amendments.

Amendments to PFRS 3, *Definition of Business*

The amendments are to:

- clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs;

- narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs;

- add guidance and illustrative examples to help entities assess whether a substantive process has been acquired;

- remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs; and

- add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

The amendments are effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020 and to asset acquisitions that occur on or after the beginning of that period.

The Management of the Company is still evaluating the impact of the amendments.

PFRS 17, *Insurance Contracts*

PFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of PFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows.

The key principles in PFRS 17 are that an entity:

- identifies as insurance contracts those contracts under which the entity accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder;
- separates specified embedded derivatives, distinct investment components and distinct performance obligations from the insurance contracts;
- divides the contracts into groups that it will recognize and measure;
- recognizes and measures groups of insurance contracts at:
  i. a risk-adjusted present value of the future cash flows (the fulfilment cash flows) that incorporates all of the available information about the fulfilment cash flows in a way that is consistent with observable market information; plus (if this value is a liability) or minus (if this value is an asset)
  ii. an amount representing the unearned profit in the group of contracts (the contractual service margin);
- recognizes the profit from a group of insurance contracts over the period the entity provides insurance cover, and as the entity is released from risk. If a group of contracts is or becomes loss-making, an entity recognizes the loss immediately;
- presents separately insurance revenue (that excludes the receipt of any investment component), insurance service expenses (that excludes the repayment of any investment components) and insurance finance income or expenses; and
- discloses information to enable users of financial statements to assess the effect that contracts within the scope of PFRS 17 have on the financial position, financial performance and cash flows of an entity.

PFRS 17 includes an optional simplified measurement approach, or premium allocation approach, for simpler insurance contracts.

The standard is effective for periods beginning on or after January 1, 2021. Earlier application is permitted.

The Management of the Company does not anticipate that the new standard will have an impact to the financial statements since the Company does not have insurance contracts.

4. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and practices applied in the preparation of these financial statements are set forth to facilitate the understanding of data presented in the financial statements. These policies have been consistently applied to all years presented, unless otherwise stated.

Financial Assets

Accounting Policies applied before April 1, 2018

The Company has applied PFRS 9 retrospectively but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the Company's previous accounting policy.

Initial recognition

Financial assets are recognized in the Company's financial statements when the Company becomes a party to the contractual provisions of the instrument. Financial assets are recognized initially at fair value. Transaction costs are included in the initial measurement of the Company's financial assets, except for investments classified at FVTPL.

Classification and subsequent measurement

Financial assets are classified into the following specified categories: financial assets at FVTPL, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

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, loans and receivables are subsequently measured at amortized cost using the effective interest method, less any impairment and are included in current assets, except for maturities greater than 12 months after the end of reporting period.

The effective interest method is a method of calculating the amortized 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 through the expected life of the debt instrument or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

The Company's financial assets classified under this category include cash and cash equivalents, trade and other receivables, and refundable deposit.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when 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 investment have been affected.

Objective evidence of impairment

For all financial assets carried at amortized cost, objective evidence of impairment includes:

- significant financial difficulty of the issuer or counter party;
- breach of contract, such as default or delinquency in interest or principal payments;
- the lender, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- it has become probable that the borrower will enter bankruptcy or financial re-organization; or the disappearance of an active market for that financial asset because of financial difficulties; and
- observable date indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identifying with the individual financial assets in the group.

Financial assets carried at amortized cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortized 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 excluding future credit losses that have not been incurred, discounted at the financial asset's original effective interest rate, i.e., the effective interest rate computed at initial recognition.

The carrying amount of financial assets carried at amortized cost is reduced directly by the impairment loss with the exception of receivables, wherein the carrying amount is reduced through the use of an allowance account. When receivables are considered uncollectible, these are 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 recognized in profit or loss.

In a subsequent period, if the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss shall be reversed. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortized cost would have been had the impairment not been recognized at the date the impairment is reversed. The amount of the reversal shall be recognized in profit or loss.

Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire; or when the Company 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 recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risk and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

Accounting Policies applied from April 1, 2018

Initial recognition

Financial assets are recognized in the Company's financial statements when the Company becomes a party to the contractual provisions of the instrument. Financial assets are recognized initially at fair value.

Transaction costs are included in the initial measurement of the Company's financial assets, except for investments classified at fair value through profit or loss (FVTPL). Transaction costs directly attributable to the acquisition of financial assets classified as at FVTPL are recognized immediately in profit or loss.

Classification and subsequent measurement

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Financial assets are subsequently measured at amortized cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, as follows:

- financial assets 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 amount outstanding (SPPI), are subsequently measured at amortized cost;
- financial assets that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are SPPI, are subsequently measured at FVTOCI; and
- all other financial assets managed on their fair value basis and equity instruments are subsequently measured at FVTPL.

  However, the Company may make the following irrevocable election/designation at initial recognition of a financial asset on an asset-by-asset basis:

- the Company may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which PFRS 3 applies, in OCI; and
- the Company may irrevocably designate a debt instrument that meets the amortized cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).

Amortized cost and effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses (ECL) on financial assets that are measured at amortized cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. lifetime ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Company under the contract and the cash flows that the Company expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's effective interest rate.

The Company measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original effective interest rate (EIR), regardless of whether it is measured on an individual basis or a collective basis.

The Company always recognizes lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

The Company considers that if the borrower is unlikely to pay its credit obligations to the Company in full constitutes an event of default.

When assessing if the borrower is unlikely to pay its credit obligation, the Company takes into account both qualitative and quantitative indicators. The information assessed depends on the type of the asset, for example in corporate lending a qualitative indicator used is the breach of covenants, which is not relevant for retail lending. Quantitative indicators, such as overdue status and non-payment on another obligation of the same counterparty are key inputs in this analysis. The Company uses a variety of sources of information to assess default which are either developed internally or obtained from external sources.

Significant increase in credit risk

The Company monitors all financial assets that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Company will measure the loss allowance based on lifetime rather than 12-month ECL.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognized. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Company's historical experience and expert credit assessment including forward-looking information.

Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the asset's cash flows expire or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred 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 recognizes 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 recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

On derecognition of a financial asset other than in its entirety, the Company allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized is recognized in profit or loss.

Write-off

Financial assets are written off when the Company has no reasonable expectations of recovering the financial asset either in its entirety or a portion of it. This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position for financial assets measured at amortized cost as a deduction from the gross carrying amount of the assets.

Prepayments

Prepayments represent expenses not yet incurred but already paid in cash. Prepayments are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are charged to profit or loss as they are consumed in operations or expire with the passage of time.

Prepayments are classified in the statements of financial position as current asset when the cost of services related to the prepayments are expected to be incurred within one year or the Company's normal operating cycle, whichever is longer. Otherwise, prepayments are classified as non-current assets.

Investments in Subsidiaries

A subsidiary is an entity, including an unincorporated entity such as a partnership that is controlled by the Company.

Investments in subsidiaries are measured initially at cost. Subsequent to initial recognition, investment in subsidiaries are carried in the Company's separate financial statements at cost less any accumulated impairment losses.

The Company's accounting policy for impairment of financial assets are applied to determine whether it is necessary to recognize any impairment loss with respect to its investment in subsidiary. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with the Company's accounting policy on impairment of tangible and intangible assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount, any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The investments in subsidiaries are derecognized upon disposal or when no future economic benefits are expected to arise from the investment. Gain or loss arising on the disposal is determined as the difference between the sales proceeds and the carrying amount of the investment in subsidiary and is recognized in profit or loss.

Property and Equipment

Property and equipment are initially measured at cost.

At the end of each reporting period, item of property and equipment are measured at cost less any subsequent accumulated depreciation, amortization and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset, such as:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by Management.

At the end of each reporting period, item of property and equipment measured using the cost model are carried at cost less any subsequent accumulated depreciation and impairment losses.

Depreciation is computed on the straight-line method based on the estimated useful lives of the assets as follows:

	Number of years
Office equipment	5
Communication equipment	3
Furniture and fixtures	3

Leasehold improvements are depreciated over the improvements' useful life of three years or when shorter, the term of the relevant lease.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Intangible Assets

Intangible assets are initially measured at cost. Subsequent to initial recognition, intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over the estimated useful lives. The estimated useful life and the amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

The Company's intangible assets are amortized over a 5-year useful life.

Impairment of Tangible and Intangible Assets

At the end of each reporting period, the Company assesses whether there is any indication that any of its property and equipment and intangible assets may 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. When 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. When a reasonable and consistent basis of allocation can be identified, 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. 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 for which the estimates of future cash flows have not been adjusted.

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 or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized as an expense, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Impairment losses recognized in prior periods are assessed at the end of each reporting period for any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. A reversal of an impairment loss is recognized as income.

Financial Liabilities and Equity Instruments

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and equity instrument.

Financial liabilities

Accounting policies applied before April 1, 2018

The Company has applied PFRS 9 retrospectively but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the Company's previous accounting policy.

Initial recognition and subsequent measurement

Financial liabilities are recognized in the Company's financial statements when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially recognized at fair value.

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

Other financial liabilities

Since the Company does not have financial liabilities classified at FVTPL, all financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

Derecognition of financial liabilities

Financial liabilities are derecognized by the Company when the obligation under the liability is discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

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. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Ordinary shares

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

Retained earnings

Retained earnings represent accumulated profit attributable to equity holders of the Company after deducting dividends declared. Retained earnings may also include effect of changes in accounting policy as may be required by the standard's transitional provisions.

Accounting policies applied from April 1, 2018

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company or a contract that will or may be settled in the Company's own equity instruments and is a non-derivative contract for which the Company is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments.

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) held for trading, or (ii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been 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 the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities at FVTPL are stated at fair value, with any gains/losses arising on remeasurement recognized in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain/loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in profit or loss.

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The EIR is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Since the Company does not have financial liabilities classified at FVTPL, all financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

Offsetting financial instruments

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

A right to offset must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

Derecognition

Financial liabilities are derecognized by the Company when the obligation under the liability is discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Provisions, Contingent Liabilities and Contingent Assets

Employee Benefits

Short-term benefits

The Company recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. A liability is also recognized for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

Post-employment benefits

Defined benefit plan

The Company classifies its retirement benefit as defined benefit plans. Under the defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement.

The Company presents the first two components of defined benefit costs in profit or loss in the line item retirement benefit costs. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognized in the statements of financial position represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Revenue Recognition

Accounting policies applied before April 1, 2018

The Company has applied PFRS 15 retrospectively but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the Company's previous accounting policy.

Rendering of services

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business.

Revenue from a contract to provide services is recognized by reference to the stage of completion of the contract. Under this method, revenue is recognized in the accounting periods in which the services are rendered. Revenue from a contract to provide services is recognized when all of 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 can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Revenue from services in connection with the Company's duties under the terms and conditions of the agreement with the Parent Company is considered earned at the end of each month. A fee that is equivalent to total costs and expenses plus an established mark-up rate of 10% is charged to the Parent Company.

Accounting policies applied from April 1, 2018

The Company utilized the five-step model:

Step 1: Identify the contract(s) with a customer;

Step 2: Identify the performance obligations in the contract;

Step 3: Determine the transaction price;

Step 4: Allocate the transaction price to the performance obligations in the contract; and

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

Step 1: Identifying a contract with customer

The Company accounts for a contract with a customer when all of the following are met:

- the parties to the contract have approved the contract and are committed to perform their respective obligations;
- the Company can identify each party's rights regarding the goods or services to be transferred;
- the Company can identify the payment terms for the goods or services to be transferred;
- the contract has commercial substance; and
- it is probable that the Company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

In evaluating whether collectability of an amount of consideration is probable, the Company considers the customer's ability and intention to pay that amount of consideration when it is due.

Step 2: Identifying performance obligations

At contract inception, the Company assessed the goods or services promised in a contract with a customer and identified each promise to transfer to the customer [a good or service that is distinct, a bundle of goods or services that is distinct; a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer] as a performance obligation.

Step 3: Determine transaction price

The Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocating transaction price to performance obligations

The Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised goods or services to the customer.

Expected cost plus a margin approach

The Company forecasts its expected costs of satisfying a performance obligation and then add an appropriate margin for that service.

Step 5: Satisfaction of performance obligations

The Company recognizes revenue as the entity satisfies a performance obligation by transferring a promised service to a customer.

Sale of services

The Company provides services assistance to its Parent Company in the ordinary course of business. Such services are recognized as a performance obligation satisfied over time.

Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time proportion basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Other income

Other income are income generated outside the normal course of business and are recognized when it is probable that the economic benefits will flow to the Company and it can be measured reliably.

Expense Recognition

Expenses are recognized in profit or loss when decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. Expenses are recognized in profit or loss: on the basis of a direct association between the costs incurred and the earning of specific items of income; on the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined; or immediately when an expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify, or cease to qualify, for recognition in the statements of financial position as an asset.

Expenses in the statements of comprehensive income are presented using the function of expense method. Cost of services are expenses incurred that are associated with the services rendered and include salaries and wages, communication, light and water, production supplies and others. General and administrative expenses are costs attributable to administrative and other business activities of the Company.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as Lessee

Operating lease

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except when another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis, except when another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Foreign Currency

Foreign currency transactions

Transactions in currencies other than functional currency of the Company are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period.

Related Party Transactions

A related party transaction is a transfer of resources, services or obligations between the Company and a related party, regardless of whether a price is charged.

Parties are considered related if one party has control, joint control, or significant influence over the other party in making financial and operating decisions. An entity that has a post-employment benefit plan for the employees of the Company and the key management personnel of the Company are also considered to be related parties.

Taxation

Income tax expense recognized in the statements of comprehensive income of the Company represents the current tax expense and deferred tax expense.

Under the Company's registration with the Philippine Economic Zone Authority (PEZA) pursuant to the provisions of Republic Act (R.A.) No. 7916, The Special Economic Zone Act of 1995, the Company is subject to 5% final tax on gross income from PEZA-registered activities in lieu of payment of national and local taxes.

Current tax

The current tax expense is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statements of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using preferential rate of 5% on gross income and normal tax rate of 30%, for registered and unregistered activities respectively.

Deferred tax

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences, while deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of 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 asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Events after the Reporting Period

The Company identifies events after the end of each reporting period as those events, both favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. The financial statements of the Company are adjusted to reflect those events that provide evidence of conditions that existed at the end of the reporting period. Non-adjusting events after the end of the reporting period are disclosed in the notes to the financial statements when material.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, Management is required to make judgments, estimates and assumptions about the carrying amounts of assets that are not readily apparent from other sources. The estimates and associated assumptions are based on the historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical Judgments in Applying Accounting Policies

The following are the critical judgments, apart from those involving estimations, that Management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in financial statements.

<u>Functional currency</u>

Based on the economic substance of the underlying circumstances relevant to the Company, the functional currency of the Company has determined to be 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 Company's cost of operation, and in effect, its revenue.

<u>Leases</u>

The evaluation of whether an arrangement contains a lease is based on its substance. An arrangement is, or contains, a lease when the fulfillment of the arrangement depends on a specific asset or assets and the arrangement conveys the right to use the asset.

Classification of lease as operating lease

Based on Management evaluation, the lease arrangements entered into by Company as a lessee are accounted for as operating leases because the Company has determined that (a) the lessor will not transfer the ownership of the leased assets to the Company upon termination of the lease; and, (b) the lessor has not given the Company an option to purchase the asset at a price that is sufficiently lower than the fair value at the date of the option.

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>Discount Rate used to determine the Carrying Amount of the Company's Retirement Benefit Obligation</u>

The Company's retirement benefit obligation is discounted at a rate set by reference to market yields at the end of the report period on high quality corporate bonds. Significant judgment is required when setting the criteria for bonds to be included in the population from which the yield curve is derived. The most significant criteria considered for the selection of bonds include the issue size of the corporate bonds, quality of the bonds and the identification of outliers which are excluded.

Key Sources of Estimation Uncertainty

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:

Estimating of allowance for doubtful accounts or impairment of trade and other receivables and refundable deposits

The Company maintains allowance for doubtful accounts or impairment at a level adequate to provide for potential uncollectible receivables and refundable 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 behavior 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 on receivables and refundable deposits as at March 31, 2018. The carrying value of trade and other receivables as at March 31, 2018 amounted to P43,691,467 as shown in Note 7 while refundable deposits amounted to P6,816,951, as disclosed in Note 12.

Estimating loss allowance for expected credit losses

The Company measures expected credit losses of a financial instrument in a way that reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, the time value of money and information about past events, current conditions and forecasts of future economic conditions. When measuring ECL the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

As at March 31, 2019, Management believes that there are no expected credit losses in relation to its financial assets, accordingly, no loss allowance was recognized for the year. Total cash and cash equivalents, trade and other receivables, and refundable deposits as at March 31, 2019 amounted to P246,919,062, P30,806,459 and P11,917,201, respectively, as disclosed in Notes 6, 7 and 12, respectively.

Estimating of useful lives of property and equipment and intangible assets

Useful lives of property and equipment and intangible assets 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 expenses and decrease property and equipment and software.

The carrying value of property and equipment amounted to P22,930,758 and P18,696,211 as at March 31, 2019 and 2018, respectively, as disclosed in Note 9, respectively while carrying value of intangible assets amounted to P76,111 and P144,444, as at March 31, 2019 and 2018, respectively, as disclosed in Note 11.

Estimating of retirement benefits costs

The determination of the Company's obligation and cost for retirement benefits is dependent on management's selection of certain assumptions used by actuaries in calculating such amounts.

The assumptions for retirement benefits costs are described in Note 19 and include among others, rates of compensation increase. Other key assumptions for retirement 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 Company's 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.

Retirement benefit obligation amounted to P6,320,034 and P3,709,506 as at March 31, 2019 and 2018, respectively, as disclosed in Note 19.

Deferred tax assets

The Company reviews the carrying amounts at the end of each accounting period and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. However, there is no assurance that the Company will generate sufficient taxable profit to allow all or part of its deferred tax assets to be utilized.

The Company opted not to recognize deferred tax assets since management believes that it is unlikely that future taxable income will be available from which these deferred income tax assets will be utilized, as disclosed in Note 21.

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents at the end of the reporting period as shown in the statements of cash flows can be reconciled to the related items in the statements of financial position as follows:

	2019	2018
Cash on hand	**P 50,000**	P 50,000
Cash in banks	**111,305,062**	100,224,942
Time deposits	**135,564,000**	102,207,000
	P246,919,062	P202,481,942

Cash in banks pertain to savings and current accounts in banks which earned interest at prevailing respective bank rates. Time deposits with maturities of three months or less, earned interest based on interest rates indicated in the certificates. The average interest rate ranges from 0.38% to 0.10% per annum during 2019 and 2018.

Total interest income on cash and cash equivalents amounted to P202,091 in 2019 and P167,261 in 2018.

7. TRADE AND OTHER RECEIVABLES

This account consists of:

	Note	2019	2018
Trade	14	**P30,320,709**	P43,365,593
Advances to employees		**485,750**	262,986
Others		**-**	62,888
		P30,806,459	P43,691,467

Trade receivables arise from related party transactions, as disclosed in Note 14.

The average credit period on sales of services is 60 days. No interest is charged on the receivables.

Advances to employees pertain to the Company's claims for refund from Social Security System (SSS) for the health benefits advanced by the Company to the employees on behalf of SSS and business expenses that are subject to liquidation.

There were no receivables pledged or used as collateral for the Company's liabilities as at March 31, 2019 and 2018.

In determining the recoverability of trade and other receivables, the Company considers any change in the credit quantity of these accounts from the date credit was initially granted up to the end of each reporting period. Accordingly, Management believes that there is no loss allowance for ECL.

8. PREPAID EXPENSES

This account consists of:

	Note	2019	2018
Prepaid support services		**P 7,818,216**	P10,223,821
Prepaid insurance		**3,471,609**	3,066,431
Prepaid rent	18	**-**	25,790
Others		**984,037**	4,394,513
		P12,273,862	P17,710,555

Others include payment for the Company's program management services, advance payment for maintenance, subscription, transportation and travel, and membership fees of the Company.

9. PROPERTY AND EQUIPMENT - net

Balances and movements of the Company's property and equipment are as follows:

	Leasehold Improvements	**Office Equipment**	**Communication Equipment**	**Furniture and Fixtures**	**Total**
2019					
Cost:					
Balance at beginning of year	**P24,204,132**	**P38,453,310**	**P35,568,272**	**P5,394,189**	**P103,619,903**
Acquisitions during the year	**5,973,272**	**459,000**	**10,043,448**	**384,568**	**16,860,288**
Balance at end of year	**30,177,404**	**38,912,310**	**45,611,720**	**5,778,757**	**120,480,191**
Accumulated depreciation:					
Balance at beginning of year	**22,819,661**	**27,616,829**	**29,112,280**	**5,374,922**	**84,923,692**
Depreciation during the year	**1,538,655**	**5,383,544**	**5,638,680**	**64,862**	**12,625,741**
Balance at end of year	**24,358,316**	**33,000,373**	**34,750,960**	**5,439,784**	**97,549,433**
Net carrying value	**P5,819,088**	**P5,911,937**	**P10,860,760**	**P338,973**	**P22,930,758**

	Leasehold Improvements	Office Equipment	Communication Equipment	Furniture and Fixtures	Total
2018					
Cost:					
Balance at beginning of year	P22,625,487	P35,702,444	P33,046,195	P5,420,189	P 96,794,315
Acquisitions during the year	1,578,645	9,813,424	4,641,054	19,000	16,052,123
Disposal during the year	-	(7,062,558)	(2,118,977)	(45,000)	(9,226,535)
Balance at end of year	24,204,132	38,453,310	35,568,272	5,394,189	103,619,903
Accumulated depreciation:					
Balance at beginning of year	22,123,857	27,518,925	22,954,429	5,404,526	78,001,737
Depreciation during the year	695,804	7,160,462	8,276,828	15,396	16,148,490
Disposal during the year	-	(7,062,558)	(2,118,977)	(45,000)	(9,226,535)
Balance at end of year	22,819,661	27,616,829	29,112,280	5,374,922	84,923,692
Net carrying value	P1,384,471	P10,836,481	P6,455,992	P19,267	P18,696,211

Acquisitions of property and equipment in both years were paid in cash.

In 2018, the Company disposed various property and equipment for a total consideration of P35,000 resulting in a gain of P35,000 recorded as “Other Income” in the statements of comprehensive income. There were no disposals in 2019.

Depreciation is presented as part of the following accounts:

	Notes	2019	2018
Cost of services	16	**P 6,862,008**	P 7,332,417
Operating expenses	17	**5,763,733**	8,816,073
		P12,625,741	P16,148,490

Management believes that there are no indications of impairment on its property and equipment as at March 31, 2019 and 2018.

There were no property and equipment pledged as collateral for any of the Company’s debt. Furthermore, the Company has no contractual commitment to purchase property and equipment as at March 31, 2019 and 2018.

10. INVESTMENT IN A SUBSIDIARY

This account represents investment in vCustomer Philippines (Cebu), Inc. (the Subsidiary), a wholly owned subsidiary incorporated and domiciled in the Philippines.

The Subsidiary 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 Subsidiary’s principal place of business is located at 90 General Maxilom Avenue, Cebu City, Philippines.

The balance as at March 31, 2019 and 2018 amounting to P9,499,950 represents the acquisition cost of the Subsidiary’s shares of stocks. The Company’s Management had reviewed the carrying value of the investment in the Subsidiary as at March 31, 2019 and 2018. Based on the evaluation, there are no indications that the investment might be impaired.

Audited financial information of the Subsidiary as at and for the years ended March 31, 2019 and 2018 follows:

	2019	2018
Current Assets	**P346,733,052**	P283,508,485
Noncurrent Assets	**55,314,875**	57,612,740
Current Liabilities	**65,681,893**	71,713,728
Noncurrent Liability	**3,640,525**	1,697,415
Equity	**332,725,509**	267,710,082
Revenue	**672,362,346**	643,173,332
Net profit	**65,271,203**	58,884,263

11. INTANGIBLE ASSET - net

The rollforward analysis of this account follows:

	Note	2019	2018
Cost:			
Balance at beginning of year		**P1,802,970**	P1,597,970
Additions during the year		**-**	205,000
Balance at end of year		**1,802,970**	1,802,970
Accumulated amortization:			
Balance at beginning of year		**1,658,526**	1,503,345
Amortization during the year	17	**68,333**	155,181
Balance at end of year		**1,726,859**	1,658,526
Net carrying value		**P 76,111**	P 144,444

Management believes that there are no indications of impairment of the Company's software and that its carrying amount can be recovered through use in operations as at March 31, 2019 and 2018.

12. REFUNDABLE DEPOSITS

This account consists of:

	Note	2019	2018
Current portion		**P 70,000**	P6,816,951
Noncurrent portion		**11,847,201**	-
	18	**P11,917,201**	P6,816,951

These deposits are refundable upon permanent termination of the contracts or cessation of related rental service. This includes refundable deposits for rental services amounting to P11,917,201 and P6,816,951 as at March 31, 2019 and 2018, respectively.

Management believes that there are no indications of impairment on deposits as at March 31, 2019 and 2018, respectively.

13. TRADE AND OTHER PAYABLES

This account consists of:

	2019	2018
Trade payables	**P 9,752,173**	P 5,828,750
Salaries payable	**14,833,068**	16,355,760
Accrued expenses	**5,525,905**	4,913,444
SSS, Philhealth and HDMF payables	**1,576,524**	1,471,222
Withholding taxes payable	**1,413,818**	267,940
	P33,101,488	P28,837,116

The Company writes off salaries payable relating to the last pay of separated employees. Written off payables amount to P1,373,644 and P1,884,968 in 2019 and 2018, respectively, presented as "Other Income" in the statements of comprehensive income.

Details of accrued expenses are shown below:

	2019	2018
Provision for expenses	**P3,465,509**	P3,423,904
Provision for leave encashment	**2,060,396**	1,489,540
	P5,525,905	P4,913,444

14. RELATED PARTY TRANSACTIONS

The summary of the Company's outstanding balances and transactions with related parties as at and for the years ended March 31 2019 and 2018 are as follows:

Category	Amount	Outstanding Balance Asset (Liability)	Terms/ Conditions	Guarantees/ Settlement/ Provisions	Ref/Note
2019					
Tech- Mahindra Limited - Ultimate Parent					
Service revenue	P393,817,830	P30,320,709	60 days; noninterest-bearing	Unsecured; to be settled in cash; no impairment	a), b), 7
2018					
Tech Mahindra Limited - Ultimate Parent					
Service revenue	P423,210,795	P43,365,593	60 days; noninterest-bearing	Unsecured; to be settled in cash; no impairment	a), b), 7

Significant related party agreements are summarized below:

a. The Company entered into a Service Agreement with vCustomer Services LLC (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. Contract receivables are billed by the Company in US dollars on a periodical basis and are settled in the same currency. vSLLC was merged with Tech Mahindra (Americas), Inc., a subsidiary of Tech Mahindra Limited (TML), on February 2, 2015. Accordingly, billings were made to TML subsequently as a result of the merger.

b. Compensation of key management personnel for the years ended March 31, 2019 and 2018 is as follows:

	2019	2018
Salaries	**P27,020,421**	P19,821,370
Allowances	**625,000**	512,000
Other employee benefits	**8,486,786**	6,552,301
	P36,132,207	P26,885,671
Retirement benefits cost	**P 926,692**	P 1,566,285

Other employee benefits include 13th month pay, performance bonus, leave encashment and other short-term benefits.

15. EQUITY

a. Share Capital

Out of the authorized share capital, 1,000,000 ordinary shares at P10 par value, 950,000 ordinary shares have been issued, paid up and outstanding, amounting to P9,500,000 with additional paid-in capital amounting to P156,044 as at March 31, 2019 and 2018, respectively.

There is no movement in the number of the Company's authorized and subscribed shares of stock for the years ended March 31, 2019 and 2018.

b. Retained Earnings

- On March 30, 2019, the Company's BOD approved the additional appropriation of P260 million from its current retained earnings as at March 31, 2019 to be used by the Company for legitimate purposes but not limited to expansion projects for the year 2019 to 2022. The said appropriation was approved to be reflected in the financial statements as at and for the year ended March 31, 2019. Also, on the same date, the Company's BOD approved the reversal of the appropriated retained earnings in 2018 of P228 million intended for the expansion projects.

- On March 30, 2018, the Company's BOD approved the additional appropriation of P228 million from its current retained earnings as at March 31, 2018 to be used by the Company for its expansion projects, office renovation and equipment upgrade in the year 2018 until 2021. The said appropriation was approved to be reflected in the financial statements as at and for the year ended March 31, 2018. Also, on the same date, the Company's BOD approved the reversal of the appropriated retained earnings during 2016 and 2017 of P195 million intended for the expansion projects.

16. COST OF SERVICES

This account consists of:

	Notes	2019	2018
Personnel costs		**P169,222,123**	P176,242,618
IT infrastructure		**24,499,899**	50,657,972
Rent	18	**18,850,813**	22,746,487
Electricity		**10,843,084**	9,698,254
Depreciation	9	**6,862,008**	7,332,417
		P230,277,927	P266,677,748

Details of personnel costs are as follows:

	Note	2019	2018
Salaries and wages and other employee benefits		**P121,040,477**	P122,937,154
Allowance and staff welfare costs		**27,945,181**	31,276,322
13th month pay		**11,009,522**	10,855,337
SSS, PHIC and HDMF premium contributions		**8,584,483**	9,069,231
Retirement benefits costs	19	**642,460**	2,104,574
		P169,222,123	P176,242,618

17. OPERATING EXPENSES

This account consists of:

	Notes	2019	2018
Personnel costs		**P 71,681,586**	P 64,705,459
Rent	18	**10,232,020**	11,191,530
Facility management services		**9,054,583**	7,154,132
Depreciation and amortization	9, 11	**5,832,066**	8,971,254
Transportation and travel		**5,608,761**	5,343,061
Communication, light and water		**4,145,333**	2,853,206
Security services		**4,123,356**	4,290,821
Outside services		**4,030,340**	3,623,758
Trainings and recruitments		**2,998,356**	3,110,664
IT infrastructure		**2,900,290**	13,354
Professional fees		**2,524,300**	1,406,612
Repairs and maintenance		**1,947,195**	3,399,582
Office supplies		**537,553**	713,031
Taxes and licenses		**519,719**	336,625
Insurance		**227,269**	210,431
Bank service charge		**44,130**	122,287
Miscellaneous		**2,366,500**	622,011
		P128,773,357	P118,067,818

Miscellaneous includes subscription, freight, office management and corporate apartment expense.

Details of personnel costs are as follows:

	Note	2019	2018
Salaries and wages and other employee benefits		**P47,645,255**	P37,070,021
Allowance and staff welfare costs		**14,720,916**	17,605,165
13th month pay		**4,587,526**	3,970,911
SSS, PHIC and HDMF premium contributions		**3,577,043**	3,317,549
Retirement benefits costs	19	**1,150,846**	2,741,813
		P71,681,586	P64,705,459

18. LEASE AGREEMENTS

The Company entered into an agreement that assumes all of the rights and obligations of vCustomer Services India Pvt. Ltd. in its contract of lease dated June 12, 2008, over the leased premises commencing on September 10, 2008. 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. In 2013 and 2018, the Company renewed the lease agreement that will expire in 2018 and 2023, respectively. The Company has rental deposits which are equivalent to the rent for the last three months of the lease term after considering the yearly escalation rate of five percent (5%) starting in the second year.

On July 10, 2014, the Company entered into a new lease agreement with Amberbase Solutions, Inc. for additional office space. The lease term for the office space covers two years and 2 ½ months from September 1, 2014 to November 15, 2016. The lease was renewed for a term of November 15, 2016 to January 31, 2020. This contract was pre-terminated effective April 9, 2018.

On September 15, 2018, the Company entered into a new lease agreement with Megaworld Corporation for additional office space. The lease term for the office space covers five years from September 16, 2018 to November 15, 2023.

Rental deposits required relative to these contracts amounted to P11,917,201 and P6,816,951 as of March 31, 2019 and 2018, respectively, as disclosed in Note 12.

Estimated future minimum rental payments follow:

	2019	2018
Due within one year	**P20,585,833**	P8,423,908
Due beyond one year but less than five years	**78,893,014**	-
	P99,478,847	P8,423,908

Residential units

The 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.

Rental deposits required relative to this contract amounted to P70,000 and P105,000 as at March 31, 2019 and 2018, respectively.

Advance rental amounted to nil and P25,790 in 2019 and 2018, respectively, as disclosed in Note 8.

Estimated future minimum rental payments subsequent to 2019 and 2018, until end of lease term amounted to P210,000 and P30,000 in 2019 and 2018, respectively.

There are no significant restrictions imposed by lease arrangements, such as those concerning dividends, additional debt and further leasing.

Total rent expense under operating lease presented as follows:

	Notes	2019	2018
Cost of services	16	**P18,850,813**	P22,746,487
Operating expenses	17	**10,232,020**	11,191,530
		P29,082,833	P33,938,017

19. RETIREMENT BENEFITS COSTS

The Company does not have an established retirement plan as at March 31, 2019 but accrued retirement benefit costs in accordance with the minimum regulatory benefit under Republic Act No. 7641 which is of the defined benefit type. 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, 2019.

Regulatory framework in which the retirement plan operates

In accordance with the provisions of the RA 7641, the Company is required to pay eligible employees at least minimum regulatory benefit upon normal retirement, subject to age and service requirements.

Responsibilities of trustee

Since the Company does not have a formal, trusteed Retirement Plan, there are no Trustees yet.

Description of plan characteristics and associated risks

The calculations were based on the provisions of the minimum mandated benefit under RA 7641. However, it should be noted that in the event a benefit claim arises, the benefit shall immediately be due and payable from the Company.

Amounts recognized in the financial statements

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	2019	2018
Discount rate	**7.00%**	7.00%
Salary increase rate	**6.00%**	6.00%

Maturity profile of expected future benefit payments

The Company's expected future benefit payments is shown below:

	2019	2018
Beyond one year not later than 5 years	**P 91,624**	P 69,600
Beyond 5 years (6 to 10 years)	**552,276**	330,540

The movement of the present value of defined benefit obligation follows:

	2019	2018
Balance at beginning of year	**P3,709,506**	P11,346,207
Current service cost	**1,533,641**	4,222,346
Remeasurement loss (gain)	**817,222**	(12,483,088)
Interest cost	**259,665**	624,041
Balance at end of year	**P6,320,034**	P 3,709,506

The accrued retirement benefits costs recognized in the statements of financial position as at March 31, 2019 and 2018 were determined as follows:

	2019	2018
Present value of defined benefit obligation (DBO)	**P6,320,034**	P3,709,506

The retirement benefit costs are broken down as follows:

	2019	2018
Current service cost	**P1,533,641**	P4,222,346
Interest on defined benefit liability	**259,665**	624,041
	P1,793,306	P4,846,387

The retirement benefits costs as part of "Cost of services" and "Operating expenses" in the statements of comprehensive income for the years ended March 31, 2019 and 2018 were determined follows:

	Notes	2019	2018
Cost of services	16	**P 642,460**	P2,104,574
Operating expenses	17	**1,150,846**	2,741,813
		P1,793,306	P4,846,387

The movement of the cumulative remeasurement (loss) gain presented in the statements of changes in equity follows:

	2019	2018
Balance at beginning of year	**P20,222,533**	P 7,739,445
Actuarial (loss) gain:		
Due to liability assumption changes	**(554,828)**	2,191,384
Due to liability experience	**(262,394)**	2,579,497
Due to demographic assumptions	**-**	7,712,207
	(817,222)	12,483,088
Balance at end of year	**P19,405,311**	P20,222,533

The movement of the accrued retirement benefit costs recognized in the statements of financial position is as follows:

	Notes	2019	2018
Balance at beginning of year		**P3,709,506**	P11,346,207
Retirement benefits cost	16, 17	**1,793,306**	4,846,387
Remeasurement loss (gain)		**817,222**	(12,483,088)
Balance at end of year		**P6,320,034**	P 3,709,506

Amount, timing and uncertainty of future cash flows

Sensitivity analysis on defined benefit obligation follows:

		Sensitivity Analysis	Effect on DBO
2019			
Discount rate	**7.50%**	**1.00% increase**	**(17.30%)**
Discount rate	**5.50%**	**1.00% decrease**	**21.49%**
Salary increase rate	**7.00%**	**1.00% increase**	**21.38%**
Salary increase rate	**5.00%**	**1.00% decrease**	**(17.52%)**
2018			
Discount rate	8.00%	1.00% increase	(17.74%)
Discount rate	6.00%	1.00% decrease	22.14%
Salary increase rate	7.00%	1.00% increase	22.14%
Salary increase rate	5.00%	1.00% decrease	(18.04%)

Methods and assumptions used in sensitivity analysis

All other assumptions were kept constant in determining the sensitivity results above.

Changes since previous period

There were no changes in the methods and assumptions used in preparing the sensitivity analysis.

Description of asset-liability matching strategies

Since the DBO is still unfunded, there are no plan assets to match against the DBO.

Description of funding arrangements and policies

Since the DBO is still unfunded, benefit claims under the DBO are paid directly by the Company when they become due.

Duration of retirement benefit obligation

The average duration of the retirement benefit obligation is 26.90 years.

20. INCOME TAXES

Components of income tax expense charged to profit or loss are as follows:

	Note	2019	2018
Current tax expense		**P8,661,741**	P8,708,271
Deferred tax expense	21	**112,628**	17,970
		P8,774,369	P8,726,241

The reconciliation between tax expense and the product of accounting profit (loss) multiplied by 5% for Gross Income Tax (GIT) in 2019 and 2018 as follows:

	2019	2018
Accounting profit	**P38,906,103**	P44,641,736
Less: Other Income subject to RCIT	**(1,373,644)**	(1,919,968)
Gross Income subject to GIT	**37,532,459**	42,721,768
Tax expense at 5%	**1,876,623**	2,136,088
Non-deductible expense	**6,438,668**	5,903,391
Non-taxable income:		
Interest Income	**(10,105)**	(8,363)
Movement on unrecognized deferred tax asset	**146,755**	(151,908)
Remeasurement gains on retirement benefit	**(89,665)**	271,043
Tax expense at 30% RCIT	**412,093**	575,990
	P 8,774,369	P 8,726,241

21. DEFERRED TAX

The following composed of deferred tax recognized by the Company:

	Beginning Balance	Charged to Profit or Loss	Ending Balance
2019			
Unrealized foreign exchange gain	(P18,804)	(P112,628)	**(P131,432)**
2018			
Unrealized foreign exchange gain	(P834)	(P17,970)	(P18,804)

Deferred tax assets arising from various provisions amounting to P1,007,241 and P860,486 in 2019 and 2018, respectively, were not recognized by the Company as the Management does not expect that there will be sufficient taxable profits against which the assets can be utilized before their expiry.

22. FAIR VALUE INFORMATION

The fair values of the Company's financial assets and liabilities are shown below.

	2019		2018	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial Assets				
Cash and cash equivalents	**P246,919,062**	**P246,919,062**	P202,481,942	P202,481,942
Trade and other receivables	**30,806,459**	**30,806,459**	43,691,467	43,691,467
Refundable deposits	**11,917,201**	**11,917,201**	6,816,951	6,816,951
	P289,642,722	**P289,642,722**	P252,990,360	P252,990,360
Financial Liabilities				
Trade and other payables	**P 30,111,146**	**P 30,111,146**	P 27,097,954	P 27,097,954

The trade and other payables is net of government payables, such as withholding taxes, which are not considered as financial liabilities. Government payables as at March 31, 2019 and 2018 amounted to P2,990,342 and P1,739,162, respectively.

The fair values of the Company's financial assets and financial liabilities are determined as follows:

Due to the short-term maturities of cash, trade and other receivables, refundable deposits and trade and other payables, their carrying amounts approximate their fair values.

The fair value of refundable deposits cannot be measured reliably since there were no comparable market data and inputs for the sources of fair value such as discounted cash flow analysis. However, Management believes that their carrying amounts approximate their fair values.

23. FINANCIAL RISK MANAGEMENT

Financial Risk Management Objectives and Policies

The Company is exposed to financial risks such as market risk which includes foreign exchange risk and fair value interest rate risk, credit risk and liquidity risk. The Company's policies and objective in managing these risks are summarized below:

Market risk

Market risk refers to the possibility that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's profit or the value of its holdings of financial instruments. The Company focuses on two market risk areas such as interest rate risk and foreign currency risk. The objective and management of these risks are discussed below.

Foreign currency exchange risk

Foreign exchange risk arises when an investment's value changes due to variations in the currency exchange rate. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities that are denominated in a currency that is not the Company's functional currency. The Company undertakes certain transactions denominated in Philippine Peso. Hence, exposures to exchange rate fluctuations arise with respect to such transactions.

Significant fluctuation in the exchange rates could significantly affect the Company's financial position. The Company has a policy in place and exposure to foreign currency exchange risk is monitored on an ongoing basis. Any favorable or unfavorable movements of foreign currency exchange rates are absorbed by the Company.

The carrying amounts of the Company's foreign currency denominated monetary assets and liabilities as at March 31, 2019 and 2018 are as follows:

	2019	2018
Cash	**P64,142,297**	P69,499,449
Trade and other receivables	**30,320,709**	42,083,578
Trade and other payables	**550,320**	550,320

The following table details the Company's sensitivity to the exchange rate fluctuation of U.S. Dollar against Philippine Peso. The sensitivity rates used in reporting foreign currency risk internally to key management personnel is 7% in 2019 and 2018, respectively, which represent Management's assessment of the reasonably possible change in foreign exchange rates based on historical trends. The sensitivity analysis includes only outstanding foreign currency-denominated monetary items as at the end of the reporting period. A negative number below indicates a decrease in profit when the US Dollar weakens by 7% in 2018 and 2017 against the relevant currency. For a 7% in 2018 and 2017 increase of the US Dollars against Philippine Peso, there would be an equal and opposite impact on profit and the balances below would be negative.

	Effect on Profit for the Year	
	2019	2018
Cash and cash equivalents	**P4,489,961**	P4,864,961
Trade and other receivables	**2,122,450**	2,945,850
Trade and other payables	**(38,522)**	(38,522)
	P6,573,889	P7,772,289

The above sensitivity analysis is applicable in determining the effect on equity of the changes in foreign exchange rates.

In Management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Interest rate risk

Interest rate risk refers to the possibility that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest.

The primary source of the Company's interest rate risk relates to cash in banks. The interest rates on these assets is disclosed in Note 6.

The Company has a policy in place and exposure to interest rate risk is monitored on an ongoing basis. Management believes that fluctuations on the interest rates will not have significant effect on the Company's financial performance.

Credit risk

Credit risk refers to the possibility that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a credit evaluation process for each client. The established policies in credit evaluation was further strengthened by undergoing credit checking particularly on domestic corporation clients and its group by setting up credit limits of each client or group. The Company also monitors the credit risks that may be derived from each industry where each client belongs by monitoring the credit exposure of the Company on a per industry level.

The table below presents the Company's maximum exposure to credit risk:

	2019	2018
Cash and cash equivalents	**P246,919,062**	P202,481,942
Trade and other receivables	**30,320,709**	43,365,593
Refundable deposits	**11,917,201**	6,816,951
	P289,156,972	P252,664,486

The Company does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

In 2019, ECLs are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument.

The Company's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognizing expected credit losses
Performing	The counterparty has a low risk of default and does not have any past-due amounts	12m ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL - not credit-impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written-off

The following table details the credit quality of the Company's financial assets and other items, as well as the Company's maximum credit exposure to credit risk by credit risk rating grades as at March 31, 2019:

2019	Notes	Internal credit rating	12m or lifetime ECL?	Gross carrying amount	Loss allowance	Net carrying amount
Cash and cash equivalents	6	Performing	12m ECL	P246,919,062	P -	P246,969,062
Trade and other receivables	7	Performing	Lifetime ECL (simplified approach)	30,320,709	-	30,320,709
Refundable deposits	22	Performing	12m ECL	11,917,201	-	11,917,201
				P289,156,972	P -	P289,156,972

In 2018, the Company used internal ratings to determine the credit quality of its financial assets. These have been mapped to the summary rating below.

High grade - This applies to highly rated financial obligors, strong corporate counterparties and personal borrowers with whom the Company has excellent repayment experience.

Satisfactory grade - This applies to financial assets that are performing as expected, including loans and advances to small and medium sized entities and recently established businesses.

The following table details the credit quality of the Company neither past due nor impaired financial assets:

	Neither Past Due nor Impaired		
	High Grade	Satisfactory Grade	Total
2018			
Cash and cash equivalents	P202,481,942	P -	P202,481,942
Trade and other receivables	43,691,467	-	43,691,467
Refundable deposits	6,816,951	-	6,816,951
	P252,990,360	P -	P252,990,360

Liquidity risk

Liquidity risk arises when the Company encounters difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's objective of managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages liquidity risk by maintaining a level of liquid assets deemed sufficient to finance the operations and to mitigate the effect of fluctuation in cash flows.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

	Within 12 Months
March 31, 2019	
Trade and other payables	**P30,111,146**
March 31, 2018	
Trade and other payables	P27,097,954

24. CAPITAL RISK 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, maximize shareholder value, maintain various stakeholders' confidence and sustain future development of the business. The Company manages its capital structure and makes adjustments to these ratios in light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may issue stock dividend to shareholders, return or issue capital. No significant changes have been made in the capital management approach as they have been applied in previous years. The Company has not been subjected to externally imposed capital requirements. No major changes were made in the objectives, policies and procedures in 2019 and 2018.

The gearing ratio at year-end was as follows:

	2019	2018
Debt	**P 30,111,146**	P 27,097,954
Equity	**292,641,389**	263,326,878
	10.29:1	10.29:1

25. SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE (BIR) UNDER REVENUE REGULATION NO. 15-2010

The following information on taxes, duties and license fees paid or accrued during the taxable year ended March 31, 2019 is presented for purposes of compliance with the disclosure requirements by the BIR as provided for in its RR No. 15-2010 and is not a required part of the basic financial statements in accordance with PFRS.

Output/Input VAT

In 2019, the Company has zero-rated sales amounting to P394,016,317. In accordance with pertinent tax laws and revenue regulations, zero-rated sale of services consists of export sales.

As a PEZA-registered enterprise the Company is entitled to tax and duty free importations of merchandise which include raw materials, capital equipment, machinery and spare parts.

Documentary stamp tax paid

Lease	**P424,540**

Other taxes lodged under operating expenses

Documentary stamp taxes	**P424,540**
Business permit	**83,051**
Community tax certificate	**10,500**
Annual registration fee	**500**
Miscellaneous	**1,128**
	P519,719

Withholding taxes

Compensation	**P 9,028,012**
Expanded	**2,448,577**
Final tax	**522,839**
Fringe benefit tax	**176,366**
	P12,175,794

26. APPROVAL OF FINANCIAL STATEMENTS

The financial statements of the Company were approved and authorized for issuance by the Board of Directors on May 14, 2019.

vCUSTOMER PHILIPPINES (CEBU), INC.

Board of Directors
Mr. Anand Achuthan
Mr. Uttiya Sengupta
Mr. Narinder Singh Sethi
Ms. Lynette De Guzman
Ms. Jeane R.T Montes

Registered Office
4th Floor, JESA Building,
90 General Maxilom Ave.,
Cebu City, Philippines

Bankers
Union Bank of the Philippines

Auditors
Navarro Amper & Co.

DIRECTORS' REPORT

Your Directors present their Report together with the audited accounts of vCustomer Philippines (Cebu), Inc. (vCPCI) for the year ended March 31, 2019.

Financial Results (PHP):

For the years ended	**March 31, 2019**	March 31, 2018
Revenue	**672,362,346**	643,173,332
Profit	**65,015,427**	74,111,957

Review of Operations:

For the fiscal year ended March 31, 2019, vCPCI reported revenue amounted to PHP 672,362,346, a increase of PHP 29,189,014 over the last reporting year ended March 31, 2018. Profit for the fiscal year ended March 31, 2019 amounted to PHP 65,015,427, 12% decrease over the last reporting year. Certain project of vCPCI is still entitled to Income Tax Holiday (ITH).

Future Plans and Appropriations:

vCPCI made a reversal of the Appropriated Retained Earnings of PHP 236 million intended for the expansion projects. Additional appropriation of the amount of PHP 301 million from its current retained earnings as at March 31, 2019 to be used by the Company for its expansion projects, office renovation and equipment upgrade in the year 2019 until 2021. vCPCI is expecting engagement of additional account/clients and increase and employee headcount.

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
Director/Chief Finance Officer

Date: May 14, 2019

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders

vCUSTOMER PHILIPPINES (CEBU), INC.

(A Wholly Owned Subsidiary of vCustomer Philippines, Inc.)

90 General Maxilom Avenue, Cebu City, Philippines

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of vCustomer Philippines (Cebu), Inc., (the "Company"), which comprise the statements of financial position as at March 31, 2019 and 2018, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with PFRS, 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.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Those Charged with Governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

Report on Other Legal and Regulatory Requirements

Report on the Supplementary Information Required by the Bureau of Internal Revenue

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 23 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of Management and has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Navarro Amper & Co.
BOA Registration No. 0004, valid from November 12, 2018 to July 16, 2021
SEC Accreditation No. 0001-FR-5, issued on January 15, 2019; effective until January 14, 2022, Group A
TIN 005299331

By:

Joeffrey Mark P. Ferrer
Partner
CPA License No. 0115793
SEC P.A. A-843-A issued on May 2, 2019; effective until September 2, 2019, Group A
TIN 211965340

BIR A.N 08-002552-058-2018, issued on October 30, 2018; effective until October 30, 2021
PTR No. A-4255741, issued on January 10, 2019, Taguig City
Taguig City, Philippines
May 14, 2019

STATEMENTS OF FINANCIAL POSITION

	Notes	March 31 2019	2018
ASSETS			
Current Assets			
Cash and cash equivalents	6	**₱ 280,804,169**	₱ 178,719,070
Trade and other receivables	7	**58,237,666**	62,742,507
Prepaid expenses and other current assets	8	**7,691,217**	14,779,279
Refundable deposits - net	11	**-**	27,267,629
Total Current Assets		**346,733,052**	283,508,485
Noncurrent Assets			
Property and equipment - net	9	**44,194,513**	46,302,759
Intangible assets - net	10	**158,368**	358,410
Refundable deposits - net of current portion	11	**10,961,994**	10,951,571
Total Noncurrent Assets		**55,314,875**	57,612,740
		P402,047,927	P341,121,225
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	12	**₱ 63,136,207**	₱ 69,889,843
Income tax payable		**2,545,686**	1,823,885
Total Current Liabilities		**65,681,893**	71,713,728
Non-current Liability			
Retirement benefit obligation	18	**3,485,321**	1,674,007
Deferred tax liability	19	**155,204**	23,408
Total Non-current Liabilities		**3,640,525**	1,697,415
Total Liabilities		**69,322,418**	73,411,143
Equity			
Share capital	14	**9,500,000**	9,500,000
Retained earnings	14	**303,855,974**	238,584,771
Cumulative re-measurement gain on retirement benefits	18	**19,369,535**	19,625,311
Total Equity		**332,725,509**	267,710,082
		P402,047,927	P341,121,225

See accompanying Notes to Financial Statements.

STATEMENTS OF COMPREHENSIVE INCOME

	Notes	For the Years Ended March 31 2019	2018
Service Revenue	13	**P672,362,346**	P643,173,332
Cost of Services	15	**420,377,659**	435,849,589
Gross Profit		**251,984,687**	207,323,743
Operating Expenses	16	**190,867,927**	151,727,217
Income from Operation		**61,116,760**	55,596,526
Other Income (Charges) - net			
Foreign exchange gain		**3,558,559**	4,403,202
Interest income	6	**164,704**	95,279
Other income	12	**5,820,987**	2,494,318
Loss on disposal of asset	9	**-**	(390,060)
		9,544,250	6,602,739
Profit Before Income Tax		**70,661,010**	62,199,265
Income Tax Expense	19	**5,389,807**	3,315,002
Net Income		**65,271,203**	58,884,263
Other Comprehensive Income			
Item that will not to be reclassified subsequently to profit or loss			
Remeasurement gain (loss) on retirement benefits	18	**(255,776)**	15,227,694
Total Comprehensive Income		**P65,015,427**	₱ 74,111,957

See accompanying Notes to Financial Statements.

STATEMENTS OF CHANGES IN EQUITY

	Notes	For the Years Ended March 31 2019	2018
SHARE CAPITAL	14	**₱ 9,500,000**	₱ 9,500,000
RETAINED EARNINGS			
Appropriated			
Balance at beginning of year	14	**236,000,000**	175,000,000
Appropriation for business expansion	14	**301,000,000**	236,000,000
Reversal of appropriation	14	**(236,000,000)**	(175,000,000)
Balance at end of year		**301,000,000**	236,000,000
Unappropriated			
Balance at beginning of year		**2,584,771**	4,700,508
Net income during the year		**65,271,203**	58,884,263
Reversal of appropriation		**236,000,000**	175,000,000
Appropriation for business expansion		**(301,000,000)**	(236,000,000)
Balance at end of year		**2,855,974**	2,584,771
Total retained earnings		**303,855,974**	238,584,771
CUMULATIVE REMEASUREMENT GAIN (LOSS) ON RETIREMENT BENEFITS			
Item that will not to be reclassified subsequently to profit or loss			
Balance at beginning of year		**19,625,311**	4,397,617
Remeasurement gain (loss) during the year	18	**(255,776)**	15,227,694
Balance at end of year		**19,369,535**	19,625,311
		P332,725,509	P267,710,082

See accompanying Notes to Financial Statements.

STATEMENTS OF CASH FLOWS

	Notes	For the Years Ended March 31 2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**₱ 70,661,010**	₱ 62,199,265
Adjustments for:			
Depreciation and amortization	9, 10	**45,544,996**	87,008,186
Write off of payables	12	**(5,820,987)**	(2,494,318)
Unrealized foreign exchange gain		**(3,104,079)**	(468,151)
Retirement benefits costs	18	**1,555,538**	6,993,818
Interest income	6	**(164,704)**	(95,279)
Prior year's taxes	16	**-**	2,765,524
Loss on disposal of asset	9	**-**	390,060
Net profit before working capital changes		**108,671,774**	156,299,105
Changes in operating assets and liabilities:			
Decrease (increase) in:			
Trade and other receivables		**4,505,375**	3,399,603
Prepaid expenses and other current assets		**7,088,062**	1,083,935
Refundable deposits		**27,267,629**	(25,634,245)
Decrease in trade and other payables		**(947,253)**	(8,018,603)
Cash generated from operations		**146,585,587**	127,129,795
Income tax paid		**(4,536,210)**	(1,515,555)
Interest received	6	**164,704**	95,279
Net cash generated from operating activities		**142,214,081**	125,709,519
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to refundable deposit		**(10,423)**	-
Additions to property and equipment	9	**(43,236,708)**	(11,493,378)
Proceeds from sale of property and equipment	9	**-**	1,500
Net cash used in investing activities		**(43,247,131)**	(11,491,878)
CASH FLOWS FROM FINANCING ACTIVITIES			
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		**3,118,149**	305,350
NET INCREASE IN CASH AND CASH EQUIVALENTS		**102,085,099**	114,522,991
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	6	**178,719,070**	64,196,079
CASH AND CASH EQUIVALENTS AT END OF YEAR	6	**₱280,804,169**	₱178,719,070

See accompanying Notes to Financial Statements.

VCUSTOMER PHILIPPINES (CEBU), INC.

(A Wholly Owned Subsidiary of vCustomer Philippines, Inc.)

NOTES TO FINANCIAL STATEMENTS

AS AT AND FOR THE YEARS ENDED MARCH 31, 2019 AND 2018

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. (the "Parent Company"), a Company incorporated in the Philippines, and located at 3rd Floor eCommerce Plaza, Eastwood Cyberpark, Quezon City. The Parent Company is formerly 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 (TML), a corporation also organized and existing under the laws of India. Effective March 29, 2016, the Parent Company directly became a wholly owned subsidiary of TML (the "Ultimate Parent") as a result of merger of New vC Services Private Limited and TML.

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, Philippines.

<u>Registration with the Philippine Economic Zone Authority (PEZA)</u>

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 the JESA Building for four 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.

On February 26, 2015, PEZA approved the Company's application for its additional sales, customer, technical and shared service support activities at the 9th floor EBLOC Tower 3 entitled to ITH up to March 31, 2019.

On October 18, 2016, PEZA approved the Company's application for extension of ITH of JESA Building based on Capital Equipment to Labor Ratio (CELR) 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, 2016 to June 30, 2017. Effective July 1, 2017, the Company's ITH lapsed.

2. FINANCIAL REPORTING FRAMEWORK AND BASIS OF PREPARATION AND PRESENTATION

Statement of Compliance

The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS), which includes all applicable PFRS, Philippine Accounting Standards (PAS), and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), Philippine Interpretations Committee (PIC) and Standing Interpretations Committee (SIC) as approved by the Financial Reporting Standards Council (FRSC) and the Board of Accountancy (BOA), and adopted by the SEC.

Basis of Preparation

The financial statements of the Company have been prepared on the historical cost basis, except for certain financial instruments carried at amortized cost.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in this financial statements is determined on such a basis, except leasing transactions that are within the scope of PAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in PAS 2 or value in use in PAS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Functional and Presentational Currency

These financial statements are presented in Philippine Peso, the currency of the primary economic environment in which the Company operates. All amounts are recorded in the nearest peso, except when otherwise indicated.

3. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

Adoption of New and Revised Accounting Standards Effective in 2018

The Company adopted all applicable accounting standards and interpretations as at March 31, 2019. The new and revised accounting standards and interpretations that have been published by the International Accounting Standards Board (IASB) and approved by the FRSC in the Philippines, were adopted by the Company and were assessed as applicable to the Company, as follows:

PFRS 15, Revenue from Contracts with Customers

The standard combines, enhances, and replaces specific guidance on recognizing revenue with a single standard. An entity will recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

It defines a new five-step model to recognize revenue from customer contracts:

- Identify the contract(s) with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognize revenue when (or as) the entity satisfies a performance obligation.

Application of this guidance will depend on the facts and circumstances present in a contract with a customer and will require the exercise of judgment.

The application of the new accounting standard did not have a significant impact on the Company's financial statements as the Company has a straightforward recognition of revenue, wherein it bills the Ultimate Parent for all costs and expenses incurred plus fixed mark-up for services rendered.

Amendments to PFRS 15, Clarifications to PFRS 15

The amendments in the standard addresses three topics namely identifying performance obligations, principal versus agent considerations, and licensing and provide some transition relief for modified contracts and completed contracts.

- Added a clarification that the objective of the assessment of a promise to transfer goods or services to a customer is to determine whether the nature of the promise, within the context of the contract, is to transfer each of those goods or services individually or, instead, to transfer a combined item or items to which the promised goods or services are inputs;
- Clarification on how to assess control in in determining whether a party providing goods or services is a principal or an agent; and
- Clarification on when an entity's activities significantly affect the intellectual property by amending the application guidance.

The application of the amendments did not have a significant impact on the Company's financial statements as the Company has a straightforward recognition of revenue, wherein it bills the Ultimate Parent for all costs and expenses incurred plus fixed mark-up for services rendered.

PFRS 9, Financial Instruments (2014)

The Company has applied PFRS 9 and the related consequential amendments to other PFRS Standards.

The Company has elected to apply the modified retrospective approach. Consequently, the Company did not restate comparatives in respect of the classification and measurement of financial instruments, impairment of financial assets and general hedge accounting.

PFRS 9 introduced new requirements for:

- classification and measurement of financial assets and financial liabilities;
- impairment of financial assets; and
- general hedge accounting.

(a) Classification and measurement of financial assets and financial liabilities

All recognized financial assets that are within the scope of PFRS 9 are required to be measured subsequently at amortized cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Specifically:

- debt instruments 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 amount outstanding, are measured subsequently at amortized cost;
- debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at fair value through other comprehensive income (FVTOCI); and
- all other debt investments and equity investments are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Company may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Company may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination in other comprehensive income; and
- the Company may irrevocably designate a debt investment that meets the amortized cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

This standard also contains requirements for the classification and measurement of financial liabilities and derecognition requirements. Specifically, PFRS 9 requires that changes in the fair value of the financial liability attributable to changes in the credit risk of that liability be presented in other comprehensive income (OCI), unless the recognition of the effects of changes in the liability's credit risk in OCI 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, but are instead transferred to retained earnings when the financial liability is derecognized.

The application of the new accounting standard did not have a significant impact on the Company's financial statements as the Company's financial assets and liabilities will continue to be measured at amortized cost.

(b) Impairment of financial assets

The impairment model under this standard reflects expected credit losses (ECL), as opposed to incurred credit losses under PAS 39. Under the impairment approach of this standard, it is no longer necessary for a credit event to have occurred before credit losses are recognized. Instead, an entity always accounts for ECL and changes in those ECL. The amount of ECL should be updated at each reporting date to reflect changes in credit risk since initial recognition.

In particular, PFRS 9 requires the Company to measure the loss allowance for a financial instrument at an amount equal to the lifetime ECL if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset. However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), the Company is required to measure the loss allowance for that financial instrument at an amount equal to 12-month ECL. PFRS 9 also requires a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables, contract assets and lease receivables in certain circumstances.

The application of the new accounting standard did not have a significant impact on the Company's financial statements as no ECL was recognized for the year for the Company's financial assets and liabilities as there have been no changes in credit risk since initial recognition.

(c) General hedge accounting

The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about the Company's risk management activities have also been introduced.

The application of the new accounting standard did not have a significant impact on the Company's financial statements as the Company does not have any hedging transactions.

Annual Improvements to PFRS 2014-2016 Cycle

Philippine Interpretation IFRIC 22, Foreign Currency Transactions and Advance Consideration

The interpretation covers foreign currency transactions when an entity recognizes a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration before the entity recognizes the related asset, expense or income. It does not apply when an entity measures the related asset, expense or income on initial recognition at the fair value of the consideration received or paid at a date other than the date of initial recognition of the non-monetary asset or non-monetary liability.

The application of the interpretation did not have an impact on the Company's financial statements. This is because the Company already accounts for the transactions involving payment of receipts of advance consideration in a foreign currency in a way that is consistent with the amendments.

New Accounting Standards Effective after the Reporting Period Ended March 31, 2018

PFRS 16, Leases

This standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less (i.e. short-term lease) or the underlying asset has a low value (i.e. lease of low-value assets).

A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the identified asset's use and to obtain substantially all the economic benefits from that use. An asset is typically identified by being explicitly specified in a contract, but an asset can also be identified by being implicitly specified at the time it is made available for use by the customer.

Lessors continue to classify leases as operating or finance, with PFRS 16's approach to lessor accounting substantially unchanged from its predecessor, PAS 17.

The Management of the Company does not anticipate that the application of the standard in the future will have material impact on the Company's financial statements but will result in the recognition of right-of-use asset, lease liability and additional disclosures to the financial statements.

Amendment to PFRS 9, Prepayment Features with Negative Compensation

The amendments include:

Changes regarding symmetric prepayment options

Under the amendments, the sign of the prepayment amount is not relevant, i.e. depending on the interest rate prevailing at the time of termination, a payment may also be made in favor of the contracting party effecting the early repayment. The calculation of this compensation payment must be the same for both the case of an early repayment penalty and the case of an early repayment gain.

Clarification regarding the modification of financial liabilities

The final amendments also contain a clarification regarding the accounting for a modification or exchange of a financial liability measured at amortized cost that does not result in the derecognition of the financial liability. The IASB clarifies that an entity recognizes any adjustment to the amortized cost of the financial liability arising from a modification or exchange in profit or loss at the date of the modification or exchange. A retrospective change of the accounting treatment may therefore become necessary if in the past the effective interest rate was adjusted and not the amortized cost amount.

The amendments are effective for periods beginning on or after January 1, 2019. Earlier application is permitted.

The amendments will not have an impact on the Company's financial statements.

PAS 28, Long-term Interests in Associates and Joint Ventures

The amendment clarify that an entity applies PFRS 9 including its impairment requirements, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

The amendment is effective for periods beginning on or after January 1, 2019. Earlier application is permitted.

Management of the Company does not anticipate that the application of the amendments in the future will have any impact on the Company's financial statements as the Company is neither a first time adopter of IFRS nor a venture capital organization. Furthermore, the Company does not have any associate or joint venture that is an investment entity.

New Accounting Standards Effective after the Reporting Period Ended March 31, 2019 - Adopted by Financial Reporting Standards Council (FRSC) but pending for approval by the Board of Accountancy

The Company will adopt the following once these standards become effective.

Philippine Interpretation IFRIC 23, Uncertainty over Income Tax Treatments

This interpretation applies in determining the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under PAS 12, Income Taxes.

An entity has to consider whether it is probable that the relevant authority will accept each tax treatment, or group of tax treatments, that it used or plans to use in its income tax filing.

- If the entity concludes that it is probable that a particular tax treatment is accepted, the entity has to determine taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment included in its income tax filings.

- If the entity concludes that it is not probable that a particular tax treatment is accepted, the entity has to use the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The decision should be based on which method provides better predictions of the resolution of the uncertainty.

An entity has to reassess its judgements and estimates if facts and circumstances change.

The interpretation is effective for annual reporting periods beginning on or after January 1, 2019. Earlier application is permitted.

The Management is still evaluating the impact of the new interpretation on the Company's determination of taxable profit/loss, unused tax losses, unused tax credit and tax rate.

Amendments to PAS 19, Plan Amendment, Curtailment or Settlement

The amendments in Plan Amendment, Curtailment or Settlement are:

- If a plan amendment, curtailment or settlement occurs, it is now mandatory that the current service cost and the net interest for the period after the remeasurement are determined using the assumptions used for the remeasurement.
- In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling.

The amendments are effective for the annual reporting periods beginning on or after January 1, 2019. Earlier application is permitted.

The Management is still evaluating the impact of the amendments.

Annual Improvements to PFRSs 2015-2017 Cycle

Amendments to PFRS 3 and PFRS 11, Previously held interest in a joint operation

The amendments to PFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business.

The amendments to PFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.

Amendments to PAS 12, Income tax consequences of payments on financial instruments classified as equity

The amendments clarify that the requirements in the former paragraph 52B (to recognize the income tax consequences of dividends where the transactions or events that generated distributable profits are recognized) apply to all income tax consequences of dividends by moving the paragraph away from paragraph 52A that only deals with situations where there are different tax rates for distributed and undistributed profits.

Amendments to PAS 1 and PAS 8, Definition of Material

The amendments relate to a revised definition of ‘material’:

Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

Three new aspects of the new definition include (i) obscuring; (ii) could reasonably be expected to influence; and (iii) primary users.

The amendments stress especially five ways material information can be obscured:

- if the language regarding a material item, transaction or other event is vague or unclear;
- if information regarding a material item, transaction or other event is scattered in different places in the financial statements;
- if dissimilar items, transactions or other events are inappropriately aggregated;
- if similar items, transactions or other events are inappropriately disaggregated; and
- if material information is hidden by immaterial information to the extent that it becomes unclear what information is material.

The amendments are effective for periods beginning on or after January 1, 2020. Earlier application is permitted.

The Management of the Company is still evaluating the impact of the amendments.

Amendments to PFRS 3, Definition of Business

The amendments are to:

- clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs;
- narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs;

- add guidance and illustrative examples to help entities assess whether a substantive process has been acquired;
- remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs; and
- add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

The amendments are effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020 and to asset acquisitions that occur on or after the beginning of that period.

The Management of the Company is still evaluating the impact of the amendments.

PFRS 17, Insurance Contracts

PFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of

PFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows.

The key principles in PFRS 17 are that an entity:

- identifies as insurance contracts those contracts under which the entity accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder;
- separates specified embedded derivatives, distinct investment components and distinct performance obligations from the insurance contracts;
- divides the contracts into groups that it will recognize and measure;
- recognizes and measures groups of insurance contracts at:
    i. a risk-adjusted present value of the future cash flows (the fulfilment cash flows) that incorporates all of the available information about the fulfilment cash flows in a way that is consistent with observable market information; plus (if this value is a liability) or minus (if this value is an asset)
    ii. an amount representing the unearned profit in the group of contracts (the contractual service margin);
- recognizes the profit from a group of insurance contracts over the period the entity provides insurance cover, and as the entity is released from risk. If a group of contracts is or becomes loss-making, an entity recognizes the loss immediately;
- presents separately insurance revenue (that excludes the receipt of any investment component), insurance service expenses (that excludes the repayment of any investment components) and insurance finance income or expenses; and
- discloses information to enable users of financial statements to assess the effect that contracts within the scope of PFRS 17 have on the financial position, financial performance and cash flows of an entity.

PFRS 17 includes an optional simplified measurement approach, or premium allocation approach, for simpler insurance contracts.

The standard is effective for periods beginning on or after January 1, 2021. Earlier application is permitted.

The Management of the Company does not anticipate that the new standard will have an impact to the financial statements since the Company does not have insurance contracts.

4. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and practices applied in the preparation of these financial statements are set forth to facilitate the understanding of data presented in the financial statements. These policies have been consistently applied to all years presented, unless otherwise stated.

Financial Assets

Accounting policies applied prior to April 1, 2018

The Company has applied PFRS 9 retrospectively but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the Company's previous accounting policy.

Initial recognition

Financial assets are recognized in the Company's financial statements when the Company becomes a party to the contractual provisions of the instrument. Financial assets are recognized initially at fair value. Transaction costs are included in the initial measurement of the Company's financial assets, except for investments classified at FVTPL.

Classification and subsequent measurement

Financial assets are classified into the following specified categories: financial assets at FVTPL, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

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, loans and receivables are subsequently measured at amortized cost using the effective interest method, less any impairment and are included in current assets, except for maturities greater than 12 months after the end of the reporting period.

The effective interest method is a method of calculating the amortized 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 through the expected life of the debt instrument or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

The Company's financial assets classified under this category include cash and cash equivalents, trade and other receivables, due from related parties and rental deposits.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when 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 investment have been affected.

Objective evidence of impairment

For all other financial assets measured at amortized cost, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counter party; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it has become probable that the borrower will enter bankruptcy or financial re-organization; or
- the disappearance of an active market for that financial asset because of financial difficulties; or
- the lender, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider; or
- observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group.

For certain categories of financial assets, such as trade and other receivables 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 as well as observable changes in national or local economic conditions that correlate with default on receivables.

Financial assets carried at amortized cost

For financial assets carried at amortized cost, the amount of the impairment 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, i.e., the effective interest rate computed at initial recognition.

The carrying amount of financial assets carried at amortized cost is reduced directly by the impairment loss with the exception of trade receivables, wherein the carrying amount is reduced through the use of an allowance account. When trade receivables are considered uncollectible, these are 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 recognized 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 recognized, the previously recognized impairment loss shall be reversed. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortized cost would have been had the impairment not been recognized at the date the impairment is reversed. The amount of the reversal shall be recognized in profit or loss.

Derecognition of financial assets

The Company derecognizes financial assets when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risk and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risk and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g., when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss.

A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

Accounting policies applied from April 1, 2018

Initial recognition

Financial assets are recognized in the Company's financial statements when the Company becomes a party to the contractual provisions of the instrument. Financial assets are recognized initially at fair value.

Transaction costs are included in the initial measurement of the Company's financial assets, except for investments classified at FVTPL. Transaction costs directly attributable to the acquisition of financial assets classified as at FVTPL are recognized immediately in profit or loss.

Classification and subsequent measurement

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Financial assets are subsequently measured at amortized cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, as follows:

- financial assets 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 amount outstanding (SPPI), are subsequently measured at amortized cost;

- financial assets that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are SPPI, are subsequently measured at FVTOCI; and

- all other financial assets managed on their fair value basis and equity instruments are subsequently measured at FVTPL.

Amortized cost and effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

Impairment of financial assets

The Company recognizes a loss allowance for ECL on financial assets that are measured at amortized cost. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. lifetime ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or

- full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Company under the contract and the cash flows that the Company expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's effective interest rate.

The Company measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original effective interest rate (EIR), regardless of whether it is measured on an individual basis or a collective basis.

The Company always recognizes lifetime ECL for trade receivables. The ECL on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

The Company considers that if the borrower is unlikely to pay its credit obligations to the Company in full constitutes an event of default.

When assessing if the borrower is unlikely to pay its credit obligation, the Company takes into account both qualitative and quantitative indicators. The information assessed depends on the type of the asset, for example in corporate lending a qualitative indicator used is the breach of covenants, which is not relevant for retail lending. Quantitative indicators, such as overdue status and non-payment on another obligation of the same counterparty are key inputs in this analysis. The Company uses a variety of sources of information to assess default which are either developed internally or obtained from external sources.

Significant increase in credit risk

The Company monitors all financial assets that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Company will measure the loss allowance based on lifetime rather than 12-month ECL.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognized. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Company’s historical experience and expert credit assessment including forward-looking information.

Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the asset’s cash flows expire or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred 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 recognizes 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 recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

On derecognition of a financial asset other than in its entirety, the Company allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized is recognized in profit or loss.

Write-off

Financial assets are written off when the Company has no reasonable expectations of recovering the financial asset either in its entirety or a portion of it. This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position for financial assets measured at amortized cost as a deduction from the gross carrying amount of the assets.

Prepayments

Prepayments represent expenses not yet incurred but already paid in cash. Prepayments are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are charged to profit or loss as they are consumed in operations or expire with the passage of time.

Prepayments are classified in the statements of financial position as current asset when the cost of services related to the prepayments are expected to be incurred within one year or the Company’s normal operating cycle, whichever is longer. Otherwise, prepayments are classified as non-current assets.

Property and Equipment

Property and equipment are initially measured at cost. The cost of an item of property and equipment comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by Management.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

At the end of each reporting period, items of property and equipment are measured at cost less any subsequent accumulated depreciation and impairment losses.

Subsequent expenditures relating to an item of property and equipment that have already been recognized are added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Company. All other subsequent expenditures are recognized as expenses in the period in which those are incurred.

Depreciation is computed on the straight-line method based on the estimated useful lives of the assets as follows:

	Number of years
Office equipment	5
Communication equipment	3
Furniture and fixtures	3

Leasehold improvements are depreciated over the improvements' useful life of three years or when shorter, the term of the relevant lease.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the profit or loss.

Intangible Assets

Intangible asset acquired separately

Intangible assets are initially measured at cost. Subsequent to initial recognition, intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over the estimated useful lives. The estimated useful life and the amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Impairment of Tangible and Intangible Assets

At the end of each reporting period, the Company assesses whether there is any indication that any of its property and equipment and intangible assets may 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. When 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. When a reasonable and consistent basis of allocation can be identified, 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. 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 for which the estimates of future cash flows have not been adjusted.

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 or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized as an expense, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Impairment losses recognized in prior periods are assessed at the end of each reporting period for any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Financial Liabilities and Equity Instruments

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and equity instrument.

Financial Liabilities

Accounting policies applied prior to April 1, 2018

The Company has applied PFRS 9 retrospectively but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the Company's previous accounting policy.

Initial recognition and subsequent measurement

Financial liabilities are recognized in the Company's financial statements when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially recognized at fair value.

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

Other financial liabilities

Since the Company does not have financial liabilities classified at FVTPL, all financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

Derecognition of financial liabilities

Financial liabilities are derecognized by the Company when the obligation under the liability is discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Accounting policies applied from April 1, 2018

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company or a contract that will or may be settled in the Company's own equity instruments and is a non-derivative contract for which the Company is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments.

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) held for trading, or (ii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been 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 the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities at FVTPL are stated at fair value, with any gains/losses arising on remeasurement recognized in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain/loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in profit or loss.

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Since the Company does not have financial liabilities classified at FVTPL, all financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

A right to offset must be available today rather than being contigent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

Derecognition

Financial liabilities are derecognized by the Company when the obligation under the liability is discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

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. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Ordinary shares

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

Retained earnings

Retained earnings and deficit represent accumulated profits and losses earned and incurred by the Company. Retained earnings and deficit may also include effect of changes in accounting policy as may be required by the standard's transitional provisions.

Provisions

Provisions are recognized when the Company has a present obligation, either legal or constructive, as a result of a past event, it is probable that the Company will be required to settle the obligation through an outflow of resources embodying economic benefits, and the amount of the obligation can be estimated reliably.

The amount of the provision recognized 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. 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 recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

If it is no longer probable that a transfer of economic benefits will be required to settle the obligation, the provision should be reversed.

Employee Benefits

Short-term benefits

The Company recognizes a liability, net of amounts already paid, and an expense for services rendered by employees during the accounting period. A liability is also recognized for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

Post-employment benefits

Defined benefit plan

The Company classifies its retirement benefit as defined benefit plans. Under the defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), are reflected immediately in the statements of financial position with a charge or credit recognized in OCI in the period in which they occur. Remeasurement recognized in OCI is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurements.

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'retirement benefits costs. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognized in the statements of financial position represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Revenue Recognition

Accounting policies applied prior to April 1, 2018

The Company has applied PFRS 15 retrospectively but has elected not to restate comparative information.

As a result, the comparative information provided continues to be accounted for in accordance with the Company's previous accounting policy.

Rendering of services

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business.

Revenue from a contract to provide services is recognized by reference to the stage of completion of the contract. Under this method, revenue is recognized in the accounting periods in which the services are rendered. Revenue from a contract to provide services is recognized when all of 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 can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Revenue from services in connection with the Company's duties under the terms and conditions of the agreement with the Parent Company is considered earned at the end of each month. A fee that is equivalent to total costs and expenses plus an established mark-up rate of fixed is charged to the Parent Company.

Accounting policies applied from April 1, 2018

The Company utilized the five-step model:

Step 1: Identify the contract(s) with a customer;

Step 2: Identify the performance obligations in the contract;

Step 3: Determine the transaction price;

Step 4: Allocate the transaction price to the performance obligations in the contract;

and

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

Step 1: Identifying a contract with customer

The Company accounts for a contract with a customer when all of the following are met:

- the parties to the contract have approved the contract and are committed to perform their respective obligations;
- the Company can identify each party's rights regarding the goods or services to be transferred;
- the Company can identify the payment terms for the goods or services to be transferred;
- the contract has commercial substance; and
- it is probable that the Company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

In evaluating whether collectability of an amount of consideration is probable, the

Company considers the customer's ability and intention to pay that amount of consideration when it is due.

Step 2: Identifying performance obligations

At contract inception, the Company assessed the goods or services promised in a contract with a customer and identified each promise to transfer to the customer [a good or service that is distinct, a bundle of goods or services that is distinct; a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer] as a performance obligation.

Step 3: Determine transaction price

The Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocating transaction price to performance obligations

The Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised goods or services to the customer.

Step 5: Satisfaction of performance obligations

The Company recognizes revenue as the entity satisfies a performance obligation by transferring a promised service to a customer.

Sale of services

The Company provides services assistance to its Parent Company in the ordinary course of business. Such services are recognized as a performance obligation satisfied over time.

Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time proportion basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Other income

Other income is income generated outside the normal course of business and is recognized when it is probable that the economic benefits will flow to the Company and it can be measured reliably.

Expense Recognition

Expenses are recognized in profit or loss when decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. Expenses are recognized in profit or loss:

on the basis of a direct association between the costs incurred and the earning of specific items of income; on the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined; or immediately when an expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify, or cease to qualify, for recognition in the statements of financial position as an asset.

Expenses in the statements of comprehensive income are presented using the function of expense method. Cost of services are expenses incurred that are associated with the services rendered and includes salaries and wages, other employee benefits, outside services, supplies and other direct costs. Operating expenses are costs attributable to administrative, marketing and other business activities of the Company.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating lease

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except when another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis, except when another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Foreign Currency

Transactions in currencies other than Philippine peso are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Gains and losses arising on retranslation are included in profit or loss for the year. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are not retranslated.

Related Party Transactions

A related party transaction is a transfer of resources, services or obligations between the Company and a related party, regardless of whether a price is charged.

Parties are considered related if one party has control, joint control, or significant influence over the other party in making financial and operating decisions. An entity that is a post-employment benefit plan for the employees of the Company and the key management personnel of the Company are also considered to be related parties.

Taxation

Income tax expense recognized in the statements of comprehensive income of the Company represents the current tax expense and deferred tax expense.

Under the Company's registration with the Philippine Economic Zone Authority (PEZA) pursuant to the provisions of Republic Act (R.A.) No. 7916, The Special Economic Zone Act of 1995, the Company is subject to 5% final tax on gross income from PEZA-registered activities in lieu of payment of national and local taxes.

Current tax

The current tax expense is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statements of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using 5% of gross income earned from registered activities. For income other than its registered activities, tax rate is 30%.

Deferred tax

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences, while deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

Events after the Reporting Period

The Company identifies events after the end of each reporting period as those events, both favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. The financial statements of the Company are adjusted to reflect those events that provide evidence of conditions that existed at the end of the reporting period. Non-adjusting events after the end of the reporting period are disclosed in the notes to financial statements when material.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, Management is required to make judgments, 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 the historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical Judgments in Applying Accounting Policies

The following are the critical judgments, apart from those involving estimations, that Management have made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

Functional currency

Based on the economic substance of the underlying circumstances relevant to the Company, the functional currency of the Company has determined to be 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 Company's cost of operation, and in effect, its revenue.

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.

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.

Discount rate used to determine the carrying amount of the company's defined benefit obligation

The Company's defined benefit obligation is discounted at a rate set by reference to market yields at the end of the report period on high quality corporate bonds. Significant judgment is required when setting the criteria for bonds to be included in the population from which the yield curve is derived. The most significant criteria considered for the selection of bonds include the issue size of the corporate bonds, quality of the bonds and the identification of outliers which are excluded.

Key Sources of Estimation Uncertainties

The following are 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.

Estimating of allowance for doubtful accounts or impairment of trade and other receivables and refundable deposits

The 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 Company's relationship with the customers/debtors, the customers'/ debtors' payment behavior 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 on receivables and refundable deposits as at March 31, 2018. The carrying value of trade and other receivables as at March 31, 2018 amounted to P62,742,507 as shown in Note 7 while refundable deposits amounted to P38,219,200, as disclosed in Note 11.

Estimation of allowance for estimated credit losses

The Company measures ECL of a financial instrument in a way that reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, the time value of money and information about past events, current conditions and forecasts of future economic conditions. When measuring ECL the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

The Company estimates the loss allowance for ECL related to its receivables based on assessment of specific accounts when the Company has information that certain counterparties are unable to meet their financial obligations. In these cases, judgment used was based on the best available facts and circumstances including but not limited to, the length of relationship with the counterparty and the counterparty's current credit status based on third party credit reports and known market factors. The Company used judgment to record specific reserves for counterparties against amounts due to reduce the expected collectible amounts. These specific reserves are re-evaluated and adjusted as additional information received impacts the amounts estimated.

The carrying value of receivables and refundable deposits as at March 31, 2019 amounted to P58,237,66 and P10,961,994,respectively, as disclosed in Notes 7 and 11. The Company provided an allowance for impairment of refundable deposit as at March 31, 2019 amounting to P27,267,571, as disclosed in Note 11.

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.

As at March 31, 2019 and 2018, the carrying amounts of the Company's property and equipment amounted to P44,194,513 and P46,302,759, respectively. Total accumulated depreciation as at March 31, 2019 and 2018 amounted to P318,519,975 and P273,175,021, respectively, as disclosed in Note 9.

Estimation of retirement benefits costs

The determination of the Company's obligation and cost for retirement benefits is dependent on management's selection of certain assumptions used by actuaries in calculating such amounts.

The assumptions for retirement benefits costs are described in Note 18, 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 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 total comprehensive income.

Accrued retirement benefits costs amounted to P3,485,321 and P1,674,007 and as at March 31, 2019 and 2018, respectively, as disclosed in Note 18.

Deferred tax assets/liabilities

The Company reviews the carrying amounts at the end of each accounting period and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. However, there is no assurance that the Company will generate sufficient taxable profit to allow all or part of its deferred tax assets to be utilized.

The Company opted not to recognize deferred tax assets since management believes that it is unlikely that future taxable income will be available from which these deferred income tax assets will be utilized, as disclosed in Note 19.

6. CASH AND CASH EQUIVALENTS

This account consists of:

	2019	2018
Cash on hand	**₱ 40,000**	₱ 40,000
Cash in banks	**102,418,169**	76,472,070
Time deposits	**178,346,000**	102,207,000
	₱280,804,169	₱178,719,070

Cash in banks pertain to the savings and current accounts which earned interest at prevailing respective bank rates. Time deposits with maturities of three months or less, earned interest based on interest rates indicated in the certificates. The average interest rate ranges from 0.16% to 0.38% per annum during 2019 and 2018.

Interest income on cash and cash equivalents amounted to P164,704 and P95,279 in 2019 and 2018, respectively.

7. TRADE AND OTHER RECEIVABLES

This account consists of:

	Note	**2019**	2018
Trade	13	**₱ 55,139,520**	₱ 61,935,568
Advances to suppliers		**2,355,495**	-
Advances to employees		**742,651**	501,649
Others		**-**	305,290
		₱ 58,237,666	₱ 62,742,507

Trade receivables arise from related party transactions, as disclosed in Note 13.

The average credit period on sales of services is 60 days. No interest is charged on the receivables.

Advances to suppliers pertain to the advance payment to suppliers for the purchase of goods.

Advances to employees pertain to the Company's claims for refund from Social Security System (SSS) for the health benefits advanced by the Company to the employees on behalf of SSS and business expenses that are subject to liquidation.

Others account pertains to claims for refund from supplier to be applied in subsequent billings in 2019.

There were no receivables pledged or used as collateral for the Company's liabilities as at March 31, 2019 and 2018.

In determining the recoverability of trade and other receivables, the Company considers any change in the credit quantity of these accounts from the date credit was initially granted up to the end of each reporting period. Accordingly, Management believes that there is no loss allowance for ECL.

8. PREPAID EXPENSES AND OTHER CURRENT ASSETS

This account consists of:

	2019	2018
Prepaid insurance	**P5,853,136**	₱ 8,753,656
Others	**1,838,081**	6,025,623
	P7,691,217	P14,779,279

Others consist of payments for maintenance fees, membership dues and advertising.

9. PROPERTY AND EQUIPMENT - net

The movement analysis of this account is as follows:

	Office equipment	Communication equipment	Leasehold improvements	Furniture and fixtures	Total
2019					
Cost:					
Balance at beginning of year	**₱105,205,234**	**₱ 54,450,064**	**₱141,403,822**	**₱18,418,660**	**₱319,477,780**
Acquisitions	**30,314,361**	**12,871,497**	**-**	**50,850**	**43,236,708**
Balance at end of year	**135,519,595**	**67,321,561**	**141,403,822**	**18,469,510**	**362,714,488**
Accumulated depreciation:					
Balance at beginning of year	**89,018,587**	**42,757,311**	**123,784,052**	**17,615,071**	**273,175,021**
Depreciation	**16,966,346**	**10,257,624**	**17,551,074**	**569,910**	**45,344,954**
Balance at end of year	**105,984,933**	**53,014,935**	**141,335,126**	**15,184,981**	**318,519,975**
Net carrying value	**₱ 29,534,662**	**₱ 14,306,626**	**₱ 68,696**	**₱ 284,529**	**₱ 44,194,513**
2018					
Cost:					
Balance at beginning of year	₱100,565,399	₱48,999,686	₱142,017,949	₱18,418,660	₱310,001,694
Acquisitions	5,091,320	6,402,058	-	-	11,493,378
Disposal	(451,485)	(951,680)	(614,127)	-	(2,017,292)
Balance at end of year	105,205,234	54,450,064	141,403,822	18,418,660	319,447,780
Accumulated depreciation:					
Balance at beginning of year	60,822,183	30,850,604	81,864,537	14,455,285	187,992,609
Depreciation	28,597,510	12,858,387	42,192,460	3,159,787	86,808,144
Disposal	(401,106)	(951,680)	(272,946)	-	(1,625,732)
Balance at end of year	89,018,587	42,757,311	123,784,052	17,615,071	273,175,021
Net carrying value	₱ 16,186,647	₱11,692,753	₱ 17,619,770	₱ 803,589	₱ 46,302,759

No disposal was made in 2019. The disposal in 2018 pertains to various Company assets for a total consideration of P1,500 which resulted to a loss of P390,060.

The depreciation is presented as part of the following accounts:

	Notes	2019	2018
Cost of services	15	**₱43,215,175**	₱82,563,862
Operating expense	16	**2,129,779**	4,244,282
		₱45,344,954	₱86,808,144

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.

10. INTANGIBLE ASSETS - net

The movement analysis of this account is as follows:

	Note	2019	2018
Cost:			
Beginning and end of year balance		**₱680,468**	₱680,468
Accumulated amortization:			
Balance at beginning of year		**322,058**	122,016
Amortization during the year	16	**200,042**	200,042
Balance at end of year		**522,100**	322,058
Net carrying value		**₱158,368**	₱358,410

The amortization in 2019 and 2018 is presented as part of operating expense, as disclosed in Note 16.

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.

11. REFUNDABLE DEPOSITS

This account consists of:

	Note	2019	2018
Rental deposits	17	**₱10,486,514**	₱10,476,091
Utilities deposits		**475,480**	475,480
Others		**27,267,629**	27,267,629
		38,229,623	38,219,200
Less: Current portion		**27,267,629**	27,267,629
		₱10,961,994	₱10,951,571

Details of refundable deposit-current portion are as follow:

	Note	2019	2018
Balance at beginning of the year		**₱27,267,629**	₱27,267,629
Less: Allowance for impairment	16	**27,267,629**	-
		₱ -	₱27,267,629

Others account includes a deposit with a guaranty corporation as a surety bond advised by Department of Labor and Employment (DOLE) - National Labor Regulations Commission (NLRC) in 2018.

In 2019, the Company provided an allowance for impairment of refundable deposit from NLRC. The said deposit was charged to “provision for contingencies”, as disclosed in Note 16.

12. TRADE AND OTHER PAYABLES

This account consists of:

	2019	2018
Trade payables	**₱10,593,385**	₱18,445,929
Salaries payable	**42,509,351**	37,229,847
Accrued expenses	**6,590,358**	12,073,833
SSS, Philhealth and HDMF payables	**3,351,822**	2,023,355
Withholding taxes	**91,291**	116,879
	₱63,136,207	₱69,889,843

The Company writes off salaries payable relating to the last pay of separated employees. Written off payables amount to P5,820,987 and P2,494,318 in 2019 and 2018, respectively, presented as “Other Income” in the statements of comprehensive income.

Details of accrued expenses are shown below:

	2019	2018
Expenses	**₱4,152,134**	₱ 7,611,898
Leave encashment	**2,438,224**	1,696,411
Prior year’s taxes	**-**	2,765,524
	₱6,590,358	₱12,073,833

13. RELATED PARTY TRANSACTIONS

The summary of the Company's transactions and outstanding balances with related parties as at and for the years ended March 31, 2019 and 2018 is as follows:

Category	Amount	Outstanding Balance Asset (Liability)	Terms and Condition	Guaranty/ Settlement/ Provision	Ref/Note
2019					
Tech Mahindra Limited - Ultimate Parent					
Service revenue	**₱672,362,346**	**₱55,139,520**	**60 days; non-interest bearing**	**Unsecured; to be collected in cash; no impairment**	**a), b), 7**
2018					
Tech Mahindra Limited - Ultimate Parent					
Service revenue	₱643,173,332	₱61,935,568	60 days; non-interest bearing	Unsecured; to be collected in cash; no impairment	a), b), 7

a. The Company entered into a Service Agreement with vCustomer Services LLC (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. Contract receivables are billed by the Company in US dollars on a periodical basis and are settled in the same currency. vSLLC was merged with Tech Mahindra (Americas), Inc., a subsidiary of Tech Mahindra Limited (TML), on February 2, 2015. Accordingly, billings were made to TML subsequently.

b. Compensation of key management personnel for the years ended March 31, 2019 and 2018 is as follows:

	Note	**2019**	2018
Salaries		**₱20,383,119**	₱12,791,633
Allowance		**608,500**	417,000
Other employee benefits		**3,710,646**	4,127,299
		₱24,702,265	₱17,335,932
Retirement benefits costs	18	**₱ 331,582**	₱ 1,298,259

Other employee benefits include 13th month pay, performance bonus, leave encashment and other short-term benefits.

There are no other related party transactions.

14. EQUITY

Components of share capital are as follows:

	2019	2018
Authorized 1,000,000, issued, fully paid and outstanding: 950,000 ordinary shares - Php10 par value	**₱9,500,00**	₱9,500,000

On March 30, 2019, the Company's BOD approved the additional appropriation of P301 million from its current retained earnings as at March 31, 2019 to be used by the Company for its business expansion projects for the year 2019 until 2022. Also, on the same date, the Company's BOD approved the reversal of the appropriated retained earnings in 2018 of 236 million intended for the expansion projects.

On March 30, 2018, the Company's BOD approved the additional appropriation of P236 million from its current retained earnings as at March 31, 2018 to be used by the Company for its expansion projects, office renovation and equipment upgrade in the year 2018 until 2021. Also, on the same date, the Company's BOD approved the reversal of the appropriated retained earnings in 2017 of P175 million intended for the expansion projects.

15. COST OF SERVICES

This account in consists of:

	Notes	2019	2018
Personnel costs		**₱291,727,311**	₱267,699,041
Depreciation	9	**43,215,175**	82,563,862
Rent	17	**41,025,151**	39,558,121
IT infrastructure		**28,515,910**	32,863,769
Electricity		**15,894,112**	13,164,796
		₱420,377,659	₱435,849,589

Details of personnel costs are as follow:

	Note	2019	2018
Salaries, wages and other employee benefits		**₱194,681,250**	₱173,652,552
Allowances and staff welfare costs		**60,602,955**	60,826,335
SSS, PHIC and HDMF premium contributions		**18,126,792**	15,748,883
13th month pay		**17,506,310**	13,707,902
Retirement benefits costs	18	**810,004**	3,763,369
		₱291,727,311	₱267,699,041

16. OPERATING EXPENSES

This account consists of:

	Notes	2019	2018
Personnel costs		**₱ 97,564,750**	₱ 92,097,971
Facility management services		**17,430,964**	15,299,679
Repairs and maintenance		**10,435,271**	5,368,787
Security services		**9,070,291**	9,630,575
Transportation and travel		**6,638,017**	3,479,912
Trainings and recruitment		**6,139,118**	3,318,644
IT infrastructure		**2,924,520**	1,543,076
Communication, light and water		**2,912,553**	2,117,026
Depreciation and amortization	9, 10	**2,329,821**	4,444,324
Rent	17	**2,211,753**	2,132,662
Provision for contingencies		**27,267,629**	-
Professional services		**2,030,967**	5,384,815
Office supplies		**1,822,887**	1,760,309
Insurance		**667,108**	695,719
Taxes and licenses		**200,680**	204,078
Bank service charge		**91,316**	82,425
Outside services		**-**	1,133,130
Prior year's taxes		**-**	2,765,524
Miscellaneous		**1,130,282**	268,561
		₱190,867,927	₱151,727,217

Miscellaneous operating expenses include office management, postage and courier, and membership fees.

Details of personnel costs are as follow:

	Note	2019	2018
Salaries, wages and other employee benefits		**P63,989,549**	P68,656,041
Allowance and staff welfare costs		**21,945,205**	11,605,432
13th month pay		**5,536,997**	4,396,668
SSS, PHIC and HDMF premium contributions		**5,347,465**	4,209,381
Retirement benefits costs	18	**745,534**	3,230,449
		P97,564,750	P92,097,971

Depreciation and amortization are broken down as follow:

	Notes	2019	2018
Property and equipment	9	**₱2,129,779**	₱4,244,282
Intangible assets	10	**200,042**	200,042
		₱2,329,821	₱4,444,324

17. 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 years with a free fitting out period of three months and an option to extend for another ten years. Future payments under these lease agreements are subject to escalation rate of fifteen percent (15%) per year 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 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 years and nine 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 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 presented as follows:

	Notes	2019	2018
Cost of services	15	**₱41,025,151**	₱39,558,121
Operating expenses	16	**2,211,753**	2,132,662
		₱43,236,904	₱41,690,783

Rental deposits relative to these contracts amounted to P10,486,514 and P10,476,091 as at March 31, 2019 and 2018, respectively, as disclosed in Note 11.

Estimated future minimum rental payments are as follow:

	2019	2018
Due within one year	**₱ 45,160,763**	₱ 43,384,242
Due beyond one year but less than five years	**119,906,016**	165,018,910
Due beyond five years	**-**	47,870
	₱165,066,779	₱208,451,022

18. RETIREMENT BENEFITS COSTS

The Company does not have an established formal retirement plan as at March 31, 2019 and 2018 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 was made for the year ended March 31, 2019. The principal actuarial assumptions used to determine retirement benefits were as follows:

Regulatory framework in which the retirement plan operates

In accordance with the provisions of the RA 7641, the Company is required to pay eligible employees at least minimum regulatory benefit upon normal retirement, subject to age and service requirements.

Responsibilities of trustee

Since the Company does not have a formal, trusteed Retirement Plan, there are no Trustees yet.

Description of plan characteristics and associated risks

The calculations were based on the provisions of the minimum mandated benefit under RA 7641. However, it should be noted that in the event a benefit claim arises, the benefit shall immediately be due and payable from the Company.

Amounts recognized in the financial statements

The principal actuarial assumptions used to determine retirement benefits were as follows:

	2019	2018
Discount rate	**6.75%**	7.00%
Salary increase rate	**6.00%**	6.00%

Maturity profile of expected future benefit payments

The Company's expected future benefit payments is shown below:

	2019	2018
Beyond five years (6 to 10 years)	**₱870,314**	₱275,737

The movement of the present value of defined benefit obligation (DBO) follows:

	2019	2018
Balance at beginning of year	**₱1,674,007**	₱ 9,907,883
Current service cost	**1,438,358**	6,947,158
Remeasurement gain (loss)	**255,776**	(15,227,694)
Interest cost	**117,180**	538,298
Curtailments	**-**	(491,638)
Balance at end of year	**₱3,485,321**	₱ 1,674,007

The retirement benefits costs recognized as part of Cost of services and Operating expenses in the statements of comprehensive income for the years ended March 31, 2019 and 2018 were determined as follows:

	Notes	**2019**	2018
Current service cost		**₱1,438,358**	₱6,455,520
Interest on net defined benefit liability		**117,180**	538,298
	15, 16	**₱1,555,538**	₱6,993,818

The retirement benefits costs are broken down as follows:

	Notes	**2019**	2018
Cost of services	15	**₱ 810,004**	₱3,763,369
Operating expenses	16	**745,534**	3,230,449
		₱1,555,538	P6,993,818

The movement of cumulative remeasurement gain (loss) presented in the statements of changes in equity follows:

	2019	2018
Balance at beginning of year	**₱19,625,311**	₱ 4,397,617
Actuarial gain (loss):	**-**	-
Due to liability assumption changes	**(149,725)**	4,543,466
Due to liability experience	**(106,051)**	10,684,228
	(255,776	15,227,694
Balance at end of year	**₱19,369,535**	P19,625,311

The movement of the accrued retirement benefit costs recognized in the statements of financial position is as follows:

	Notes	**2019**	2018
Balance at beginning of year		**₱1,674,007**	₱ 9,907,883
Retirement benefit costs	15, 16	**1,555,538**	6,993,818
Remeasurement gain (loss)		**255,776**	(15,227,694)
Balance at end of year		**₱3,485,321**	₱ 1,674,007

Amount, timing and uncertainty of future cash flows

Sensitivity analysis on the defined benefit obligation is as follows:

2019

		Sensitivity Analysis	Effect on DBO
Discount rate	**7.75%**	**1% increase**	**(18.97%)**
Discount rate	**5.75%**	**1% decrease**	**24.17%**
Salary increase rate	**7.00%**	**1% increase**	**24.11%**
Salary increase rate	**5.00%**	**1% decrease**	**(19.25%)**

2018

		Sensitivity Analysis	Effect on DBO
Discount rate	8.00%	1% increase	(19.81%)
Discount rate	6.00%	1% decrease	25.43%
Salary increase rate	7.00%	1% increase	25.43%
Salary increase rate	5.00%	1% decrease	(20.14%)

Methods and assumptions used in sensitivity analysis

All other assumptions were kept constant in determining the sensitivity results above.

Changes since previous period

There were no changes in the methods and assumptions used in preparing the sensitivity analysis.

Description of asset-liability matching strategies

Since the DBO is still unfunded, there are no plan assets to match against the DBO.

Description of funding arrangements and policies

Since the DBO is still unfunded, benefit claims under the DBO are paid directly by the Company when they become due.

19. INCOME TAXES

The Company's sales transactions for tax purposes are classified as tax exempt under the PEZA income tax holiday and under the special rate of 5% of gross income.

The components of income tax expense charged to profit or loss are as follows:

	2019	2018
Current income tax expense	**₱5,258,011**	₱3,291,594
Deferred tax expense	**131,796**	23,408
	₱5,389,807	₱3,315,002

The reconciliation between tax expense and the product of accounting profit (loss) multiplied by the 5% for Gross Income Tax (GIT) in 2019 and 2018 is as follows:

	2019	2018
Accounting profit	**₱70,661,010**	₱62,199,265
Less: Other income subject to RCIT	**5,820,987**	2,495,818
Accounting income subject to GIT	**64,840,023**	59,703,447
Tax expense at 5%	**3,342,001**	2,985,172
Non-deductible expense	**9,557,105**	7,794,557
Nontaxable income subject to tax holiday	**(9,147,361)**	(8,208,259)
Tax expense subject to 30% RCIT	**1,746,297**	748,746
Nontaxable income subject to final tax	**(8,235)**	(4,764)
Balance at end of year	**₱ 5,389,807**	₱ 3,315,002

The tax rate used for the 2019 and 2018 reconciliation above is the 5% special rate whose tax base is the gross income under the registered activities. Any income earned outside the registered activities are subject to 30% Regular Corporate Income Tax (RCIT).

The deferred tax assets arising from various provisions amounting to P20,049 and P100,450 for 2019 and 2018, respectively, were not recognized as the Management does not expect that there will be sufficient taxable profits against which the assets can be utilized before the expiration.

The deferred tax liability arising from the unrealized foreign exchange gains amounting to P155,204 and P23,408 is recognized by the Company in 2019 and 2018, respectively.

20. FAIR VALUE INFORMATION

The fair value of Company's financial assets and liabilities:

	Notes	**2019** Carrying Amount	**2019** Fair Value	2018 Carrying Amount	2018 Fair Value
Financial Assets					
Cash and cash equivalents	6	**₱280,804,169**	**₱280,804,169**	₱178,719,070	₱178,719,070
Trade and other receivables	7	**55,139,520**	**55,139,520**	61,935,568	61,935,568
Refundable deposit	11	**10,961,994**	**10,961,994**	38,219,200	38,219,200
Financial Liabilities		**₱346,905,683**	**₱346,905,683**	₱278,873,838	₱278,873,838
Trade and other payables	12	**₱ 59,693,094**	**₱ 59,693,094**	₱ 64,984,085	₱ 64,984,085

The difference between the carrying amount of trade and other receivables and trade and other payables disclosed in the statements of financial position and the amount disclosed in this note pertains to advances to officers and employees and government payables, respectively, since these are not considered as financial assets or liabilities.

Management believes that the carrying amounts of cash and cash equivalents, trade and other receivables and trade and other payables approximate their fair values.

The fair value of refundable deposits cannot be measured reliably since there was no comparable market data and inputs for the sources of fair value such as discounted cash flow analysis. However, Management believes that its carrying amount approximate its fair value.

21. FINANCIAL RISK MANAGEMENT

Financial Risk Management Objectives and Policies

The main purpose of the Company's financial instruments is to fund the Company's operations and to acquire and improve property and equipment. The main risks arising from the use of financial instruments are credit risk, liquidity risk and market risk which includes interest rate risk and foreign currency risk. These are summarized below:

Credit risk

Credit risk is the risk that a counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily from cash and cash equivalents and receivables).

With respect to credit risk arising from the Company's financial assets, which comprise of cash and cash equivalents, receivables, advances to a related party and refundable deposits, the Company's exposure to credit risk arises from default of the counterparty with a maximum exposure equal to the carrying amount of these instruments.

The Company controls this risk through monitoring procedures and regular coordination with the debtors. Receivable balances are monitored on an ongoing basis with the result that its exposure to bad debts is not significant.

The table below presents the Company's maximum exposure to credit risk without taking account of the value of any collateral obtained:

	Notes	**2019**	2018
Cash and cash equivalents	6	**₱280,804,169**	₱178,719,070
Trade and other receivables	7	**55,139,520**	61,935,568
Refundable deposits	11	**10,961,994**	38,219,200
		₱346,905,683	₱278,873,838

The Company does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

In 2019, ECLs are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument.

The Company's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognizing ECL
Performing	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL- not credit-impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL- credit impaired
Write-off	There is evidence indication that the debtor is in severe financial difficulty and the Company has no realistic prospect of recovery	Amount is written-off

The following table details the credit quality of the Company's financial assets and other items, as well as the Company's maximum credit exposure to credit risk by credit risk rating grades as at March 31, 2019:

	Notes	Internal credit rating	12m or lifetime ECL?	Gross carrying amount	Loss allowance	Net carrying amount
2019						
Cash and cash equivalents	6	Performing	12m ECL	P280,804,169	₱ -	₱280,804,169
Trade and other receivables	7	Performing	Lifetime ECL	55,139,520	-	55,139,520
Refundable deposits	11	Performing	12m ECL	38,229,623	27,267,629	10,961,994
				₱346,905,683	**₱27,267,629**	**₱346,905,683**

For trade and other receivables, the Company has applied the simplified approach in PFRS 9 to measure the loss allowance at lifetime ECL. The Company determines the ECL on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix.

In 2018, the Company used internal ratings to determine the credit quality of its financial assets. These have been mapped to the summary rating below.

High grade - This applies to highly rated financial obligors, strong corporate counterparties and personal borrowers with whom the Company has excellent repayment experience.

Satisfactory grade - This applies to financial assets that are performing as expected, including loans and advances to small and medium sized entities and recently established businesses.

Low grade – this applies to risks that are neither past due nor expected to result in loss but where the Company requires a workout of the relationship unless an early reduction in risk is achievable.

The following table details the credit quality of the Company neither past due nor impaired financial assets:

	Notes	Neither past due nor impaired			Total
		High Grade	Satisfactory Grade	Low Grade	
2018					
Cash and cash equivalents	6	P178,719,070	₱ -	₱ -	P178,719,070
Trade and other receivables	7	61,935,568	-	-	61,935,568
Refundable deposits	11	38,219,200	-	-	38,219,200
		P278,873,838	₱ -	₱ -	P278,873,838

Liquidity risk

Liquidity pertains to the risk arising from the shortage of funds due to unexpected events or transactions.

The Company seeks to manage its liquidity profile to be able to finance its capital expenditures and operations. The Company maintains a level of cash deemed sufficient to finance operations. To cover its financing requirements, the Company obtains advances from its Parent Company, when necessary. As part of its liquidity risk management, the Company regularly evaluates its projected and actual cash flows.

The table below summarizes the maturity profile of the Company's financial assets and liabilities as at March 31, 2019 and 2018 on undiscounted contractual cash flows.

	Notes	On Demand	Due Within 30 days	Due within 1 year	Due beyond 1 year but not more than 5 years	Total
2019						
Cash and cash equivalents	**6**	**₱102,458,169**	**₱178,346,000**	**₱ -**	**₱ -**	**₱280,804,169**
Trade and other receivables	**7**	**-**	**55,139,520**	**-**	**-**	**55,139,520**
Refundable deposits	**11**	**-**	**-**	**-**	**10,961,997**	**10,961,997**
		₱102,458,169	**₱233,485,520**	**₱ -**	**₱10,961,997**	**₱346,905,686**
Trade and other payables*	**12**	**₱ 10,593,387**	**₱ 49,099,709**	**₱ -**	**₱ -**	**₱ 59,693,044**

*Excluding non-financial liabilities amounting to P4,443,113.

	Notes	On Demand	Due Within 30 days	Due within 1 year	Due beyond 1 year but not more than 5 years	Total
2018						
Cash and cash equivalents	6	₱ 76,512,070	P102,207,000	₱ -	₱ -	P178,719,070
Receivables						
Trade and other receivables	7	-	61,935,568	-	-	61,935,568
Refundable deposits	11	-	-	10,938,752	27,280,448	38,219,200
		₱ 76,512,070	P164,142,568	P10,938,752	P27,280,448	P278,873,838
Trade and other payables*	12	₱ 18,445,929	₱ 46,538,156	₱ -	₱ -	₱ 64,984,085

*Excluding non-financial liabilities amounting to P4,905,758.

Interest rate risk

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

The primary source of the Company's interest rate risk relates to cash in banks. The interest rates on these assets is disclosed in Note 6.

The Company has a policy in place in managing interest rate risk and is monitored on an ongoing basis.

Foreign currency risk

Foreign exchange risk arises when an investment's value changes due to variations in the currency exchange rate. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities that are denominated in a currency that is not the Company's functional currency. The Company undertakes certain transactions denominated in Philippine Peso. Hence, exposures to exchange rate fluctuations arise with respect to such transactions.

Significant fluctuation in the exchange rates could significantly affect the Company's financial position. The Company has a policy in place in managing foreign currency risk and is monitored on an ongoing basis.

The carrying amounts of the Company's foreign currency-denominated monetary assets and monetary liabilities at the end of each reporting period are as follows:

	2019	2018
Cash and cash equivalents	**₱159,698,039**	₱ 82,714,820
Trade and other receivables	**55,139,520**	61,935,568
Trade and other payables	**1,927,561**	1,094,363
	₱216,765,120	P145,744,751

The following table details the Company's sensitivity to a 0.78% increase and decrease in the functional currency of the Company against the relevant foreign currencies. The sensitivity rates used in reporting foreign currency risk internally to key management personnel are 0.78% and 0.70% in 2019 and 2018, respectively, which represent Management's assessment of the reasonably possible change in foreign exchange rates based on historical trends. The sensitivity analysis includes all of the Company's foreign currency denominated monetary assets and liabilities. A positive number below indicates an increase in profit and other equity when the functional currency of the Company's strengthens 0.78% in 2019 and 0.70% in 2018 against the relevant currency. For a 0.78% in 2019 and 0.70% in 2018 weakening of the Functional currency of the Company against the relevant currency, there would be an equal and opposite impact on the profit and other equity and the balances below would be negative.

	Effect on Profit for the Year	
	2019	2018
Cash and cash equivalents	**P1,245,645**	₱ 579,004
Trade and other receivables	**430,088**	433,549
Trade and other payables	**15,035**	7,661
	P1,690,768	P1,020,214

The above sensitivity analysis is applicable in determining the effect on equity of the changes in foreign exchange rates.

In Management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

22. CAPITAL RISK 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, maximize shareholder value, maintain various stakeholders' confidence and sustain future development of the business. The Company manages its capital structure and makes adjustments to these ratios in light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may issue stock dividend to shareholders, return or issue capital. No significant changes have been made in the capital management approach as they have been applied in previous years. The Company has not been subjected to externally imposed capital requirements. No major changes were made in the objectives, policies and procedures in 2019 and 2018.

The Company considers the following as its capital:

	2019	2018
Share capital	**₱ 9,500,000**	₱ 9,500,000
Retained earnings	**303,855,974**	238,584,771
Cumulative remeasurement gain on retirement benefits	**19,369,535**	19,625,311
	P332,725,509	P267,710,082

The debt to equity ratio at year-end was as follows:

	2019	2018
Debt	**₱ 59,693,096**	₱ 64,984,085
Equity	**332,725,509**	267,710,082
	0.18:1	0.25:1

23. SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE (BIR) UNDER REVENUE REGULATIONS NOS. 15-2010

The following supplementary information are presented for purposes of filing with the BIR and are not required part of the basic financial statements.

Output VAT

In 2019, the Company has zero-rated sales amounting to P672,362,346. In accordance with pertinent tax laws and revenue regulations, zero-rated sale of services consists of export sales.

Other taxes and licenses

Details of the Company's other taxes and licenses and permit fees paid or accrued are as follows:

Business permit	P181,207
BIR and PEZA registration, community tax certificate and others	19,473
	P200,680

Withholding taxes

Details of the Company's withholding taxes paid or accrued during the year are as follows:

Compensation	₱ 7,895,898
Expanded	4,239,023
Final taxes	91,476
	P12,226,397

24. APPROVAL OF FINANCIAL STATEMENTS

The financial statements of the Company were approved and authorized for issuance by the Board of Directors on May 14, 2019.

Satyam Venture Engineering Services Private Limited

Board of Directors
Mr. Shivanand Raja- Chairman
Mr. Jayaraman Ganapathy- Director
Mr. Karthikeyan Natarajan- Director
Mr. Rakesh Soni- Director
Mr. V. Venkata Kumar Raju- Director
Ms. Indira Suresh- Director
Mr. Subramanyam Reddy Chelikam- Independent Director
Mr. Venkateswarlu Jonnalagadda- Independent Director

Committees of the Board
Audit Committee
Mr. Venkateswarlu Jonnalagadda, Chairman
Mr. Subramanyam Reddy Chelikam
Mr. V. Venkata Kumar Raju

Nomination and Remuneration Committee
Mr. Rakesh Soni, Chairman
Mr. Shivanand Raja
Mr. Venkateswarlu Jonnalagadda
Mr. Subramanyam Reddy Chelikam

Corporate Social Responsibility Committee
Mr. Shivanand Raja, Chairman
Mr. Jayaraman Ganapathy
Mr. V. Venkata Kumar Raju
Mr. Venkateswarlu Jonnalagadda

Key Managerial Personnel
Mr. Rao S. Vadlamudi – C.E.O.
Mr. Srinivas Ramancherla- C.F.O.
Ms. AradhanaRewatkar- Company Secretary

Auditors
M/s. M. Bhaskara Rao & Co., Chartered Accountants
5-D, Fifth Floor, ‘Kautilya’
6-3-652, Somajiguda
Hyderabad-500082

Bankers
ICICI Bank Limited
HSBC Bank Limited
Kotak Mahindra Bank Limited

Registered Office:
1-8-301-306, 3rd Floor, AshokaMyHome Chambers,
S. P Road, Secunderabad- 500 003,
Telangana, INDIA

Directors' Report

Dear Members,

Your Directors have the pleasure in presenting the Nineteenth Annual Report together with audited Statement of Accounts of the Company for the year ended March 31, 2019.

The Company's Standalone financial results for the year under review along with previous year's results are presented hereunder:

Financial Highlights

INR in Millions

Particulars	2018-19	2017-18
Income	**3,412.55**	3,256.99
Other Income	**44.68**	123.45
Total Income	**3,457.23**	3,380.44
Operating Profit (EBITDA)	**542.07**	474.22
Operating Margin	**15.88%**	14.56%
Depreciation	**73.66**	80.89
EBT	**513.09**	396.80
Net Income (PAT)	**337.41**	249.36
Current Tax	**189.18**	176.2
Tax relating to earlier years	**1.63**	(32.99)
Deferred Tax	**(15.13)**	4.23
Cash & Cash Equivalent	**231.44**	217.90
Long Term Debt	**-**	-
Capital Expenditure	**69.31**	79.73

Business Overview

During the year under review, the Company secured business orders from 18 new Customers.

The Company continued to enjoy 90%+ repeat business based on its quality of services and value addition.

Company has faced several headwinds in global markets, such as:

- Shifting of budgets from traditional Mechanical Engineering to new age vehicles (EV & Autonomous).
- preference for local hires in the USA,
- very high incidents of H1B visa denials (for new visas as well as extension of visas for current Onsite Associates) in the USA, and
- resource issues related to ANÜ placements & hiring of Associates on ANÜ contracts by Customers in Germany

The Company recorded a growth of 6.8% (INR) in the financials for the year under review.

The continuous focus on new areas through its 3- Box initiatives is resulting in increased revenue prospects from current customers and new prospects as below:

- SVES successfully established Mechatronics business with about 6 of its key Customers and is currently working on Proof-of-Concepts for other Customers and prospects.
- SVES extended its Digital Manufacturing domain expertise by increasing the team size to a total head count of 200+ across several OEM and Tier-1 customers.
- New geography focus in Mexico and South Korea helped build business with new customers and SVES continues to invest in these markets for securing growth prospects.
- SVES acquired 2 local OEM business from China with new customer wins.

There was a significant increase in the Company's engagement with new customers & business opportunities as below:

- Expanded services in China by quoting for vehicle and sub-system level benchmarking and costing projects.
- Conducted analytical benchmarking of IP of competitor vehicle in Japan at the OEM facility.

- Established a team of 20+ Engineers with a mix of Indian and Mexican for a large OEM in Mexico in Mechatronics area.
- Became the largest vendor partner for a large OEM Centre in Chennai in the Mechatronics area within one year of establishing the practice.
- Offsite Design Center for a lighting systems customer was established in the USA. 6 Engineers are working from this facility now.
- Won fixed-bid orders from 2 Chinese OEMs in advanced CAE areas and support is being extended from Offshore and Onsite.
- Expanded CAE process automation practice to multiple OEMs after starting last year with 1 US-headquartered OEM.
- Expanded CAE business at another US-headquartered OEM's Bangalore Engineering Center by 220%.
- Started supporting a leading Japanese OEM and 2 of its Group Companies in Asia in advanced CAE topics such as Mass Engineering, Seating Systems Correlation and SFE Concept® through initiation of Pilot Projects.
- AnMoU was signed during the 13th India-Japan Annual Summit held between Honorable Prime Minister of Japan Mr. Shinzo Abe and Honorable Prime Minister of India Mr. NarendraModi on 29th October, 2018. SVES Japan signed anMoU with Japan External Trade Organization (JETRO) during this Summit. As part of this MoU, JETRO will extend necessary support to SVES's future business expansion.

The Company continues to invest in its Associates in Training & Development and also actively supporting EHSMS (Environment, Health & Safety Management Systems) initiatives across various locations.

During the year under review, 341 Associates were added globally. Associate attrition during the year was 13.4%. The Company continues to adopt various industry leading retention measures, such as Associate Engagement Initiatives, Implementation of Rewards & Recognition schemes and unique People Development Initiatives. The Company conducted several trainings in the areas of soft skills and technical domains covering about 1200+ Associates in FY19.

Marketing & Communication

The Company participated in various Industry Events to increase its visibility in the Automotive Market and also understand the technology trends.

Academia Connect Initiatives

The Company participated in various Academia connect events as listed below:

- As part of SVES' initiative to introduce competence related to simulation of manufacturing (forming) and joining methods (SPR and Welding), an Agreement has been made with IIT-Madras to engage M.Tech Interns on a short-term assignment.
- SVES signed a Collaborative Research Agreement with Hiroshima University for the development of a Composite Crush Box for various Full Vehicle crash scenarios.
- Participated in the Internship Program 'Technical Cooperation & Emerging Market Development Program-PASONA – METI, at Japan from 11th Sep to 29th Nov 2018.Under this programme SVES offered Internship Training to Graduates.

Future Prospects

For long term sustenance and growth, the Company plans to develop more Offsite Engineering Centers in developed markets and expand presence in Mexico and Korea. This coupled with several upcoming and niche solution areas, such as,

- Mechatronics,
- Digital Manufacturing,
- Light-weighting,
- Complete Program Management for Interiors and Body,
- Design & Engineering support, FEA and CFD simulations specific to EVs and autonomous cars,
- Development of Intellectual Property in specific automotive areas,
- Usage of unique tools and technologies (such as, SFE Concept® and Beam-Shell representation) for CAE-driven development,
- Accident Data Analysis and Reconstruction, Simulation of real accidents and injury evaluation and

- Model Based Development (MBD)

will propel the growth of the Company and this will put the Company on right path towards supporting Autonomous and Electric Cars development in FY20 and beyond.

Auditors

M/s. M. Bhaskara Rao & Co, Chartered Accountants, Hyderabad were appointed as Statutory Auditors of the Company for a period of five (5) years from the conclusion of 14th AGM held on 22nd September, 2014, and will retire at the conclusion of ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

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 the Financial Year 2019-20.

Auditors' Report

There are no qualifications, reservations or adverse remarks made by the Auditor's in their Report.

In respect of Emphasis of Matters (EOM) made in the Auditors' Report, the Disclosures made at Note No. 30.2 and 31 in notes to Accounts are self-explanatory.

Internal Financial Controls

During the year under review, the External Consultant appointed by the Companyconducted periodic review of IFC Framework. The IFC Framework so designed by the Consultant has been implemented and the same is working effectively.

The controls are adequate for ensuring the orderly and efficient conduct of the business including adherence to the Company's policies, the safe guarding of assets, the prevention and detection of frauds and errors, the accuracy and completeness of accounting records and timely preparation of reliable financial information.

Fixed Deposits

Your Company has not accepted any deposit.

Dividends

No dividend is recommended by the Board of Directors for F.Y. 2018-19 in view of the requirements of funds for the growing operations of the Company. No amount was transferred to reserves.

Directors

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 for F.Y. 2019-20.

Pursuant to the provisions of Section 152(6) (c) of the Companies Act 2013, Mr. Venkatakumar Raju Vadapalli& Mr. Karthikeyan Natarajan, Directors, are liable to retire by rotation and being eligible, offer themselves for reappointment.

Key Managerial Personnel:

Your Company had appointed the following as Key Managerial Personnel w.e.f. 23rd October, 2018:

Mr. Rao S. Vadlamudi – C.E.O.

Mr. Srinivas Ramancherla- C.F.O.

Ms. AradhanaRewatkar- Company Secretary

Meetings of the Board

During the year ended 31st March, 2019, five Board Meetings were held on, 20th April, 2018, 25th June, 2018, 23rd July, 2018, 23rd October, 2018 and 23rd January, 2019 respectively. The intervening gap between the meetings was as prescribed under the Companies Act, 2013.

Internal Auditor

Pursuant to Sec 138 of the Companies Act, 2013, the Company had appointed Mr. J. S. S. Sivarama Prasad, Chartered Accountants as the Internal Auditors of the Company.

Board Evaluation

Pursuant to the provisions of Sec 178 of the Companies Act, 2013 and The Companies (Accounts) Rules, 2014, the Directors have reviewed the performance of the Board for F.Y. 2018-19.

Remuneration Policy

The Board upon the recommendations of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration during F.Y. 2014-15. The Policy & its Annexures (Evaluation forms) were modified during the F.Y. 2018-19. Extract of the Remuneration Policy is annexed as **Annexure 'B'.**

Corporate Social Responsibility (CSR)

Pursuant to the guidelines prescribed under section 135 of the Companies Act, 2013, the Board has formed a Committee viz, Corporate Social Responsibility (CSR) Committee on March 27, 2014. Subsequently the CSR Policy as recommended by the CSR Committee was approved by the Board.

Company organized various CSR activities, such as, Summer Water Camp, Blood Donation, Books Donation, Organ Donation Pledging, etc.

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 at arm's length basis and were in the ordinary course of business. No material related party transactions were made by the Company with its 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 has developed its Risk Assessment Framework and is being implemented under the ISO standards and IFC Framework.

The Company's Risk Management is also 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 a 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.

Sustainability

The Company has taken several steps to support the Green Initiatives and can be summarized as follows:

- Disposal of E-waste through Government authorized Agency.
- Environmental Awareness and Waste Segregation Session by "Green Peace" on 5th June, 2018.

Prevention of Sexual Harassment Policy

The Company has Prevention of 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 complaint 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

Section 197 (12) of the Companies Act, 2013, read with the Companies (Remuneration of Managerial Personnel) Rules 5, 2013 are not applicable for your Company.

Form of Statement containing salient features of financial statements of subsidiaries

The statement containing the salient features 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 'F'**

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 Ms. M. Gayathri, Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is annexed herewith as **Annexure 'G'.**

The Disclosures made at point no. 4 & 11 in the Secretarial Audit Report are self-explanatory.

Details of Subsidiaries:

During the year under review, Company had two Subsidiaries, namely, Satven GmbH at Germany and Satyam Venture Engineering Services (Shanghai) Co., Ltd. at China.

Company has not incorporated any new Subsidiary.

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:

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:

- Implemented LED lighting systems to optimize power consumption.
- Identification and replacement of low efficient computers and peripherals.
- Conducting continuous conservation awareness and training sessions for operational personnel.
- Periodical maintenance of all the computers and peripherals.

Capital investment on energy conservation equipment: NIL

B. Technology Absorption: The Company has continued its endeavor to adopt technologies for its services to meet the requirements of a globally competitive market. The Company is compliant with the prevalent regulatory norms. Company also develops the technology which is registered as patents by the Customers. The Company also participates in various Global Automotive Forums to acquaint with the latest trends in the technology areas. These initiatives are providing additional revenue streams to the Company apart from higher visibility in the Market.

During the last three years, the Company did not import any technology.

No cost has been incurred towards **Research and Development.**

D. Foreign Exchange Earnings and outgo

		March 31, 2019 (Rs. In Million)	March 31, 2018 (Rs. In Million)
I)	Foreign Exchange Earnings	**2,190.93**	2,360.88
II)	Foreign Exchange outgo	**1,528.39**	1,507.20

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

Directors take this opportunity to place on record the valuable contribution and support received from the Customers, Members, Banks, Suppliers, Consultants and Associates and also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

For and on behalf of the Board of Directors

Place: Hyderabad — **Shivanand Raja**
Date: 30th April, 2019 — **Chairman**

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
Date: 30th April, 2019

Shivanand Raja
Chairman

Annexure B

Extract of Nomination and Remuneration Policy

1. OBJECTIVE

In compliance with the provisions of Section 178 of Companies Act 2013, following policies are formalized:

1. Policy on appointment and removal of Directors, Key Managerial Personnel and Senior Management Personnel;
2. Policy on Remuneration to the Directors, Key Managerial Personnel, Senior Management Personnel and other Employees
3. Policy on Evaluation of performance of the 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 **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.

"HR' means the Human Resource department of the Company.

"Key Managerial Personnel" means KMP defined under section 2(51) of the Companies Act, 2013 i.e. Chief Executive Officer (CEO), Chief Financial Officer (CFO) and 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 Personnel" means personnel of the company who are members of its core management team comprising of the HODs excluding Board of Directors & KMP. HODs refers to Heads of HR, Sales & Marketing, Commercial, Corporate Services, Legal, Delivery Heads, ERP& Quality.

3. POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTORS, KEY MANAGERIAL PERSONNEL (KMP) AND SENIOR MANAGEMENT PERSONNEL

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 Key Managerial Personnel (KMP)

The NRC determines the criteria for appointment of KMP and is vested with the authority to identify candidates for appointment of KMP. In evaluating the suitability of individual KMP, the NRC will take into account multiple factors, including general understanding of the business, education, professional background & experience, personal achievements, professional ethics, integrity and applicable statutory / regulatory requirements.

Based on recommendation of the NRC, the Board will evaluate the candidate(s) and decide on the selection of the appropriate Personnel.

3.3 Senior Management Personnel

The CEO determines the criteria for appointment of the Senior Management Personnel supported by HR and is also vested with the authority to appoint Senior Management Personnel. In evaluating the suitability of Senior Management Personnel, the CEO will take into account multiple factors, including general understanding of the business, education, professional background & experience, personal achievements, professional ethics and integrity.

The details of the appointment (s) made and the personnel removed / relieved during a quarter shall be presented to the Board.

3.4 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 for removal of a Director.

4. REMUNERATION TO DIRECTORS, KEY MANAGERIAL PERSONNEL & 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 are employees of 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 Key Managerial Personnel & Senior Management Personnel

4.2 (a) Key Managerial Personnel:

- The initial remuneration of KMP (excluding C.E.O.) will be approved by the Board of Directors based on the recommendations of NRC. Subsequent revision will be made by C.E.O.
- The initial remuneration of C.E.O. will be approved by the Board of Directors based on the recommendations of NRC. Subsequent revision will be made by NRC.

4.2 (b) Senior Management Personnel:

- CEO supported by HR, to review and consider revision of the remuneration of Senior Management Personnel from time to time. The Company follows an extensive Performance Management System to review the performance of the Senior Management Personnel and provide rewards on the basis of meritocracy.
- 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. Eligible employees will be rewarded with the annual increment. Before taking the proposal to the NRC, the CEO shall obtain the approval of Chairman of NRC.
- However, if any internal candidate is deputed 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. EVALATION FRAMEWORK

1. Performance Evaluation Individual Board members including Independent Directors:

Evaluation for the 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 assisted by the Company Secretary or any other person authorized by the NRC. Each Board Member will get an evaluation forms as given in **Annexure-I & II** in the first week of April of each year. The members shall complete the form and return it to the Chairman of NRC.

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. Shivanand Raja - Director
   Mr. JayaramanGanapathy - Director
   Mr. V Venkata Kumar Raju - Director
   Mr. Venkateswarlu Jonnalagadda - Independent Director

3. Average net Profit of the Company for the last three financial years: Rs. 31,59,93,584/-

4. Prescribed CSR Expenditure (two percent of the amount as an item 3 above) Rs. 63,19,872/-

5. Details of CSR spend for the Financial Year:

   a) Total amount spent for the Financial Year: 64,00,000/-

   b) Amount unspent, if any : NIL

INR

S. no	Projects NGO Partner Location	Sector	Centre	Amount Outlay (Budget-program wise)	Amount Spent on the project	Cumulative expenditure upto reporting period	Amount Spent or through implementing agency
1	Hyderabad	Satyam Venture	Arise	Association Saikorian	450	1693900	1683462
2	Hyderabad	Satyam Venture	SMART	CADRE - Uppal	325	2909976	2514594
3	Hyderabad	Satyam Venture	SMART +	Deaf Enabled Foundation	160	2230056	2201944

For and on behalf of the Board of Directors

Place: Hyderabad
Date: 30th April, 2019

Shivanand Raja
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 timelines.

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 utlized 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.
- identifyingactivties to be undertaken as per Schedule VII of the Companies Act, 2013.
- recommending to Board the CSR expenditure to be incurred.
- recommonding to Board, modifications/amendments to the CSR Policy as and when required.
- regularly monitoring the implemention 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 timelines.

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 into during the year ended March 31, 2019, 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.

   Tech Mahindra (Shanghai) Co. Limited (formerly known as Satyam Computer Services (Shanghai) Co. Limited)

   Tech Mahindra GmbH

   Tech Mahindra Foundation

   Subsidiaries-

   Satyam Venture Engineering Services (Shanghai) Co. Ltd, China

   Satven GmbH, Germany

   Associate Companies-

   Venture Global Engineering LLC

   Mahindra & Mahindra Ltd

   Jiangyin Venture Interior System

   Venture Diversified Products

   Venture Mould&Engg Co

   Venture Otto South Africa (Prop) Ltd

   Venture Auto Design (Shanghi)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:

Description	Transactions during the year ended March 31, 2019 (INR in MN)					Transactions during the year Ended March 31, 2018 (INR in MN)				
	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	652.12	36.86	17.97	43.81	-	374.53	2.99	11.86	31.63	
Remuneration	-	-	-	-	7.106	-	-	-	-	-
Advances from /(to)	-	(28.79)	-	-	-	-	41.83			-
Services received / Purchases #	33.18	-	-	-	-	26.87	16.93	-	2.27	-
CSR Expenses				6.40		-		-	6.6	-

(e) Date(s) of approval/discussion by the Board, if any: 20th April, 2018, 23rd July, 2018, 23rd October, 2018 & 23rd January, 2019.

(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: 30th April, 2019

Shivanand Raja
Chairman

Annexure 'E'

Extract of Annual Return

As on the financial year ended 31.03.2017

[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, AshokaMyHome 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: 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:-

Sl. No.	Name and Description of main products / Services	NIC Code of the Product/ service	% to total turnover of the
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	Venture Global Engineering LLC		Associate	50%	2(6)
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):-									

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	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):-									
2. Non- Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital uptoRs. 1 lakh	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Individual shareholders holding nominal share capital in excess Rs. 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**	**70,88,960**	**70,88,960**	**100**	**NIL**	**70,88,960**	**70,88,960**	**100**	**NIL**
(A+B+C)									

(ii) Shareholding of Promoters

Sr. no.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding 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	Nil	Nil	Nil	Nil
	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.):	Nil	Nil	Nil	Nil
	At the End	Nil	Nil	Nil	Nil
	of the year				

(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	70,88,960	100%	70,88,960	100%
	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	70,88,960	100%	70,88,960	100%

(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				
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

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	NIL	NIL
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	NIL	NIL

B. Remuneration to other directors: All the Directors except the Independent Directors & Mr. JayaramanGanapathy& Mr. V. Venkata Kumar Raju are employees of the holding company and was nominated them on the subsidiary Board.

J.Venkateswarlu and ChelikamSubramanyam Reddy are appointed as independent directors and the sitting fee paid during the year under review are mentioned below:

Sl. no.	Particulars of Remuneration	Non- Executive Directors						Independent Directors		Total
		Rakesh Soni	Shivanand Raja	Jayaraman Ganapathy	V. Venkata Kumar Raju	Sucharita Palepu	Karthikeyan Natarajan	Chelikam Subramanyam Reddy	J. Venkateswarlu	
1	Independent Directors Fee for attending board / committee meetings · Commission· Others, please specify	-	-	-	-	-	-	70,000	1,20,000	1,90,000
	Total (1)	-	-	-	-	-		70,000	1,20,000	1,90,000

2	Other Non-Executive Fee for attending board / committee meetings · Commission· Others, please specify	-	-	55,000	95,000	-	-	-	-	1,75,000
	Total (2)	-	-	55,000	95,000	-	-			
	Total (B)=(1+2)	-	-	55,000	95,000	-	-	70,000	1,20,000	3,40,000
	Total Managerial Remuneration	-	-	55,000	95,000	-	-	70,000	1,20,000	3,40,000
	Overall Ceiling as per the Act	-	-	-	-	-	-	-	-	

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD- Sec 203 for Appointment of KMP is not applicable.

Sl. no.	Particulars of Remuneration (Rs. In MN) w.e.f Oct 23, 2018	Key managerial Personnel			Total Amount
		C.E.O.	Company secretary	C.F.O.	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4.61	0.706	1.505	6.823
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	0.003	0.007	0.010
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961				
2	Stock Option	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL
4	Commission - as % of profit - Others, specify	NIL	NIL	NIL	NIL
5	Others, please specify((leave encashment)	NIL	NIL	0.034	0.034
	Total (A)	4.61	0.709	1.547	6.867
	Ceiling as per the Act	N.A	N.A	N.A	N.A
6	Company contribution to PF not added in above information	0.172	0.022	0.044	0.239
7	Company contribution to Superannuation not added in above information	-	-	-	-

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

For and on behalf of the Board of Directors

Place: Hyderabad
Date: 30th April, 2019

Shivanand Raja
Chairman

Annexure 'F'

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)

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 (77.681)**
5. Share capital: **33,014,425 Rs**
6. Reserves & surplus: **99,81,755 Rs**
7. Total assets: **64,363,623 Rs**
8. Total Liabilities: **21,367,443 Rs**
9. Investments: **NIL**
10. Turnover: **151,350,666 Rs**
11. Profit before taxation: **76,63,146 Rs**
12. Provision for taxation: **28,66,746 Rs**
13. Profit after taxation: **47,96,400 Rs**
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 (10.3099)**
5. Share capital: **58,721,093 Rs**
6. Reserves & surplus: **14,627,970 Rs**
7. Total assets: **189,853,806 Rs**
8. Total Liabilities: **11,65,04,743Rs**
9. Investments: **NIL**
10. Turnover: **199,819,769 Rs**
11. Profit before taxation: **4,85,083Rs**
12. Provision for taxation: **1,36,661Rs**
13. Profit after taxation: **3,48,422Rs**

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	-	-	-
i. 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

For and on behalf of the Board of Directors

Place: Hyderabad
Date: 30th April, 2019

Shivanand Raja
Chairman

Annexure ‘G’

FORM No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

SATYAM VENTURE ENGINEERING SERVICES PRIVATE LIMITED

1-8-301-306, 3rd Floor

Ashoka My Home Chambers

Secunderabad, Telangana- 500003

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SATYAM VENTURE ENGINEERING SERVICES PRIVATE LIMITED (Company Identification Number (CIN):U72200AP2000PTC033213) (hereinafter called “the Company”) during the financial year 1st April 2018 to 31st March, 2019 (“Audit period/ Period under review/ the year”). 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.

Issuing this report based on my verification of the Satyam Venture Engineering Services Private Limited books, papers, minutes books and other records maintained by the company, forms/ returns filed, Compliance related action taken by the Company, during the year ending 31st March, 2019, and the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit.

I hereby report that:

1. In my opinion, the Company has, during the audit period covering the financial year from 1st April 2018 to 31st March, 2019 (“Audit period/ Period under review/ the year”) 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. The members are requested to read this report along with our letter of even date annexed to this report as Annexure - 1.

2. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of;

   i) The Companies Act, 2013 (the Act) and the rules made there under;

   ii) The Secretarial Standards issue by the Institute of Company Secretaries of India.

   iii) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investments, Overseas Direct Investments and External commercial Borrowings, as applicable to the Company.

   iv) The Depositories Act, 1996 and the Regulations and Bye-law framed there under;

   v) Regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 are not applicable to the Company as the Company’s Equity Shares are not listed in any Stock Exchanges in India

3. I have informed during /in respect of the year :

   The Company was not required to comply with the following laws/regulations/agreements/ guide lines and consequently not required to maintain any books, papers, minutes books or other records or file any form / returns under:

   a) The Securities Contracts (Regulation) Act, 1956(SCRA) and the rules made there under;

   b) Listing agreement , since the company is not listed entity

4. Management has identified and made internal control mechanism for complying the following laws and other laws as being specifically applicable to the Company :

   i. Employee State Insurance Act, 1948

ii. The Employee Provident Fund and Miscellaneous Provisions Act, 1952

iii. The Payment of Bonus Act, 1965

iv. The Payment of Gratuity Act, 1972

v. The Contract Labour(Regulation and Abolition) Act, 1970

vi. The Maternity Benefits Act, 1961

vii. The Income Tax Act, 1961

viii. Shops and Establishments Act, 1948

ix. The Environment (Protection) Act, 1986

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above.

I further report that

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

2. 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

3. A system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

4. Share holders of the company have not adopted financial statements at Annual General Meeting held on 23/07/2018 and the same was recorded as part of the Annual General Meeting minutes. The provisional unadopted financial statements are filed with Registrar of Companies, Hyderabad.

5. There were Related Party transactions which in the opinion of the management, are within the Arms Length basis and in the normal course business, approved by Audit Committee and Board of Directors of the Company.

6. Mr. C. P. Gurnani and Ms. SucharitaPalepu resigned as Directors and accepted on Board Meeting held on 20/04/2018. Appointed Woman Director Ms. Indira Suresh on Board Meeting held on 16/05/2018.

7. Mr. Rao.S. Vadlamudi, CEO, Ms. AradhanaRewatkar, Company Secretary and Mr.SrinivasRamancherla were appointed as Key Managerial Personnel of the Company w.e.f. 23rd October, 2018.

8. 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.

9. The Company duly constituted the CSR Committee and duly spent the amount required to spend under CSR.

10. The Company has provided a facility of dematerialisation to its shareholders and secured International Security Identification Number (ISIN).

11. Company received Complaint “CC No.262 of 2017” filed by the SFIO before Economic Offences Court. Company filed Writ Petition before Hon’ble High Court of Hyderabad to Quash the Complaint filed by SFIO. The Hon’ble High Court has directed the trial court not to insist the appearance of directors for examination.

12. During the audit period, there were no other specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. having a major bearing on the Company’s affairs.

(Motati Gayathri)
Practicing Company Secretary
ACS: 24428
CP: 8947

Place: Hyderabad
Date: 30th April, 2019

Note: This report is to be read with our letter of even date which is annexed as “ANNEXURE 1” and forms an integral part if this report.

"ANNEXURE 1"

To,
The Member,
SATYAM VENTURE ENGINEERING SERVICESPRIVATE LIMITED
1-8-301-306, 3rd Floor
Ashoka My Home Chambers
Secunderabad, Telangana- 500003

Report of even date is to be read along with this letter.

1. Maintenance of Secretarial records and compliance with provisions of corporate and other applicable laws, rules regulations and standards is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records produced for audit.

2. I 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 that correct facts are reflected in Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

4. Where ever required, I have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.

5. The compliance of 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. Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of efficacy or effectiveness with which the management has conducted the affairs of the Company.

(Motati Gayathri)
Practicing Company Secretary
ACS: 24428
CP No.: 8947

Place: Hyderabad
Date: 30th April, 2019

INDEPENDENT AUDITORS' REPORT

To the
Members of
Satyam Venture Engineering Services Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the Standalone Financial Statements of Satyam Venture Engineering Services Private Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information ("here after referred to as "the standalone financial statements").

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 Companies Act, 2013 ("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 31 March 2019, the profit and total comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *"Auditor's Responsibilities for the Audit of the Standalone Financial Statements"* section of our report. We are independent of the Company in accordance with the *"Code of Ethics"* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules issued thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to the following notes in the standalone financial statements:

a) Note 30.2 regarding reckoning of Rs.17,840.10 Lakhs as contingent liability, towards any possible charge that may arise in respect of ongoing dispute between the promoters, for the period from 01 April 2012 to 31 March 2019 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 31 regarding drawing up of accounts for the year incorporating opening balances based on the financial statements of earlier years which have not been adopted by the shareholders.

Our opinion is not modified in respect of these matters.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Directors Report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Act, with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards specified under section 133 of the Act read with the Rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained upto the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("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', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the applicable.

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 it appears from our examination of those books;

c. the Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flow 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 Indian Accounting Standards specified under Section 133 of the Act, read with the rules issued thereunder;

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 31 March 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019, from being appointed as a director in terms of Section 164 (2) of the Act;

g. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and

h. with respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, the provisions of Section 197 of the Act and the rules thereunder are not applicable to the Company.

i.. 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 disclosed the impact of all pending litigations on its financial position in its standalone financial statements - Refer note 30 to the standalone 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 30.2 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 standalone financial statements. According to the information and explanations given to us and in our opinion, there were no long-term derivative contracts entered into by the Company as at 31 March 2019; and

   iii. there are no amounts which were required to be transferred to the Investor Education and Protection Fund during the year ended 31 March 2019.

for **M.Bhaskara Rao & Co.,**
Chartered Accountants
Firm's Registration No.000459S

M V Ramana Murthy
Partner
Membership No. 206439

Hyderabad, 30 April 2019

Annexure A 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 has maintained 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.

(c) The Company does not have any immovable properties.

(ii) The Company is a service company, primarily rendering engineering services. It did not deal in any inventory during the year and accordingly, paragraph 3(ii) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us, the Company has not granted any loans secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act and accordingly paragraph 3(iii) of the Order are not applicable, at present.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of grant of loans, investments made and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposits to which the directions issued by the Reserve Bank of India and provisions of Section 73 to Section 76 or any other relevant provision of the Act and the Rules framed there under, where applicable, during the year.

(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 Act 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, employees' state insurance, income tax, sales tax, service tax, customs duty, excise duty, goods and service tax, value added tax, cess and any other material statutory dues applicable to it with the appropriate authorities during the year;

(b) There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, customs duty, excise duty, goods and service tax, value added tax and cess which were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable; and

(c) Details of dues of income tax, provident fund and service tax which have not been deposited as on 31 March 2019 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 Lakhs)
Income Tax Act 1961	Income Tax	Income Tax Appellate Tribunal	2010-11 and 2011-12	1,590.45
Finance Act, 1994	Service tax and penalty	CESTAT	2007-08 to 2016-17	888.95
Finance Act, 1994	Ineligible CENVAT credit	GST Range Officer	2015-16 and 2016-17	1.43
Employees Provident Fund & Miscellaneous Provisions Act,1952	Provident Fund	Central Government Industrial Tribunal Cum Labour Court	2014-15 and 2015-16	125.96

(viii) The Company does not have any loans or borrowings from any financial institutions, banks, government or debenture holders during the year; accordingly, paragraph 3(viii) of the Order is not applicable.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

(x) 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 material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year, nor have we been informed of such case by the management.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the provisions of Section 197 of the Companies Act, 2013 are not applicable to the Company Accordingly, paragraph 3 (xi) of the Order is not applicable.

(xii) According to the information and explanations given to us and based on our examination of the records, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on the records of the Company examined by us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, during the year the Company has not entered into non-cash transactions with directors or directors of its holding company or persons connected with them and hence provisions of Section 192 of the Act, are not applicable.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

for **M.Bhaskara Rao & Co.,**
Chartered Accountants
Firm's Registration No.000459S

M V Ramana Murthy
Partner
Membership No. 206439

Hyderabad, 30 April 2019

Annexure B to the Independent Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

(Referred to in paragraph 2(g) 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)

We have audited the internal financial controls over financial reporting of **Satyam Venture Engineering Services Private Limited** ("the Company") as of 31 March 2019, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

for **M.Bhaskara Rao & Co.,**
Chartered Accountants
Firm's Registration No.000459S

M V Ramana Murthy
Partner
Membership No. 206439

Hyderabad, 30 April 2019

STANDALONE BALANCE SHEET AS AT 31 MARCH 2019

(All amounts are ₹ in lakhs unless otherwise stated)

Particulars	Note No	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	4	**351.27**	398.39
(b) Capital work-in-progress	5	**12.41**	-
(c) Other Intangible assets	6	**705.69**	718.92
(d) Financial Assets			
(i) Investments	7	**943.67**	114.36
(ii) Other financial assets	8	**1,609.34**	362.33
(e) Deferred tax assets (net)	9	**869.02**	736.90
(f) Non-current tax assets (net)	10	**5,522.34**	5,355.44
(g) Other non-current asset	14	**46.07**	-
Total Non-Current Assets		**10,059.81**	7,686.34
Current assets			
(a) Financial Assets			
(i) Investments	7	**4,667.81**	3,141.56
(ii) Trade receivables	11	**7,854.67**	8,788.11
(iii) Cash and cash equivalents	12	**2,314.40**	2,178.98
(iv) Other bank balances	13	**3,056.00**	2,340.36
(v) Other financial assets	8	**1,978.46**	1,703.16
(b) Other current assets	14	**1,089.23**	1,917.41
Total Current Assets		**20,960.57**	20,069.58
Total Assets		**31,020.38**	27,755.92
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	15	**708.90**	708.90
(b) Other Equity	16	**20,063.83**	16,674.09
Total Equity		**20,772.73**	17,382.99
LIABILITIES			
Non-Current Liabilities			
(a) Provisions	17	**1,296.72**	1,149.58
Total Non-Current Liabilities		**1,296.72**	1,149.58
Current liabilities			
(a) Financial Liabilities			
(i) Trade payables	18		
(A) Total outstanding dues of micro enterprises and small enterprises; and		**-**	-
(B) Total oustanding dues of creditors other than micro enterprises and small enterprises		**1,126.25**	1,318.46
(ii) Other financial liabilities	19	**-**	0.61
(b) Other current liabilities	20	**564.47**	538.03
(c) Provisions	17	**5,648.41**	5,589.61
(d) Current tax liabilities (Net)	21	**1,611.80**	1,776.64
Total Current Liabilities		**8,950.93**	9,223.35
Total Equity and Liabilities		**31,020.38**	27,755.92
See accompanying notes to the financial statements	1 to 38		

In terms of our report attached
for M. Bhaskara Rao & Co.
Chartered Accountants

M.V. Ramana Murthy
Partner

for and on behalf of the Board of
Satyam Venture Engineering Services Private Limited
CIN: U72200AP2000PTC033213

G.Jayaraman
Director
DIN: 01461157

V.Venkata Kumar Raju
Director
DIN: 02958816

J.Venkateswarlu
Director
DIN: 00051001

C.Subramanyam Reddy
Director
DIN: 07089237

Indira Suresh
Director
DIN: 08122348

Rao.S.Vadlamudi
CEO

Srinivas R
CFO

Aradhana R.
Company Secretary

Hyderabad, April 30, 2019

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

(All amounts are ₹ in lakhs unless otherwise stated)

Particulars	Note No.	Year ended 31 March 2019	Year ended 31 March 2018
Income			
Income from operations	22	**34,125.46**	32,569.89
Other income	23	**446.79**	1,234.49
Total Income		**34,572.25**	33,804.38
Expenses			
Sub contracting costs		**145.39**	69.77
Employee benefits expense	24	**24,040.27**	22,919.99
Finance costs		**-**	1,199.82
Depreciation and amortisation expense	25	**736.64**	808.87
Other expenses	26	**4,519.10**	4,837.93
Total Expenses		**29,441.40**	29,836.38
Profit before tax		**5,130.85**	3,968.00
Tax Expense	27		
Current tax		**1,891.80**	1,762.00
Earlier years tax		**16.33**	(329.96)
Deferred tax		**(151.33)**	42.32
Total tax expense		**1,756.80**	1,474.36
Profit for the year		**3,374.05**	2,493.64
Other comprehensive income / (loss)			
A. Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		**54.97**	47.81
Income tax on above items	27	**(19.21)**	(16.55)
		35.76	31.26
B. Items that may be reclassified to profit or loss			
Exchange differences in translating the financial statements of foreign operations	16	**(20.07)**	22.57
Income tax on above items	27	**-**	3.00
		(20.07)	25.57
Other comprehensive income / (loss) for the year		**15.69**	56.83
Total comprehensive income for the year		**3,389.74**	2,550.47
Earnings per equity share	37		
Basic and Diluted - (In Rs. per share)		**47.60**	35.18

In terms of our report attached
for M. Bhaskara Rao & Co.
Chartered Accountants

M.V. Ramana Murthy
Partner

for and on behalf of the Board of
Satyam Venture Engineering Services Private Limited
CIN: U72200AP2000PTC033213

G.Jayaraman Director DIN: 01461157	**V.Venkata Kumar Raju** Director DIN: 02958816	**J.Venkateswarlu** Director DIN: 00051001
C.Subramanyam Reddy Director DIN: 07089237	**Indira Suresh** Director DIN: 08122348	**Rao.S.Vadlamudi** CEO
Srinivas R CFO	**Aradhana R.** Company Secretary	

Hyderabad, April 30, 2019

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

(All amounts are ₹ in lakhs unless otherwise stated)

		Year Ended 31 March 2019	Year Ended 31 March 2018
A.	**Cash flow from operating activities**		
	Profit for the period	**5,130.85**	3,968.00
	Adjustments for		
	Interest income recognised in profit or loss	**(218.78)**	(141.29)
	Loss / (Profit) on sale of fixed assets	**(8.56)**	(0.81)
	Depreciation and amortisation of non-current assets	**736.64**	808.87
	Net foreign exchange (gain) / loss	**65.43**	1.31
	Net (Gain) / Loss on sale of investments	**(36.85)**	(33.13)
	Provision for doubtful receivables	**35.63**	18.95
	Fair value measurements	**(190.58)**	(59.60)
	Operating profit / (loss) before working capital changes	**5,513.78**	4,562.30
	Changes in working capital:		
	Adjustments for (increase) / decrease in operating assets:		
	Trade Receivables	**897.81**	680.64
	Other Non-Current Assets	**(46.07)**	2.00
	Other Non-Current Financial Assets	**(144.87)**	(1.39)
	Other Current Financial Assets	**(244.81)**	(27.34)
	Other Current Assets	**828.18**	(295.60)
	Adjustments for increase / (decrease) in operating liabilities:		
	Non-Current Provisions	**147.14**	170.96
	Trade Payables	**(191.02)**	(38.63)
	Current Provisions	**93.70**	34.63
	Other Financial Liabilities	**(0.61)**	(13.67)
	Other Current Liabilities	**26.44**	(205.57)
	Cash generated from operations	**6,879.67**	4,868.34
	Income Tax paid (Net)	**(2,239.87)**	(1,471.74)
	Net cash flow from operating activities (A)	**4,639.80**	3,396.59
B.	**Cash flow from investing activities**		
	Payments for property, plant and equipment (including Capital Work in Progress)	**(693.13)**	(791.47)
	Proceeds from disposal of property, plant and equipment	**12.98**	1.20
	Investment made in subsidiary	**(829.31)**	-
	Bank balances not considered as cash and cash equivalents		
	- Placed	**(4,174.15)**	(2,357.37)
	- Matured	**2,356.37**	1,752.00
	Current Investments		
	- Purchased	**(5,300.00)**	(6,800.00)
	- Proceeds from sale / redemption	**4,000.00**	4,725.00
	Interest received	**188.29**	135.95
	Net cash flow from / (used in) investing activities (B)	**(4,438.95)**	(3,334.68)

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

(All amounts are ₹ in lakhs unless otherwise stated)

			Year Ended 31 March 2019	Year Ended 31 March 2018
C.	**Cash flow from financing activities**		**-**	-
	Net cash flow from / (used in) financing activities (C)		**-**	-
	Net increase / (decrease) in cash and cash equivalents		**200.85**	61.91
	Cash and cash equivalents at the beginning of the period		**2,178.98**	2,118.37
	Effect of exchange difference on cash and cash equivalents held in foreign currency		**(65.43)**	(1.31)
	Cash and cash equivalents at the end of the period		**2,314.40**	2,178.98
	See accompanying notes to the financial statements	1 to 38		

In terms of our report attached	for and on behalf of the Board of		
for M. Bhaskara Rao & Co.	**Satyam Venture Engineering Services Private Limited**		
Chartered Accountants	CIN: U72200AP2000PTC033213		
M.V. Ramana Murthy	**G.Jayaraman**	**V.Venkata Kumar Raju**	**J.Venkateswarlu**
Partner	Director	Director	Director
	DIN: 01461157	DIN: 02958816	DIN: 00051001
	C.Subramanyam Reddy	**Indira Suresh**	**Rao.S.Vadlamudi**
	Director	Director	CEO
	DIN: 07089237	DIN: 08122348	
	Srinivas R	**Aradhana R.**	
Hyderabad, April 30, 2019	CFO	Company Secretary	

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

(All amounts are ₹ in lakhs unless otherwise stated)

A.	Equity Share Capital	Amount
	Issued and paid up equity share capital	
	Balance as at 31 March 2018	708.90
	Changes in equity share capital during the year	-
	Balance as at 31 March 2019	708.90

B. Other Equity

Particulars	Reserves & Surplus		Items of other comprehensive income / (loss)		Total
	General Reserve	Retained Earnings	Reameasurement of defined benefit plan	Exchange differences in translating the financial statements of foreign operations	
Balance as at 31 March 2017	**12.50**	**14,116.62**	**-**	**(5.50)**	**14,123.62**
Profit for the year	-	2,493.64	-	-	2,493.64
Other Comprehensive Income (net of tax)	-	-	31.26	25.57	56.83
Total comprehensive income for the year	-	2,493.64	31.26	25.57	2,550.47
Balance as at 31 March 2018	**12.50**	**16,610.26**	**31.26**	**20.07**	**16,674.09**
Profit for the year	-	3,374.05	-	-	3,374.05
Other Comprehensive Income (net of tax)	-	-	35.76	(20.07)	15.69
Total comprehensive income for the year	**-**	**3,374.05**	**35.76**	**(20.07)**	**3,389.74**
Balance as at 31 March 2019	**12.50**	**19,984.31**	**67.02**	**-**	**20,063.83**

In terms of our report attached
for M. Bhaskara Rao & Co.
Chartered Accountants

M.V. Ramana Murthy
Partner

for and on behalf of the Board of
Satyam Venture Engineering Services Private Limited
CIN: U72200AP2000PTC033213

G.Jayaraman Director DIN: 01461157	**V.Venkata Kumar Raju** Director DIN: 02958816	**J.Venkateswarlu** Director DIN: 00051001
C.Subramanyam Reddy Director DIN: 07089237	**Indira Suresh** Director DIN: 08122348	**Rao.S.Vadlamudi** CEO
Srinivas R CFO	**Aradhana R.** Company Secretary	

Hyderabad, April 30, 2019

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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 was merged with Tech Mahindra Limited in the year 2013, consequent to a scheme of amalgamation and arrangement as approved by the then 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, Japan and Mexico. The standalone financial statements reflect the results of its operations carried on by Indian operations and overseas branches.

The financial statements for the year ended 31 March 2019 were approved by the Board of Directors and authorised to issue on 30 April 2019.

2. Significant accounting policies:

2.1 Statement of Compliance:

The standalone financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.

2.2 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. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purpose in these standalone financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Use of Estimates:

The preparation of these standalone 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.

2.4 Property, Plant & Equipment and Other Intangible assets:

Property, Plant & Equipment and Other 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.

Depreciation / amortization of Property, Plant & Equipment and Other Intangible assets:

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation / amortisation on Property, Plant & Equipment including assets taken on lease, other than freehold land is charged based on straight line method on an estimated useful life as assessed 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.

Plant and 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 lower

The estimated useful lives and residual values of the tangible and intangible assets are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

2.5 Leases:

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

i) Finance lease:

Where the Company, as a lessor, leases assets under finance lease, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is based on constant rate of return on the outstanding net investment. Assets taken on finance lease are accounted as Property, Plant & Equipment at fair value. Lease payments are apportioned between finance charge and reduction of outstanding liability.

ii) 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 a straight line basis over the lease term.

2.6 Impairment of Assets:

i) Financial assets

Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets 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.

Impairment loss on financial assets carried at amortised cost is measured at 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. In a subsequent period, if the amount of impairment loss decreases and the decreases can be related objectively to an event, the previously recognised impairment is reversed through profit or loss.

ii) Non-financial assets

Property, Plant & Equipment and Other Intangible assets

Property, Plant and Equipment and Other intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the profit or loss

2.7 Revenue recognition:

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant.

Revenue is recognized upon transfer of control of promised services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Arrangements with customers for services are either on a time bound fixed price or on a time-and-material basis.

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue. Revenue from fixed-price, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

In arrangements for engineering services with customers, the company has applied the guidance in Ind AS 115, Revenue from contract with customer, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering engineering services and other related services as distinct performance obligations. For allocating the transaction price, the company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the company is unable to determine the standalone selling price, the company uses the expected cost plus margin approach in estimating the standalone selling price. For time and material related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

The company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the rateable allocation of the discounts/ incentives amount to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive. Also, when the level of discount varies with increases in levels of revenue transactions, the company recognizes the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognized until the payment is probable and the amount can be estimated reliably. The company recognizes changes in the estimated amount of obligations for discounts in the period in which the change occurs.

Deferred contract costs are incremental costs of obtaining a contract which are recognized as assets and amortized over the term of the contract.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

The Company presents revenues net of indirect taxes in its statement of Profit and loss.

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

A receivable is a right to consideration that is unconditional upon passage of time. Revenue for time and material contracts are recognized as related service are performed. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time .

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

Invoicing in excess of earnings are classified as unearned revenue.

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

2.8 Foreign currency transactions:

The functional currency of the Company is Indian Rupees (INR).

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities of foreign operations are restated into the functional currency using exchange rates prevailing on the date of the Balance Sheet. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are included in the profit or loss.

2.9 Financial Instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in profit or loss.

i) Non-derivative financial instruments

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value

Financial asset not measured at amortised cost is carried at fair value through profit or loss (FVTPL) on initial recognition, unless the company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income.

The Company, on initial application of IND AS 109 Financial Instruments, has made an irrevocable election to present in other comprehensive income subsequent changes in fair value of equity instruments not held for trading.

Financial asset at FVTPL are measured at fair values at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss.

Investment in subsidiaries

Investment in subsidiaries is carried at cost as per Ind AS 27 in Separate Financial Statements.

Financial liabilities

Financial liabilities at fair value through profit and loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit and loss.

For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

ii) Derivative financial 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. The Company designates some of these forward contracts / options as hedge instruments and account for as cash flow hedges applying the recognition and measurement principles set out in the Ind AS 109.

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 in other comprehensive income and accumulated under effective portion of cash flow hedges and the ineffective portion is recognised immediately in the Statement of Profit and Loss.

Amounts previously recognised in other comprehensive income and accumulated in effective portion of cash flow hedges are reclassified to the Statement of Profit or Loss in the same period in which gains/ losses on the item hedged are recognised in the Statement of Profit or Loss. However when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in effective portion of cash flow hedges are transferred from effective portion of cash flow hedges and included in the initial measurement of the cost of the nonfinancial asset or non-financial liability.

Profit or loss arising on cancellation or renewal of a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal occurs. 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 classified in effective portion of cash flow hedges 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 effective portion of cash flow hedges is transferred to the Statement of Profit and Loss for the period.

iii) Derecognition of financial instruments

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

The Company derecognises financial liabilities when, and only when, the Company's obligation are discharged, cancelled or have expired.

2.11 Employee Benefits:

a) Gratuity:

The Company accounts for its gratuity liability, a defined retirement benefit plan covering eligible 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. Liabilities with regard to a Gratuity plan are determined based on the actuarial valuation carried out by an independent actuary as at the Balance Sheet date using the Projected Unit Credit method for the Company. Actuarial gains and losses are recognised in full in other comprehensive income and accumulated in equity in the period in which they occur.

b) Provident fund:

The eligible employees of the Company are entitled to receive the benefits of Provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently at 12% of the basic salary) which are charged to the Statement of Profit and Loss on accrual basis. The provident fund contributions are paid to the Regional Provident Fund Commissioner by the Company. The Company has no further obligations for future provident fund and superannuation fund benefits other than its annual contributions.

c) Compensated absences:

The Company provides for the encashment of leave subject to certain Company's rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment or availment. The liability is provided based on the number of days of unavailed leave at each Balance Sheet date on the basis of an independent actuarial valuation using the Projected Unit Credit method for the Company, whereas provision for encashment of unavailed leave on retirement is made on actual basis for foreign subsidiaries. The Company does not expect the difference on account of varying methods to be material.

The liability which is not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised based on actuarial valuation as at the Balance Sheet date.

Actuarial gains and losses are recognised in full in the Statement of Profit and Loss in the period in which they occur.

The Company also offers a short term benefit in the form of encashment of unavailed accumulated compensated absence above certain limit for all of its employees and same is being provided for in the books at actual cost.

d) 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 Taxation:

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.

Minimum Alternative Tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability is considered as an asset if there is convincing evidence that the Company will pay normal tax after the tax holiday period. Accordingly, it is recognized as an asset in the Balance Sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

Deferred income taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax asset are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

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

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

The Company recognises interest levied and penalties related to income tax assessments in income tax expenses.

Tax on distributed profits payable in accordance with the provisions of the Income-Tax Act, 1961 is disclosed in accordance with the Guidance Note on Accounting for Corporate Dividend Tax issued by the Institute of Chartered Accountants of India (ICAI).

2.13 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.

2.14 Provision, Contingent Liabilities and Contingent Assets:

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. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent Liabilities and Contingent Assets are not recognized in the financial statements.

2.15 Critical judgements in applying accounting policies:

The following are the critical judgements, apart from those involving estimations, that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statement.

Key sources of estimation uncertainty:

The following are the key assumptions concerning the future , and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Useful lives of property, plant and equipment:

The company reviews the estimated useful lives of property plant and equipment at the end of each reporting period. During the current year, there has been no change in life considered for the assets.

Fair value measurements and valuation processes:

Some of the Company's assets and liabilities are measured at fair value for the financial reporting purposes.

In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1inputs are not available, the Company engages third party qualified valuers to perform the valuation . Finance team works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The Chief Executive Officer reports to the board of fluctuations in the fair value of the assets and liabilities.

Provision for doubtful receivables:

The Company has adopted Expected credit loss model for provisioning of receivables.apart from this the company also monitors long outstanding balances and make additional provision where required.

Provision for employee benefits:

The Company uses actuarial assumptions to determine the obligations for employee benefits at each reporting period. These assumptions include the discount rate, expected long-term rate of return on plan assets, rate of increase in compensation levels and mortality rates.

Provision for taxes:

Significant judgments are required in determining the provision for income taxes, including the amount expected to be paid/ recovered for uncertain tax positions.

3. New Accounting Standards, Amendments to Existing Standards, Annual Improvements and Interpretations Effective Subsequent to 31 March 2019

On 30 March 2019, Ministry of Corporate Affairs issued Companies (Indian Accounting Standards) Amendment Rules, 2019 notifying Ind AS 116 - "Leases". Ind AS 116 will replace Ind AS 17. Ind AS 116 introduces major changes in the principles for measuring, recognizing and presenting leases in the financial statements of lessees. As of 01 April 2019, Ind AS 116 requires lessees to recognize most leases using a single accounting model, i.e., the same model as that used to recognise finance leases under Ind AS 17. The lessee will recognize:

- a non-current asset representing its right to use the leased asset, in the statement of financial position;
- a financial liability representing its obligation to pay for the right to use the asset, in the statement of financial position;
- amortization of the right-of-use asset and interest expenses on the lease liability, in the statement of Profit and Loss.

The main measures included in Ind AS 116 to simplify application and adopted by the Group are:

- exclusion of short-term leases;
- exclusion of leases of low-value assets.

The Company will apply Ind AS 116 using the modified retrospective approach. This simplified approach does not require restatement of financial statements published before the date Ind AS 116 is first applied.

Within the scope of its transition to Ind AS 116, the Company has elected the following main options to simplify application:

- exclusion of leases with a residual term of 12 months or less at the transition date, along with leases of low-value assets;
- application of Ind AS 116 only to contracts previously identified as leases;
- use of the initial lease term to determine the discount rate at the transition date;
- exclusion of initial direct costs from the measurement of the right-of-use asset at the date of initial application.

The Company is currently finalizing its assessment of the impact of applying Ind AS 116 on its financial statements, based on the leases identified and an analysis of their main terms and conditions. The Company mainly has lease contracts for land and buildings which are currently accounted for as operating leases and for which it will be required to recognize a right-of-use asset under Ind AS 116.

		As at 31 March 2019	As at 31 March 2018
4.	**Property, Plant and Equipment**		
	Carrying amounts of		
	Plant and Equipment	**249.14**	293.45
	Office Equipments	**60.93**	63.26
	Furniture and Fixtures	**41.20**	40.68
	Vehicles	**-**	1.00
	Total	**351.27**	398.39
5.	**Capital work-in-progress**		
	Capital work-in-progress	**12.41**	-
	Total	**12.41**	-
6.	**Other Intangible assets**		
	Carrying amounts of:		
	Computer Software (other than internally generated)	**705.69**	718.92
	Total	**705.69**	718.92

4A Property, Plant and Equipment

(All amounts are ₹ in lakhs unless otherwise stated)

	Gross Block (At Cost)				Depreciation				Net Block
	Cost as at 1 April 2018	Additions	Deletion / Adjustment	Balance as at 31 March 2019	Upto 01 April 2018	For the year	Deletion / Adjustment	Upto 31 March 2019	As at 31 March 2019
Tangible Assets									
Plant and Machinery	1,738.75	143.72	20.76	1,861.71	1,445.30	187.50	20.23	1,612.57	249.14
Office Equipment	353.64	46.15	23.91	375.88	290.38	46.07	21.50	314.95	60.93
Furniture, Fixtures & Interiors	314.69	33.84	10.63	337.90	274.01	31.83	9.14	296.70	41.20
Vehicles	32.77	-	-	32.77	31.77	1.00	-	32.77	0.00
Total	**2,439.85**	**223.70**	**55.29**	**2,608.26**	**2,041.46**	**266.40**	**50.87**	**2,256.99**	**351.27**

	Gross Block (At Cost)				Depreciation				Net Block
	Cost as at 1 April 2017	Additions	Deletion / Adjustment	Balance as at 31 March 2018	Upto 01 April 2017	For the year	Deletion / Adjustment	Upto 31 March 2018	As at 31 March 2018
Tangible Assets									
Plant and Machinery	1,629.09	230.88	121.22	1,738.75	1,344.11	222.09	120.90	1,445.30	293.45
Office Equipment	325.43	28.49	0.27	353.64	233.42	57.16	0.20	290.38	63.26
Furniture, Fixtures & Interiors	302.36	32.45	20.12	314.69	252.03	42.10	20.12	274.01	40.68
Vehicles	32.77	-	-	32.77	29.75	2.02	-	31.77	1.00
Total	**2,289.65**	**291.81**	**141.62**	**2,439.85**	**1,859.31**	**323.37**	**141.22**	**2,041.46**	**398.39**

4A Other Intangible assets

	Gross Block (At Cost)				Depreciation				Net Block
	Cost as at 1 April 2018	Additions	Deletion / Adjustment	Balance as at 31 March 2019	Upto 01 April 2018	For the year	Deletion / Adjustment	Upto 31 March 2019	As at 31 March 2019
Software	3,946.04	457.02	-	4,403.06	3,227.12	470.25	-	3,697.37	705.69
Total	**3,946.04**	**457.02**	**-**	**4,403.06**	**3,227.12**	**470.25**	**-**	**3,697.37**	**705.69**

	Gross Block (At Cost)				Depreciation				Net Block
	Cost as at 1 April 2017	Additions	Deletion / Adjustment	Balance as at 31 March 2018	Upto 01 April 2017	For the year	Deletion / Adjustment	Upto 31 March 2018	As at 31 March 2018
Software	3,440.60	505.44	-	3,946.04	2,741.50	485.62	-	3,227.12	718.92
Total	**3,440.60**	**505.44**	**-**	**3,946.04**	**2,741.50**	**485.62**	**-**	**3,227.12**	**718.92**

(All amounts are ₹ in lakhs unless otherwise stated)

7. Investments

		As at 31 March 2019		As at 31 March 2018	
		Number of Shares	**Amount**	Number of Shares	Amount
I	**Non-Current Investments**				
	(Trade, Unquoted)				
A	**Investments in Equity Instruments**				
	In subsidiaries - Trade				
	Satyam Venture Engineering Services (Shanghai) Co. Ltd [Refer note (i) below]	**-**	**584.17**	-	94.17
	Satven GmbH	**-**	**359.50**	-	20.19
	Total		**943.67**		114.36
(a)	Aggregate amount of quoted investments and market value thereof;		**-**		-
(b)	Aggregate amount of unquoted investments; and		**943.67**		114.36
(c)	Aggregate amount of impairement in value of investments		**-**		-

Note:

(i) Investment in this entity is not denominated in number of shares as per laws of the People's Republic of China.

		As at 31 March 2019		As at 31 March 2018	
		Units	**Amount**	Units	Amount
II	**Current Investments**				
A	**Investment in Mutual Funds**				
	(at fair value)				
	ICICI Prudential Liquidity Fund - Direct - Growth	**416232**	**1,146.38**	753488	1,931.85
	ICICI Prudential Savings Fund- Growth	**243602**	**873.87**	362929	1,209.71
	ICICI Prudential Savings Fund - DP Growth	**614238**	**2,218.44**		
	ICICI Prudential Liquid Fund - DP Growth	**155243**	**429.12**		
	Total		**4,667.81**		3,141.56
(a)	Aggregate amount of quoted investments and market value thereof;		**4,667.81**		3,141.56
(b)	Aggregate amount of unquoted investments		**-**		-
(c)	Aggregate amount of impairement in value of investments		**-**		-

7.1 Details of material subsidiaries

Name of the Subsidiary	**Satyam Venture Engineering Services (Shanghai) Co. Ltd**	Satven GmbH
Principal activity	**Engineering Services**	Engineering Services
Place of incorporation and principal place of business	**China**	Germany
Proportion of ownership interest / voting rights held by the Company	**100%**	100%

(All amounts are ₹ in lakhs unless otherwise stated)

7.2 Summarised financial information of material subsidiaries

	Satyam Venture Engineering Services (Shanghai) Co. Ltd		Satven GmbH	
	As at			
	31 March 2019	**31 March 2018**	31 March 2019	31 March 2018
Non-Current Assets	**53.49**	**71.55**	9.16	7.24
Current Assets	**1,845.05**	**976.36**	634.47	677.92
Non-Current Liabilities	**-**	**-**	-	-
Current Liabilities	**1,165.05**	**801.42**	213.67	609.34

	Year ended			
	31 March 2019	**31 March 2018**	31 March 2019	31 March 2018
Revenue	**2,000.24**	**1,361.18**	1,529.72	1,444.40
Expenses	**1,995.39**	**1,207.89**	1,453.09	1,390.44
Profit / (loss) for the year	**4.85**	**153.28**	76.63	53.96
Other Comprehensive income for the year	**-**	**-**	-	-
Total Comprehensive income for the year	**3.48**	**114.45**	47.96	36.12

	As at 31 March 2019	As at 31 March 2018
8. Other financial assets measured at amortised cost		
I. Non-Current		
(Unsecured, considered good)		
Other bank balances - in deposit accounts	**1,207.32**	100.00
Security Deposits[Refer note 8.1]	**402.02**	262.33
Total	**1,609.34**	362.33
II. Current		
(Unsecured, considered good)		
Unbilled revenue	**1,881.41**	1,636.60
Interest Receivable on deposits	**97.05**	66.56
Total	**1,978.46**	1,703.16

8.1 Include deposit of Rs.67,82,579 [31 March 2018 : Nil] with CGITCLC and Rs.58,24,182 [31 March 2018: Rs. 41,76,372] with CESTAT in respect of the ongoing disputes [Refer note 30]

	As at 31 March 2019	As at 31 March 2018
9. Deferred tax assets		
Deferred tax assets	**869.02**	736.90
Deferred tax liabilities	**-**	-
Total	**869.02**	736.90

9.1 The tax effect of significant temporary differences that has resulted in deferred tax assets are given below:

	For the year ended 31 March 2019			
	Opening balance	Recognised in Profit and loss	Recognised in OCI"	Closing balance
Property, plant and equipment and Intangible assets	218.50	104.22	-	322.72
Provision for doubtful debts	6.56	12.51	-	19.07
Provision for defined benefit obligations	505.93	91.15	(19.21)	577.87
Fair value gain on Mutual funds	-	(50.64)		(50.64)
Exchange difference in translating the financial statements of foreign operations	5.91	(5.91)		-
Net Deferred Tax Assets	**736.90**	**151.33**	**(19.21)**	**869.02**

(All amounts are ₹ in lakhs unless otherwise stated)

	For the year ended 31 March 2018			
	Opening balance	Recognised in Profit and loss	Recognised in OCI"	Closing balance
Property, plant and equipment and Intangible assets	233.55	(15.05)	-	218.50
Provision for doubtful debts	97.21	(90.65)	-	6.56
Provision for defined benefit obligations	459.10	63.38	(16.55)	505.93
Fair value gain on Mutual funds	-	-	-	-
Exchange difference in translating the financial statements of foreign operations	2.91	-	3.00	5.91
Net Deferred Tax Assets	**792.77**	**(42.32)**	**(13.55)**	**736.90**

		As at 31 March 2019	As at 31 March 2018
10	**Non-current tax assets (net)**		
	Advance income tax and tax deducted at source	**5,522.34**	5,355.44
	(net of provisions Rs.10,138.41 Lakhs [31 March 2018: Rs.8,334.60 Lakhs])		
	Total	**5,522.34**	5,355.44
11.	**Trade receivables**		
	(a) Unsecured, considered good	**7,854.67**	8,788.11
	(b) Unsecured, doubtful	**54.58**	18.95
	Less: allowance for expected credit loss	**(54.58)**	(18.95)
	Total	**7,854.67**	8,788.11
11.1	**Of the above, trade receivables from:**		
	(a) Related parties [Refer note 33]	**-**	3,296.17
	(b) Others	**7,854.67**	5,491.94
	Total	**7,854.67**	8,788.11
11.2	**Classification of trade receivables**		
	Non-Current	**-**	-
	Current	**7,854.67**	8,788.11
	Total	**7,854.67**	8,788.11

11.3 Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each date of statement of financial position whether a financial asset or a group of financial assets is impaired. The Company recognises lifetime expected losses for trade receivables that do not constitute a financing transaction. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. Before accepting any new customer, the Company assesses the potential customer's credit quality.

The Average credit period on Sale of Services 60 days.

Age of Trade Receivables

Age of receivables	**As at 31 March 2019**	As at 31 March 2018
a) Within the credit period	**6,593.71**	8,159.47
b) less than 180 days past due	**508.76**	448.54
c) More than 180 days past due	**731.67**	76.92
d) More than 1 year	**75.11**	122.13

(All amounts are ₹ in lakhs unless otherwise stated)

		As at 31 March 2019	As at 31 March 2018
11.4	**Movement in the allowance of doubtful trade receivables**		
	Balance at the beginning of the year	**18.95**	280.89
	Add: Allowance for expected credit loss	**35.63**	18.95
	Less: Provision write back	**-**	3.38
	Less: Receivables written off	**-**	277.51
	Balance at the end of the year	**54.58**	18.95
12.	**Cash and cash equivalents**		
	Balances with Banks		
	(a) with Scheduled banks		
	in Current account	**314.33**	161.13
	in Deposit account	**690.00**	680.00
	(b) with Other banks		
	in Current account	**1,309.39**	1,336.92
	Cash on hand	**0.68**	0.93
	Cash and cash equivalents as per balance sheet	**2,314.40**	2,178.98
13.	**Other Bank Balances**		
	Balances with Banks		
	with Scheduled banks		
	in Deposit account	**3,056.00**	2,340.36
	Total	**3,056.00**	2,340.36
14.	**Other assets**		
	I. Non-Current		
	(Unsecured, considered good)		
	Capital advances	**46.07**	-
	Total	**46.07**	-
	I. Current		
	(Unsecured, considered good)		
	Loans and advances to employees	**334.84**	391.25
	Balance with government authorities	**43.26**	23.94
	Prepaid expenses	**405.25**	512.08
	Others	**305.88**	990.14
	Total	**1,089.23**	1,917.41

(All amounts are ₹ in lakhs unless otherwise stated)

15. Equity Share capital

	As at 31 March 2019		As at 31 March 2018	
	Number of Shares	Amounts	Number of Shares	Amounts
Authorised Share Capital				
Equity share capital of ₹10 each	**7,500,000**	750.00	7,500,000	750.00
Issued, Subscribed and Fully Paid up				
Equity share capital of ₹10 each	**7,088,960**	708.90	7,088,960	708.90

15.1 Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the reporting period.

Equity share capital of ₹10 each

Balance as at beginning of the year	**7,088,960**	708.90	7,088,960	708.90
Issued during the year	**-**	-	-	-
Balance as at end of the year	**7,088,960**	708.90	7,088,960	708.90

15.2 Shares held by holding/ultimate holding Company and/or their subsidiaries/associates

	As at 31 March 2019		As at 31 March 2018	
	Number of Shares	Amounts	Number of Shares	Amounts
Equity shares of ₹10 each fully paid held by				
Tech Mahindra Limited	**3,544,480**	354.45	3,544,480	354.45
Venture Global Engineering Services LLC	**3,544,480**	354.45	3,544,480	354.45

15.3 Details of shares held by each shareholders holding more than 5% shares in the Company

	As at 31 March 2019		As at 31 March 2018	
	Number of Shares	% of holding	Number of Shares	% of holding
Equity shares of ₹10 each fully paid held by				
Tech Mahindra Limited	**3,544,480**	50%	3,544,480	50%
Venture Global Engineering Services LLC	**3,544,480**	50%	3,544,480	50%

15.4 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 Rs.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.

(All amounts are ₹ in lakhs unless otherwise stated)

		As at 31 March 2019	As at 31 March 2018
16.	**Other Equity**		
	General Reserve	**12.50**	12.50
	Retained Earnings	**19,984.31**	16,610.26
	Other Components of Equity		
	Remeasurement of the defined benefits plans	**67.02**	31.26
	Exchange difference in translating the financial statements of foreign operations (Net of tax)	**-**	20.07
	Total	**20,063.83**	16,674.09
16.1	**General Reserve** [note 16.4]		
	Balance at beginning of year	**12.50**	12.50
	Movements	**-**	-
	Balance at end of period / year	**12.50**	12.50
16.2	**Retained Earnings** [note 16.5]		
	Balance at beginning of year	**16,610.26**	14,116.62
	Profit for the year	**3,374.05**	2,493.64
	Balance at end of year	**19,984.31**	16,610.26
16.3	**Other Components of Equity**		
a)	**Remeasurement of the defined benefits plans [note 16.6]**		
	Opening balance	**31.26**	-
	Current year charge	**35.76**	31.26
	Balance at end of year	**67.02**	31.26
b)	**Exchange difference in translating the financial statements of foreign operations**		
	Opening balance	**20.07**	(5.50)
	Movement during the year (Net of tax)	**(20.07)**	25.57
	Balance at end of year	**-**	20.07

16.4 The Company has transferred the amount from capital reserve upon fulfilment of the contribution attached to the investment subsidy received in earlier years.

16.5 Retained earning represents the Company's undistributed earnings after taxes.

16.6 Represents the actuarial gain/(loss) recognised on the defined benefit plan and will not be reclassified to retained earnings.

(All amounts are ₹ in lakhs unless otherwise stated)

		As at 31 March 2019	As at 31 March 2018
17.	**Provisions**		
I	**Non-Current**		
	Provision for Employee Benefits [Refer note 32]		
	Compensated Absences	**391.84**	361.76
	Gratuity	**904.88**	787.82
	Total	**1,296.72**	1,149.58
II	**Current**		
	Provision for Employee Benefits [Refer note 32]		
	Compensated Absences	**213.39**	183.32
	Gratuity	**143.60**	114.87
	Provision for Contingencies [Refer note 30.2]	**5,291.42**	5,291.42
	Total	**5,648.41**	5,589.61
18.	**Trade Payables**		
	Amounts due to micro and small enterprises (Refer note 18.2)	**-**	-
	Others	**1,126.25**	1,318.46
	Total	**1,126.25**	1,318.46

18.1 Includes Rs.83.39 Lakhs [31 March 2018 : Rs.1.53 Lakhs] dues to related parties [Refer note 33]

18.2 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:

		As at 31 March 2019	As at 31 March 2018
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

		As at 31 March 2019	As at 31 March 2018
19.	**Other Financial Liabilities**		
	Dues for Capital assets	**-**	0.61
	Total	**-**	0.61
20.	**Other Current Liabilities**		
	Statutory payables	**564.47**	538.03
	Total	**564.47**	538.03
21.	**Current tax liabilities**		
	Income tax payables (net of advance tax Rs.3,236.37 Lakhs [31 March 2018: Rs.2,971.97 Lakhs])	**1,611.80**	1,776.64
	Total	**1,611.80**	1,776.64

(All amounts are ₹ in lakhs unless otherwise stated)

		Year ended 31 March 2019	Year ended 31 March 2018
22.	**Income from operations**		
	Income from Services		
	- export of services	**20,342.10**	21,654.35
	- domestic services	**13,346.20**	10,255.98
	Other operating income	**437.16**	659.56
	Total	**34,125.46**	32,569.89
23.	**Other income**		
	Interest Income		
	Deposits with Banks (at amortised cost)	**218.78**	141.29
	Others	**1.20**	-
	Income tax refund	**-**	531.69
	Net Gain / (Loss) on sale of investments	**36.85**	33.13
	Profit on sale of assets (net)	**8.56**	0.81
	Forex gain	**(34.05)**	340.17
	Fair value measurements	**190.58**	59.60
	Liability no longer required written back	**-**	121.11
	Miscellaneous Income	**24.87**	6.69
	Total	**446.79**	1,234.49
24.	**Employee benefits expense**		
	Salaries and Bonus	**23,110.74**	21,876.03
	Contribution to Provident and Other Funds	**537.04**	581.58
	Gratuity	**249.03**	257.21
	Staff Welfare	**143.46**	205.17
	Total	**24,040.27**	22,919.99
25.	**Depreciation and amortisation expense**		
	On tangible assets	**266.40**	323.37
	On intangible assets	**470.25**	485.49
	Total	**736.65**	808.87
26.	**Other expenses**		
	Rent	**448.31**	445.66
	Rates and taxes	**94.31**	114.93
	Power and fuel	**122.86**	137.23
	Travelling and Conveyance	**1,449.37**	1,348.60
	Communication	**107.55**	99.66
	Marketing expenses	**118.23**	147.02
	Repair and Maintenance	**226.67**	237.48
	Computer Hire Charges	**40.80**	18.95
	Security Services	**47.33**	48.96
	Recruitment, Training and Development	**112.99**	152.88
	General Office Expenses	**25.08**	27.84
	Legal and professional	**474.34**	420.25
	Office Maintenance	**122.39**	151.90
	Computer Maintenance	**812.73**	1,067.22
	Auditors' Remuneration (Refer note 26.1)	**21.56**	30.11
	Directors Sitting Fees	**3.40**	1.50
	CSR Expenses	**64.00**	66.00
	Provision for doubtful debts	**35.63**	18.95
	Bad Debts Written off	**-**	277.50
	Less: Provision	**-**	(277.50)
	Bank Charges	**35.89**	66.30
	Miscellaneous expenses	**155.66**	236.49
	Total	**4,519.10**	4,837.93

(All amounts are ₹ in lakhs unless otherwise stated)

		Year ended 31 March 2019	Year ended 31 March 2018
26.1	**Auditors' remuneration includes**		
	for statutory audit	**10.00**	10.00
	for taxation matters	**2.60**	2.60
	for other matters	**8.96**	17.51
		21.56	30.11
27	**Income taxes relating to continuing operations**		
27.1	**Income tax recognised in profit or loss**		
	Current tax		
	In respect of the current year	**1,891.80**	1,762.00
	In respect of the prior years	**16.33**	(329.96)
		1,908.13	1,432.04
	Deferred tax		
	In respect of the current year	**(151.33)**	42.32
	Deferred tax reclassified from equity to profit or loss	**-**	-
		(151.33)	42.32
27.2	**Reconciliation of income tax expense for the year to the accounting profit is as follows:**		
	Profit before tax from continuing operations	**5,130.85**	3,968.00
	Income tax expense calculated at 34.94% [2017-2018: 34.608%]	**1,792.72**	1,373.25
	Effect of income that is exempt from tax	**2.99**	0.00
	Effect of expenses that are not deductible in determining taxable profit	**96.08**	388.75
		1,891.79	**1,762.00**
	Adjustment recognised in the current year in relation to the current tax of earlier years	**16.33**	(329.96)
	Income tax expense recognised in profit or loss	**1,908.12**	1,432.04
27.3	**Income tax recognised in other comprehensive income**		
	Deferred tax arising on income and expenses recognised in other comprehensive income		
A.	**Items that will not be recycled to profit or loss**		
	Remeasurements of the defined benefit liabilities / (asset)	**19.21**	16.55
		19.21	16.55
B.	**Items that may be reclassified to profit or loss**		
	Exchange differences in translating the financial statements of foreign operations	**-**	(3.00)
	Effective portion of gain / (loss) on Designated Portion of Hedging Instruments in a Cash Flow Hedge (net)	**-**	-
		-	(3.00)
		19.21	13.55

The tax rate used for the above reconciliation is the rate as applicable for the respective period payable by corporate entities in India on taxable profits under the Indian income tax laws.

Current tax for the year ended 31 March 2019 includes tax expense with respect to foreign branches amounting to Rs.76.27 Lakhs [year ended 31 March 2018: Rs.28.69 Lakhs].

(All amounts are ₹ in lakhs unless otherwise stated)

		As at 31 March 2019	As at 31 March 2018
28.	**Commitments**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for	**83.51**	26.02

29. Operating Leases

Rental expenses of Rs.448.31 Lakhs [31 March 2018 : Rs.445.66 Lakhs] has been charged to Statement of Profit and Loss in respect of cancellable operating lease.

		As at 31 March 2019	As at 31 March 2018
30.	**Contingent Liabilities**		
A	**Claims against the Company not acknowledged as debt**		
i	Disputed income tax matters *[Refer Note 30.1]*	**804.86**	1,151.45
ii	Disputed service tax liability for which the Company preferred appeal	**948.63**	707.48
iii	Disputed interest liability on service tax for which the Company preferred appeal	**Not Ascertained**	Not Ascertained
iv	Demand from EPFO for which the Company preferred appeal	**193.79**	-
v	Others *[Refer Note 30.2]*	**17,840.10**	14,460.70

The income tax appeals for assessment years from 2002-03 to 2009-10 have been decided by the Hon'ble Income Tax Appellate Tribunal ("ITAT") in favour of the Company. Consequential orders determining the refund due have been received up to assessment years 2007-08 necessary adjustments have been made to reflect reversal of tax provision created for these years. The department is in appeal to the Hon'ble High Court on all the matters decided in favour of the Company by the Hon'ble ITAT. For AY 2009-10 and 2010-11 the Hon'ble ITAT remanded case back to the Transfer Pricing Officer for fresh adjudication.

"The Company is in appeal before various appellate authorities for AY 2011-12 to 2014-15. Assessment for AY 2012-13 was reopened and an addition of Rs.3435 Lakhs was made on account of reversal of commission in the books of account, which was allowed as expenditure in the earlier years. CIT(A) have given a relief of Rs.1517 Lakhs in respect of the above matter and remanded back to the AO. The balance amount represents commission provided to a related party which was allowed in earlier years as deductions and reversed to Statement of Profit and Loss in the FY 11-12. The additional tax on account of the reversed of the expenditure of earlier years in the FY 2011-12, was already provided in the books of account in the FY 2011-12.

For AY 2015-16 the Company has filed objections before the Hon'ble DRP on the issue of arm's length price on the export of services to associate enterprise.

The primary issue relates tax arising on account of disallowance of reimbursements made to a related party without deducting tax. No provision towards tax is made in respect of this matter as Company is confident of getting a favourable order. The amount is accordingly disclosed under contingent liabilities.

30.2 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 multiple legal proceedings 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 Rs.3,594.07 Lakhs 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 Rs.5,291.41 Lakhs 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 aforesaid 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 were passed by the City Civil Court , 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 . 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 Hon'ble Bench of Supreme Court, in view of the difference of opinion by an order dated November 1, 2017 has directed the registry to place the SLP's before the Chief Justice of India for appropriate further course of action.

The Company has not modified the provision for contingencies amounting to Rs.5,291.41 Lakhs as on 31 March 2012. The Company has also disclosed an amount of Rs.17,840.1 Lakhs [31 March 2018: Rs.14,460.70 Lakhs] as contingent liability, to cover any possible charge that may arise in respect of the above said matter, in the financial statements for the year ended 31 March 2019 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.

31. Preparation of financial statements:

At the Annual General Meetings of the Company held on 29.10.2012, 10.09.2013, 22.09.2014, 07.09.2015, 29.07.2016,19.07.2017 and 23.07.2018 one of the shareholders abstained from voting on the resolution for adoption of audited financial statements as at and for the years ended 31 March 2012, 2013, 2014, 2015, 2016, 2017 and 2018 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.

(All amounts are ₹ in lakhs unless otherwise stated)

The financial statements as at and for the year ended 31 March 2019 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.

32. Employee benefit plans

32.1 Defined Contribution Plan

The Company makes contributions to Provident and other Fund which is a defined contribution plans for qualifying employees. Under these Scheme, the Company contributes a specified percentage of the payroll costs to the respective funds. The Company has recognized Rs.537.04 [31 March 2018 : Rs.581.58] as an expense in the Statement of Profit and Loss.

32.2 Defined Benfit Plan

The gratuity scheme is a final salary Defined Benefit Plan that provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The plan design means the risks commonly affecting the liabilities and the financial results are expected to:

a) **Interest rate risk:** the defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

b) **Salary inflation risk:** Higher than expected increases in salary will increase the defined benefit obligation

c) **Demographic risk:** For example, as plan is open to new entrants, an increase in membership will increase the defined benefit obligation. Also, the plan only provides benefits upon completion of a vesting criteria. Therefore, if turnover rates increase, then the liability will tend to fall as fewer employees reach vesting period.

I The Principal Assumptions used for the purposes of the actuarial valuation as follows

	Details	31-Mar-19	31-Mar-18
1	Discount Rate(s)	**7.60%**	7.60%
2	Expected Rate(s) of salary increase	**9.00%**	9.00%
3	Demographic Assumptions		
	Mortality Rate	**Indian Assured lives Mortality (2006-08) Ult.**	Indian Assured lives Mortality (2006-08) Ult.
	Withdrawal Rate Age: 21-44	**2.00%**	2.00%
	Withdrawal Rate Age: 45-57	**1.00%**	1.00%

II Disclosure of defined benefit cost :

	Details	Year ended 31 March 2019	Year ended 31 March 2018
A	**Amounts Recongnised in statement of Profit & Loss**		
1	Current Service Cost	**182.26**	158.05
2	Past service cost - plan amendments	**-**	45.87
3	Curtailment cost / (credit)	**-**	-
4	Settlement cost / (credit)	**-**	-
5	**Service Cost**	**182.26**	203.92
6	Net interest on net defined benefit liability / (asset)	**66.77**	53.29
7	Immediate recognition of (gains)/losses - other long term employee benefit plans	**-**	-
8	Cost of Termination Benefits	**-**	-
9	**Cost recognised in P&L**	**249.03**	257.21

(All amounts are ₹ in lakhs unless otherwise stated)

	Details	Year ended 31 March 2019	Year ended 31 March 2018
B	**Amounts Recongnised in Other Comprehensive Income (OCI)**		
1	Actuarial (gain)loss due to DBO experience	**(54.97)**	(23.49)
2	Actuarial (gain)loss due to DBO assumption changes	**-**	(24.32)
3	**Actuarial (gain)loss arising during the period**	**(54.97)**	(47.81)
4	Return on plan assets (Greater)/Less than discount rate	**-**	-
5	Actuarial (gains)/losses recognised in OCI	**(54.97)**	(47.81)
6	Adjustment for limit on net asset	**-**	-
7	Cumulative Actuarial (Gain)/ Loss Recognised via OCI at Prior Period End	**-**	-
8	**Cumulative Actuarial (Gain)/ Loss Recognized via OCI at Current Period End**	**(54.97)**	(47.81)
C	**Defined benefit cost**		
1	Service Cost	**182.26**	203.92
2	Net interest on net defined benefit liability / (asset)	**66.77**	53.29
3	Actuarial (gains)/losses recognised in OCI	**(54.97)**	(47.81)
4	Immediate recognition or (gains)/losses - other long term employee benefit plans	**-**	-
5	**Defined Benefit Cost**	**194.06**	209.40

III Changes in benefit obligation and assets

	Details	As at 31 March 2019	As at 31 March 2018
A.	**Changes in defined benefit obligation:**		
1	Defined benefit obligation(DBO) at the end of prior period	**902.69**	746.86
2	Current service cost	**182.26**	158.05
3	Interest cost on the DBO	**66.77**	53.29
4	Curtailment (credit)/ cost	**-**	-
5	Settlement (credit)/ cost	**-**	-
6	Past service cost - plan amendments	**-**	45.87
7	Acquisitions (credit)/ cost	**-**	-
8	Actuarial (gain)/loss - experience	**(54.97)**	(23.49)
9	Actuarial (gain)/loss - demographic assumptions	**-**	-
10	Actuarial (gain)/loss - financial assumptions	**-**	(24.32)
11	Benefits paid directly by the Company	**(48.27)**	(53.57)
12	Benefits paid from plan assets	**-**	-
13	**DBO at end of current period**	**1,048.48**	902.69
B.	**Changes in fair value of assets:**		
1	Fair value of assets at end of prior period	**-**	-
2	Acquisition adjustment	**-**	-
3	Interest income on plan assets	**-**	-
4	Employer contributions	**-**	-
5	Return on plan assets greater/(lesser) than discount rate	**-**	-
6	Benefits paid	**-**	-
7	**Fair Value of assets at the end of current period**	**-**	-

(All amounts are ₹ in lakhs unless otherwise stated)

IV Additional Disclosures

		31 March 2019	31 March 2018
A.	**Expected benefit payments for the period ending**		
	2020 (PY 2019)	**148.96**	119.16
	2021 (PY 2020)	**271.29**	22.54
	2022 (PY 2021)	**21.72**	29.66
	2023 (PY 2022)	**33.63**	24.39
	2024 (PY 2023)	**36.60**	37.78
	2025 to 2029 (PY 2024 to 2028)	**506.30**	447.87
B.	**Current and Non current breakup**		
	Current liability	**143.60**	114.87
	Non current liability	**904.88**	787.82
	Total Liability	**1,048.48**	902.69

V Sensitivity Analysis

	Details	**As at 31 March 2019**	As at 31 March 2018
A	**Discount rate**		
	Discount rate as at period end	**7.60%**	7.60%
	Effect on DBO due to 0.5% increase in discount rate	**(68.49)**	(59.23)
	Effect on DBO due to 0.5% decrease in discount rate	**76.06**	65.77
B	**Salary escalation rate**		
	Salary escalation rate as at period end	**9.00%**	9.00%
	Effect on DBO due to 0.5% increase in salary escalation rate	**73.16**	63.05
	Effect on DBO due to 0.5% decrease in salary escalation rate	**(67.25)**	(57.79)
C	**Withdrawal Rate**		
	Withdrawal rate as at year end	**21 - 44 years 2% 45 - 57 years 1%**	21 - 44 years 2% 45 - 57 years 1%
	Effect on DBO due to 5% increase in withdrawal rate	**(86.64)**	(77.04)
	Effect on DBO due to 5% decrease in withdrawal rate	**45.33**	40.23

Method used for sensitivity analysis: The sensitivity results above determine their individual impact on the Plan's end of year Defined Benefit Obligation. In reality, the Plan is subject to multiple external experience items which may move the Defined Benefit Obligation in similar or opposite directions, while the Plan's sensitivity to such changes can vary over time.

33. Related Party Transactions

33.1 Following is the list of related parties and their relationships

A. Joint Venture Partner

1. Tech Mahindra Limited
2. Venture Global Engineering LLC

B. Subsidiaries

3. Satyam Venture Engineering Services (Shanghai) Co. Ltd
4. Satven GmbH

C. Enterprise having significant influence over Tech Mahindra Limited

5. Mahindra & Mahindra Ltd

(All amounts are ₹ in lakhs unless otherwise stated)

D. Under control of Tech Mahindra Limited

6. Tech Mahindra Technologies Inc.
7. Tech Mahindra GmbH
8 Tech Mahindra Foundation

E. Under control of Venture Global Engineering LLC

9. Jiangyin Venture Interior System
10. Venture Diversified Products
11. Venture Mould & Engg Co
12. Venture Otto South Africa (Prop) Ltd
13. Venture Auto Design(Shanghi)Co. Ltd

F. Key Mangerial Personnel

14. Rao S Vadlamudi - Chief Executive Officer (w.e.f 23rd October, 2018)
15. Srinivas Chakravarthi Ramancherla - Chief Financial Officer (w.e.f 23rd October, 2018)
16. Aradhana Rewatkar - Company Secretary (w.e.f 23rd October, 2018)

33.2 Related party transactions during the year are as follows:

	31 March 2019	31 March 2018
Tech Mahindra Limited		
Revenue	**6,521.22**	3,745.31
Reimbursement of Expenditure	**331.82**	268.71
Tech Mahindra Technologies Inc		
Revenue	**-**	2,662.68
Reimbursement of Income	**-**	8.73
Tech Mahindra GmbH		
Revenue	**438.11**	499.97
Sub Contracting Costs	**-**	14.00
Satyam Venture Engineering Services (Shanghai) Co. Ltd		
Revenue	**368.65**	298.84
Advance given during the year	**49.33**	83.48
Satven GmbH		
Other Income	**0.96**	1.43
Reimbursement of Expenditure & Interest	**-**	169.32
Advance given/(repaid) during the year	**(337.66)**	334.91
Venture Otto South Africa (Prop) Ltd		
Revenue	**-**	4.97
Jiangyin Venture Interior Systems		
Revenue/(Credit notes)	**-**	(18.85)

	31 March 2019	31 March 2018
Mahindra & Mahindra Ltd.		
Revenue	**179.66**	132.50
Tech Mahindra Foundation		
Contribution made toward CSR Expenditure	**64.00**	66.00
Remuneration to Key Managerial Personnel	**71.06**	-

(All amounts are ₹ in lakhs unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
Debit balances outstanding as at 31 March		
Tech Mahindra Limited	**1,903.89**	2,839.55
Tech Mahindra Technologies Inc	**-**	32.11
Tech Mahindra GmbH	**30.34**	497.78
Satyam Venture Engineering Services (Shanghai) Co. Ltd	**1,112.12**	699.51
Satven GmbH	**-**	406.15
Mahindra & Mahindra Ltd	**84.55**	28.22
Jiangyin Venture Interior Systems	**9.53**	9.53
Venture	**6.81**	6.81
Venture Diversified Products	**2.62**	2.62
Venture Otto South Africa (Prop) Ltd	**9.31**	8.96
Credit balances outstanding as at 31 March		
Venture Mould & Engg.Co	**0.27**	0.25
Satven GmbH	**2.75**	-

34. Segment Information

34.1 Based on the assessment of the chief operating decision maker ('CODM'), for the purpose of resource allocation and assessment of segment performance, the Company has only one business segment viz, engineering services.

34.2 Geographical information

The Company operates in seven principal geographical areas - India (country of domicile), United States of America (USA), Europe, Canada, Australia, South Africa and Asia Pacific comprising of China, Japan, Mexico and Singapore

The Company's revenue and Non-Current Assets from continuing operations from customers by location of operations are detailed below:

	Revenue		Non-Current Assets	
	Year ended 31 March 2019	Year ended 31 March 2018	As at 31 March 2019	As at 31 March 2018
India	**13,348.03**	10,417.76	**9,424.16**	7,405.80
USA	**10,460.08**	12,033.47	**243.96**	15.26
Europe	**3,198.41**	3,710.31	**28.85**	14.52
Asia Pacific	**6,783.75**	6,287.97	**362.83**	250.75
Canada	**116.92**	91.54	**-**	-
Australia	**19.60**	23.76	**-**	-
Other	**198.66**	5.09	**-**	-

34.3 Information about major customers

Revenue arising from sales of Automotive Engineering Services and there are about 60 customers base and out of them 10 customers contributing 80% of revenue.

35 Financial Instruments

Capital Management

Equity share capital and other equity are considered for the purpose of Company's capital management. The Company manages its capital so as to safeguard its ability to continue as a going concern. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

(All amounts are ₹ in lakhs unless otherwise stated)

Financial Risk Management

The Company's activities are exposed to liquidity and market risks. The Company's senior management has the overall responsibility for establishing and governing the company's risk management frame work. The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the board annually.

Financial Instruments by category

The carrying value and fair value of financial instruments by categories as of 31 March 2019 is as follows:

Particulars	Fair value through P&L	Fair value through OCI	Derivative instruments in hedging relationship	Amortised cost	Total carrying value	Total fair value*
Assets						
Cash and cash equivalents	-	-	-	2,314.40	2,314.40	2,314.40
Other balances with banks	-	-	-	3,056.00	3,056.00	3,056.00
Trade receivables	-	-	-	7,854.67	7,854.67	7,854.67
Investments (Other than in subsidiaries)	4,667.81	-	-	-	4,667.81	4,667.81
Other financial assets	-	-	-	3,587.80	3,587.80	3,587.80
Total	**4,667.81**	**-**	**-**	**16,812.87**	**21,480.68**	**21,480.68**

Particulars	Fair value through P&L	Fair value through OCI	Derivative instruments in hedging relationship	Amortised cost	Total carrying value	Total fair value*
Liabilities					-	-
Trade and other payables	-	-	-	1,126.25	1,126.25	1,126.25
Other financial liabilities	-	-	-	-	-	-
Total	**-**	**-**	**-**	**1,126.25**	**1,126.25**	**1,126.25**

The carrying value and fair value of financial instruments by categories as of 31 March 2018 is as follows:

Particulars	Fair value through P&L	Fair value through OCI	Derivative instruments in hedging relationship	Amortised cost	Total carrying value	Total fair value*
Assets						
Cash and cash equivalents	-	-	-	2,178.98	2,178.98	2,178.98
Other balances with banks	-	-	-	2,340.36	2,340.36	2,340.36
Trade receivables	-	-	-	8,788.11	8,788.11	8,788.11
Investments (Other than in subsidiaries)	3,141.56	-	-	-	3,141.56	3,141.56
Other financial assets	-	-	-	2,065.49	2,065.49	2,065.49
Total	**3,141.56**	**-**	**-**	**15,372.94**	**18,514.50**	**18,514.50**
Liabilities					-	-
Trade and other payables	-	-	-	1,318.46	1,318.46	1,318.46
Other financial liabilities	-	-	-	0.61	0.61	0.61
Total	**-**	**-**	**-**	**1,319.07**	**1,319.07**	**1,319.07**

The fair value of cash and cash equivalents, other balances with bank, trade receivables, unbilled revenues, trade payables, and certain other financial assets and liabilities approximate their carrying amount largely due to the short term nature of these instruments.

(All amounts are ₹ in lakhs unless otherwise stated)

Fair value hierarchy

The following table summarises financial asses and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosures are required):

The different levels have been defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within level -1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Particulars	As at 31 March 2019			As at 31 March 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Mutual fund investments	4,667.81	-	-	3,141.56	-	-
Equity shares	-	-	943.67	-	-	114.36
Total	**4,667.81**	**-**	**943.67**	3,141.56	-	114.36
Financial Liabilities						
Derivative financial liabilities	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

The Company has several balances in foreign currency and consequently the company is exposed to foreign exchange risk. The exchange rate between the rupee and foreign currencies has changed substantially in recent years, which has affect on the results of the Company, and may fluctuate substantially in the future. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities based on gross exposure and the unhedged foreign currency exposures outstanding at the end of reporting period is as under:

Currency	Assets		Liabilities	
	As at 31 March 2019	As at 31 March 2018	**As at 31 March 2019**	As at 31 March 2018
USD	**4,138.05**	2,620.62	**247.37**	216.36
JPY	**1,564.19**	3,103.43	**210.81**	171.99
Euro	**782.76**	690.01	**102.06**	109.93
CNY	**947.53**	584.25	**-**	-
GBP	**183.46**	143.56	**101.63**	-
Others	**112.78**	9.31	**97.58**	3.75

Forward Exchange Contracts

The Company enters into foreign Exchange Forward 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 Forward Contracts is generally a bank. These contracts are entered into to hedge the foreign currency risks of certain forecasted transactions. Forward exchange contracts in USD exposure are USD to INR. These contracts are for a period of less than a year.

The following are the various outstanding foreign currency to Indian currency forward contracts (Sell) entered into be the company which has been designated as cash flow hedges:

	Currency	Amount outstanding in Foreign currency		Fair Value Gain / (Loss)	
		As at 31 March 2019	As at 31 March 2018	**As at 31 March 2019**	As at 31 March 2018
Type of cover					
Forward	USD to INR	-	5.00	-	-

The movement in hedging reserve for derivatives designated as Cash Flow Hedges is as follows:

Particulars	**As at 31 March 2019**	As at 31 March 2018
Credit / (Debit) balance at the beginning of the year	**-**	-
Gain / (loss) net transferred to income statement on occurrence of forecasted hedge transaction	**-98.51**	-
Changes in fair value of effective portion of cash flow derivative occurred during the year	**98.51**	
Changes in fair value of effective portion of outstanding cash flow derivative	**0**	-
Tax impact on effective portion of outstanding cash flow derivative	**-**	-
Credit/(Debit) balance at the end of the year	**-**	-

As at 31 March 2018 the Company has outstanding foreign exchange options with amount aggregating to USD 5 Lakhs (approximately Rs.335 Lakhs) whose fair value showed a net profit of Rs.1.18 Lakhs as at March 31, 2018. Although these contracts were effective as hedges from an economic perspective, they were not qualified for hedge accounting.

Credit Risk Management

Credit Risk refers to the risk for a counter party default on its contractual obligation resulting a financial loss to the Group. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risk. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. The maximum exposure of the financial assets represents trade receivables.

Credit risk on trade receivables is limited as the customers of the Company mainly consists of the entities having a strong credit worthiness. For doubtful receivables the Company uses a provision matrix to compute the expected credit loss allowances for trade receivables. The provision matrix takes into account ageing of accounts receivables and the company's historical experience of the customers and financial conditions of the customers.

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily are investment in liquid mutual fund units issued by institutions with high credit ratings.

Liquidity Risk Management

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(All amounts are ₹ in lakhs unless otherwise stated)

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments.

	As at 31 March 2019		As at 31 March 2018	
	Accounts payable and acceptances	**Other financial liabilities**	Accounts payable and acceptances	Other financial liabilities
Carrying amount	**1,126.25**	**-**	1,318.46	0.61
upto 1 year	**1,126.25**	**-**	1,318.46	0.61
More than 1 year	**-**	**-**	-	-
Total contracted cash flows	**1,126.25**	**-**	1,318.46	0.61

The table below provides details of financial assets:

	As at 31 March 2019	As at 31 March 2018
Trade receivables	**7,854.67**	8,788.11
Other financial assets	**3,587.80**	2,065.49

36. Pursuant to the order from Ministry of Corporate Affairs, Serious Fraud Investigation Office (SFIO) vide its letter dated January 9, 2009 carried out inspection of books of accounts and other records of the Company under Section 209A of the Act. Consequent to inspection, SFIO has filed a complaint in Economic Offences Court, Hyderabad ("the trial court") against the Company and the then directors. The Company has filed a writ petition in the Hon'ble High court of judicature at Hyderabad to quash the complaint of SFIO. The Hon'ble High Court has directed the trial court not to insist the appearance of directors for examination.

The Management at this juncture, does not foresee adjustments, if any, to be made in the financial statements of the Company.

37. Earning per share

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follow.

	Year ended 31 March 2019	Year ended 31 March 2018
Profit for the year attributable to owners of the Company	**3,374.05**	2,493.64
Earnings used in the calculation of basic earnings per share	**3,374.05**	2,493.64
Weighted average number of equity shares outstanding during the period	**7,088,960**	7,088,960
Face Value of Equity Shares - Rs.	**10**	10
Basic and Diluted Earnings per Share *	**47.60**	35.18

* The Company has no potential dilutive instruments

38. Corporate social responsibility

	Year ended 31 March 2019	Year ended 31 March 2018
Average net profit of the company for last three financial years	**3,159.93**	3,263.55
Prescribed CSR expenditure to be spent (2% of the average net profits)	**63.20**	65.27
Amount spent during the year on		
i) Construction / acquisition of any asset	**-**	-
ii) On purposes other than above	**64.00**	66.00

for and on behalf of the Board of
Satyam Venture Engineering Services Private Limited
CIN: U72200AP2000PTC033213

G.Jayaraman	**V.Venkata Kumar Raju**	**J.Venkateswarlu**
Director	Director	Director
DIN: 01461157	DIN: 02958816	DIN: 00051001
C.Subramanyam Reddy	**Indira Suresh**	**Rao.S. Vadlamudi**
Director	Director	CEO
DIN: 07089237	DIN: 08122348	
Srinivas R	**Aradhana R.**	
CFO	Company Secretary	

Hyderabad, April 30, 2019

INDEPENDENT AUDITORS' REPORT

To the Members of

Satyam Venture Engineering Services Private Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

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"), which comprise the Consolidated Balance Sheet as at 31 March 2019, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement, for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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 31 March 2019, the consolidated profit, the consolidated total comprehensive income, the consolidated changes in equity and its consolidated cash flows and for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the "Code of Ethics" issued by the Institute of Chartered Accountants of India ("ICAI") and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to the following notes in the consolidated financial statements:

a) Note 30.2 regarding reckoning of Rs.17,840.10 Lakhs as contingent liability, towards any possible charge that may arise in respect of ongoing dispute between the promoters, for the period from 01 April 2012 to 31 March 2019 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; and

b) Note 31 regarding drawing up of accounts for the year incorporating opening balances based on the financial statements of earlier years which have not been adopted by the shareholders.

Our opinion is not modified in respect of these matters.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Directors Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 (including other comprehensive income), consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are 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; the selection and application of 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 preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

  We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

We did not audit the financial statements of two subsidiaries whose financial statements reflect total assets of Rs.2,542.19 Lakhs and net assets of Rs.1,163.45 Lakhs as at 31 March 2019, total revenues of Rs.3,511.70 lakhs and net cash inflows amounting to Rs.785 Lakhs 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-sections (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 above 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 Section143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'Other Matters' paragraph, 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 purpose 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, the Consolidated Statement of Changes in Equity 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 Indian Accounting Standards specified under Section 133 of the Act, read with the rules issued thereunder;

   (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 Group;

   (f) on the basis of written representations received from the directors of the Holding Company as on 31 March 2019, and taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

   (g) with respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and

   (h) with respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, the provisions of Section 197 of the Act and the rules thereunder are not applicable to the Company.

   (i) 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 and based on the consideration of the report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'Other matter' paragraph:

      i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer note 30 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 30.2 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. According to the information and explanations given to us and in our opinion, there were no long term derivative contracts entered into by the Company as at 31 March 2019; and

      iii. there are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2019.

for **M. Bhaskara Rao & Co.**
Chartered Accountants
Firm Registration No.000459S

M.V. Ramana Murthy
Partner
Membership No.206439

Hyderabad, 30 April 2019

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

(Referred to in paragraph 1(g) 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)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting of Satyam Venture Engineering Services Private Limited ("the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its subsidiary companies, which are incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

for **M. Bhaskara Rao & Co.**
Chartered Accountants
Firm Registration No.000459S

M.V. Ramana Murthy
Partner
Membership No.206439

Hyderabad, 30 April 2019

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2019

(All amounts are ₹ in lakhs unless otherwise stated)

Particulars	Note No.	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	4	**352.08**	399.83
(b) Capital work-in-progress	5	**12.41**	-
(c) Other Intangible assets	6	**705.69**	718.92
(d) Financial Assets			
(i) Other Financial Assets	7	**1,671.19**	439.68
(e) Deferred tax assets (net)	8	**875.73**	743.61
(f) Non-current tax assets (net)	10	**5,522.34**	5,328.41
(g) Other non-current asset	14	**46.07**	-
Total Non-Current Assets		**9,185.52**	7,630.45
Current assets			
(a) Financial Assets			
(i) Investments	9	**4,667.81**	3,141.56
(ii) Trade receivables	11	**7,623.29**	9,024.17
(iii) Cash and cash equivalents	12	**3,619.68**	2,699.42
(iv) Other bank balances	13	**3,056.00**	2,340.36
(v) Other financial Assets	7	**2,390.41**	1,994.29
(b) Other current assets	14	**968.06**	1,418.42
Total Current Assets		**22,325.25**	20,618.22
Total Assets		**31,510.77**	28,248.67
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	**708.90**	708.90
(b) Other equity	16	**20,290.34**	16,888.75
Total Equity		**20,999.24**	17,597.65
LIABILITIES			
Non-current liabilities			
(a) Provisions	17	**1,296.72**	1,149.58
Total Non-Current Liabilities		**1,296.72**	1,149.58
Current liabilities			
(a) Financial Liabilities			
(i) Trade payables	18		
(A) Total outstanding dues of micro enterprises and small enterprises; and		**-**	-
(B) Total oustanding dues of creditors other than micro enterprises and small enterprises		**1,219.07**	1,499.22
(ii) Other financial liabilities	19	**0.00**	0.61
(b) Other current liabilities	20	**631.76**	627.15
(c) Provisions	17	**5,722.91**	5,589.61
(d) Current tax liabilities (Net)	21	**1,641.07**	1,784.83
Total Current Liabilities		**9,214.81**	9,501.43
Total Equity and Liabilities		**31,510.77**	28,248.67
See accompanying notes to the financial statements	1 to 38		

Accompanying notes form an intergral part of the financial statements

In terms of our report attached
for M. Bhaskara Rao & Co.
Chartered Accountants

M.V. Ramana Murthy
Partner

Hyderabad, 30 April 2019

for and on behalf of the Board of
Satyam Venture Engineering Services Private Limited
CIN: U72200AP2000PTC033213

G. Jayaraman
Director
DIN: 01461157

V. Venkata Kumar Raju
Director
DIN: 02958816

J. Venkateswarlu
Director
DIN: 00051001

C. Subramanyam Reddy
Director
DIN: 07089237

Indira Suresh
Director
DIN: 08122348

Rao. S. Vadlamudi
CEO

Srinivas R
CFO

Aradhana R.
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

(All amounts are ₹ in lakhs unless otherwise stated)

Particulars	Note No.	Year ended 31 March 2019	Year ended 31 March 2018
Income			
Income from operations	22	**37,268.51**	34,901.22
Other income	23	**464.09**	1,240.66
Total Income		**37,732.60**	36,141.88
Expenses			
Sub contracting costs		**191.50**	124.90
Employee benefits expense	24	**26,634.72**	24,974.95
Finance costs		**-**	1,199.82
Depreciation and amortisation expense	25	**737.28**	808.90
Other expenses	26	**4,956.44**	4,878.65
Total Expenses		**32,519.95**	31,987.21
Profit before tax		**5,212.65**	4,154.67
Tax Expense	27		
Current tax		**1,922.07**	1,818.70
Earlier years tax		**16.09**	(329.97)
Deferred tax		**(151.33)**	42.32
Total tax expense		**1,786.83**	1,531.05
Profit for the period		**3,425.82**	2,623.62
Other comprehensive income / (loss)			
A. Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		**54.97**	47.81
Income tax on above items	27	**(19.21)**	(16.55)
		35.76	31.26
B. Items that may be reclassified to profit or loss			
Exchange differences in translating the financial statements of foreign operations	16	**(59.99)**	79.36
Income tax on above items	27	**-**	3.00
		(59.99)	82.36
Other comprehensive income / (loss) for the year		**(24.23)**	113.62
Total comprehensive income for the year		**3,401.59**	2,737.24
Total comprehensive income for the year attributable to:			
Owners of the Company		**3,401.59**	2,737.24
Non controlling interests		**-**	-
Earnings per equity share	37		
Basic and Diluted - (In Rs. per share)		**48.33**	37.01
See accompanying notes to the financial statements	1 to 38		

Accompanying notes form an intergral part of the financial statements

In terms of our report attached	for and on behalf of the Board of		
for M. Bhaskara Rao & Co.	**Satyam Venture Engineering Services Private Limited**		
Chartered Accountants	CIN: U72200AP2000PTC033213		
M.**V. Ramana Murthy**	**G. Jayaraman**	**V. Venkata Kumar Raju**	**J. Venkateswarlu**
Partner	Director	Director	Director
	DIN: 01461157	DIN: 02958816	DIN: 00051001
	C. Subramanyam Reddy	**Indira Suresh**	**Rao. S. Vadlamudi**
	Director	Director	CEO
	DIN: 07089237	DIN: 08122348	
	Srinivas R	**Aradhana R.**	
Hyderabad, 30 April 2019	CFO	Company Secretary	

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

(All amounts are ₹ in lakhs unless otherwise stated)

		Year ended 31 March 2019	Year ended 31 March 2018
A.	**Cash flow from operating activities**		
	Profit for the period	**5,212.65**	4,154.67
	Adjustments for		
	Interest income recognised in profit or loss	**(219.98)**	(139.86)
	Loss / (Profit) on sale of fixed assets	**(8.56)**	(0.81)
	Depreciation and amortisation of non-current assets	**737.28**	808.90
	Net (Gain) / Loss on sale of investments	**(36.85)**	(33.13)
	Net foreign exchange (gain) / loss	**65.43**	1.31
	Provision for doubtful receivables	**226.93**	18.95
	Fair value measurements	**(190.58)**	(59.60)
	Operating profit / (loss) before working capital changes	**5,786.34**	4,750.42
	Changes in working capital:		
	Adjustments for (increase) / decrease in operating assets:		
	Trade Receivables	**1,173.95**	934.02
	Other Non-Current Assets	**(46.07)**	2.00
	Other Non-Current Financial Assets	**(129.38)**	(62.47)
	Other Current Financial Assets	**(365.64)**	(567.38)
	Other Current Assets	**450.36**	108.54
	Adjustments for increase / (decrease) in operating liabilities:		
	Non-Current Provisions	**147.13**	170.96
	Trade Payables	**(278.98)**	92.70
	Current Provisions	**128.27**	91.42
	Other Financial Liabilities	**(0.61)**	(13.67)
	Other Current Liabilities	**4.61**	(156.11)
	Cash generated from operations	**6,869.98**	5,350.45
	Income Tax paid (Net)	**(2,275.86)**	(1,500.68)
	Net cash flow from / (used in) operating activities (A)	**4,594.12**	3,849.76
B.	**Cash flow from investing activities**		
	Payments for property, plant and equipment (including Capital Work in Progress)	**(693.13)**	(792.93)
	Proceeds from disposal of property, plant and equipment	**12.98**	1.21
	Bank balances not considered as cash and cash equivalents		
	- Placed	**(4,174.15)**	(2,357.37)
	- Matured	**2,356.37**	1,752.00
	Current Investments		
	- Purchased	**(5,300.00)**	(6,800.00)
	- Proceeds from sale / redemption	**4,000.00**	4,725.00
	Interest received	**189.50**	134.51
	Net cash flow used in investing activities (B)	**(3,608.44)**	(3,337.58)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

(All amounts are ₹ in lakhs unless otherwise stated)

		Year ended 31 March 2019	Year ended 31 March 2018
C.	**Cash flow from financing activities**	**-**	-
	Net cash flow from / (used in) financing activities (C)	**-**	-
	Net increase / (decrease) in cash and cash equivalents	**985.69**	512.19
	Cash and cash equivalents at the beginning of the year	**2,699.42**	2,188.56
	Effect of exchange difference on cash and cash equivalents held in foreign currency	**(65.43)**	(1.31)
	Cash and cash equivalents at the end of the year	**3,619.68**	2,699.43
	See accompanying notes to the financial statements	**1 to 38**	

Accompanying notes form an intergral part of the financial statements

In terms of our report attached	for and on behalf of the Board of		
for M. Bhaskara Rao & Co.	**Satyam Venture Engineering Services Private Limited**		
Chartered Accountants	CIN: U72200AP2000PTC033213		
M.V. Ramana Murthy	**G. Jayaraman**	**V. Venkata Kumar Raju**	**J. Venkateswarlu**
Partner	Director	Director	Director
	DIN: 01461157	DIN: 02958816	DIN: 00051001
	C. Subramanyam Reddy	**Indira Suresh**	**Rao. S. Vadlamudi**
	Director	Director	CEO
	DIN: 07089237	DIN: 08122348	
	Srinivas R	**Aradhana R.**	
Hyderabad, 30 April 2019	CFO	Company Secretary	

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

(All amounts are ₹ in lakhs unless otherwise stated)

A.	Equity Share Capital	Amount
	Issued and paid up equity share capital	
	Balance as at 31 March 2018	708.90
	Changes in equity share capital during the year	-
	Balance as at 31 March 2019	708.90

B. Other Equity

Particulars	Reserves & Surplus		Items of other comprehensive income / (loss)		Total
	General Reserve	Retained earnings	Reamesurement of defined benefit plan	Exchange differences in translating the financial statements of foreign operations	
Balance as at 31 March 2017	**12.50**	**14,157.18**	**-**	**(18.17)**	**14,151.51**
Profit for the year	-	2,623.62	-	-	2,623.62
Other Comprehensive Income (net of tax)	-	-	31.26	82.36	113.62
Total comprehensive income for the year	-	2,623.62	31.26	82.36	2,737.24
Balance as at 31 March 2018	**12.50**	**16,780.80**	**31.26**	**64.19**	**16,888.75**
Profit for the year	-	3,425.82	-	-	3,425.82
Other Comprehensive Income (net of tax)	-	-	35.76	(59.99)	(24.23)
Total comprehensive income for the year	**-**	**3,425.82**	**35.76**	**(59.99)**	**3,401.59**
Balance as at 31 March 2019	**12.50**	**20,206.62**	**67.02**	**4.19**	**20,290.35**
See accompanying notes to the financial statements	1 to 38				

In terms of our report attached
for M. Bhaskara Rao & Co.
Chartered Accountants

M.**V. Ramana Murthy**
Partner

for and on behalf of the Board of
Satyam Venture Engineering Services Private Limited
CIN: U72200AP2000PTC033213

G. Jayaraman
Director
DIN: 01461157

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DIN: 07089237

Indira Suresh
Director
DIN: 08122348

Rao. S. Vadlamudi
CEO

Srinivas R
CFO

Aradhana R.
Company Secretary

Hyderabad, 30 April 2019

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(All amounts are ₹ in lakhs unless otherwise stated)

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 was merged with Tech Mahindra Limited in the year 2013,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,Japan and Mexico.

The Consolidated financial statements reflect the results of its operations carried on by Indian operations, overseas branches and its subsidiaries incorporated in China and Germany, collectively referred to as the "Group".

The financial statements for the year ended 31 March 2019 were approved by the Board of Directors and authorised to issue on 30 April 2019.

2. Significant accounting policies:

2.1 Statement of Compliance:

The consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.

2.2 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. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

In estimating the fair value of an asset or liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purpose in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Basis of Consolidation:

The Company consolidates all entities which are controlled by it.

The Company establishes control when; it has power over the entity, is exposed or has rights to variable returns from its involvement with the entity and has ability to affect the entity's returns by using its power over the entity.

Subsidiaries are consolidated from the date control commences until the date control ceases.

The results of subsidiaries acquired, or sold, during the year are consolidated from the effective date of acquisition and up to the effective date of disposal, as appropriate.

All inter-company transactions, balances and income and expenses are eliminated in full on consolidation.

Changes in the Company's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Company's interests and the non-controlling interests are adjusted to reflect changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

2.4 Use of Estimates:

The preparation of financial statements requires the management of the Group 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.

Plant and 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 lower

2.5 Property, Plant & Equipment and Other Intangible assets:

Property, Plant & Equipment and Other 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.

Depreciation / amortization of Property, Plant & Equipment and Other Intangible assets:

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation / amortisation on Property, Plant & Equipment including assets taken on lease, other than freehold land is charged based on straight line method on an estimated useful life as assessed 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.

The estimated useful lives and residual values of the tangible and intangible assets are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

2.6 Leases:

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

i) Finance lease:

Where the Group, as a lessor, leases assets under finance lease, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is based on constant rate of return on the outstanding net investment.

Assets taken on finance lease are accounted as Property, Plant & Equipment at fair value. Lease payments are apportioned between finance charge and reduction of outstanding liability.

ii) 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 a straight line basis over the lease term.

2.7 Impairment of Assets:

i) Financial assets

Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets 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.

Impairment loss on financial assets carried at amortised cost is measured at 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. In a subsequent period, if the amount of impairment loss decreases and the decreases can be related objectively to an event, the previously recognised impairment is reversed through profit or loss.

ii) Non-financial assets

Property, Plant & Equipment and Other Intangible assets

Property, Plant and Equipment and Other intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the profit or loss

2.8 Revenue recognition:

Effective April 1, 2018, the Company adopted Ind AS 115 “Revenue from Contracts with Customers” using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant.

Revenue is recognized upon transfer of control of promised services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Arrangements with customers for services are either on a time bound fixed price or on a time-and-material basis.

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue. Revenue from fixed-price, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

In arrangements for engineering services with customers, the company has applied the guidance in Ind AS 115, Revenue from contract with customer, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering engineering services and other related services as distinct performance obligations. For allocating the transaction price, the company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the company is unable to determine the standalone selling price, the company uses the expected cost plus margin approach in estimating the standalone selling price. For time and material related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

The company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the rateable allocation of the discounts/ incentives amount to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive. Also, when the level of discount varies with increases in levels of revenue transactions, the company recognizes the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognized until the payment is probable and the amount can be estimated reliably. The company recognizes changes in the estimated amount of obligations for discounts in the period in which the change occurs.

Deferred contract costs are incremental costs of obtaining a contract which are recognized as assets and amortized over the term of the contract.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

The Company presents revenues net of indirect taxes in its statement of Profit and loss.

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

A receivable is a right to consideration that is unconditional upon passage of time. Revenue for time and material contracts are recognized as related service are performed. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time .

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

Invoicing in excess of earnings are classified as unearned revenue

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

2.9 Foreign currency transactions:

The functional currency of the Company and its Indian subsidiaries is Indian Rupees (INR) whereas the functional currency of foreign subsidiaries is the currency of their countries of domicile.

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the date of the Balance Sheet. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are included in the profit or loss.

2.10 Foreign Operations:

For the purpose of these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising on translation are recognised in other comprehensive income and accumulated in equity.

2.11 Financial Instruments

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in profit or loss.

i) Non-derivative financial instruments

Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value

Financial asset not measured at amortised cost is carried at fair value through profit or loss (FVTPL) on initial recognition, unless the company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income.

The Group, on initial application of IND AS 109 Financial Instruments, has made an irrevocable election to present in other comprehensive income subsequent changes in fair value of equity instruments not held for trading.

Financial asset at FVTPL are measured at fair values at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss

Financial liabilities

Financial liabilities at fair value through profit and loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit and loss.

For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

ii) Derivative financial 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. The Company designates some of these forward contracts / options as hedge instruments and account for as cash flow hedges applying the recognition and measurement principles set out in the Ind AS 109.

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 in other comprehensive income and accumulated under effective portion of cash flow hedges and the ineffective portion is recognised immediately in the Statement of Profit and Loss.

Amounts previously recognised in other comprehensive income and accumulated in effective portion of cash flow hedges are reclassified to the Statement of Profit or Loss in the same period in which gains/ losses on the item hedged are recognised in the Statement of Profit or Loss. However when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in effective portion of cash flow hedges are transferred from effective portion of cash flow hedges and included in the initial measurement of the cost of the nonfinancial asset or non-financial liability.

Profit or loss arising on cancellation or renewal of a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal occurs. 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 classified in effective portion of cash flow hedges 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 effective portion of cash flow hedges is transferred to the Statement of Profit and Loss for the period.

iii) Derecognition of financial instruments

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

The Company derecognises financial liabilities when, and only when, the Company's obligation are discharged, cancelled or have expired."

2.12 Employee Benefits:

a) Gratuity:

The Group accounts for its gratuity liability, a defined retirement benefit plan covering eligible 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. Liabilities with regard to a Gratuity plan are determined based on the actuarial valuation carried out by an independent actuary as at the Balance Sheet date using the Projected Unit Credit method for the Company and its Indian subsidiaries.

Actuarial gains and losses are recognised in full in other comprehensive income and accumulated in equity in the period in which they occur.

b) Provident fund:

The eligible employees of the Company and its Indian subsidiaries are entitled to receive the benefits of Provident fund, a defined contribution plan, in which both employees and the Company and its Indian subsidiaries make monthly contributions at a specified percentage of the covered employees' salary (currently at 12% of the basic salary) which are charged to the Statement of Profit and Loss on accrual basis. The provident fund contributions are paid to the Regional Provident Fund Commissioner by the Company and its Indian subsidiaries.

The Company and its Indian subsidiaries has no further obligations for future provident fund and superannuation fund benefits other than its annual contributions.

c) Compensated absences:

The Group provides for the encashment of leave subject to certain Group's rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment or availment. The liability is provided based on the number of days of unavailed leave at each Balance Sheet date on the basis of an independent actuarial valuation using the Projected Unit Credit method for the Company and its Indian subsidiaries, whereas provision for encashment of unavailed leave on retirement is made on actual basis for foreign subsidiaries. The Company does not expect the difference on account of varying methods to be material.

The liability which is not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised based on actuarial valuation as at the Balance Sheet date.

Actuarial gains and losses are recognised in full in the Statement of Profit and Loss in the period in which they occur.

The Group also offers a short term benefit in the form of encashment of unavailed accumulated compensated absence above certain limit for all of its employees and same is being provided for in the books at actual cost.

d) 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 Taxation:

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.

Minimum Alternative Tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability is considered as an asset if there is convincing evidence that the Group will pay normal tax after the tax holiday period. Accordingly, it is recognized as an asset in the Balance Sheet when it is probable that the future economic benefit associated with it will flow to the Group and the asset can be measured reliably.

Deferred income taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax asset are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

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

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

The Group recognises interest levied and penalties related to income tax assessments in income tax expenses.

Tax on distributed profits payable in accordance with the provisions of the Income-Tax Act, 1961 is disclosed in accordance with the Guidance Note on Accounting for Corporate Dividend Tax issued by the Institute of Chartered Accountants of India (ICAI)

2.14 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.

2.15 Provision, Contingent Liabilities and Contingent Assets:

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. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent Liabilities and Contingent Assets are not recognized in the financial statements.

2.16 Critical judgements in applying accounting policies:

The following are the critical judgements, apart from those involving estimations, that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statement.

Key sources of estimation uncertainty:

The following are the key assumptions concerning the future , and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year

Useful lives of property, plant and equipment:

The company reviews the estimated useful lives of property plant and equipment at the end of each reporting period. During the current year, there has been no change in life considered for the assets.

Fair value measurements and valuation processes:

Some of the Company's assets and liabilities are measured at fair value for the financial reporting purposes.

In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1inputs are not available, the Company engages third party qualified valuers to perform the valuation . Finance team works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The Chief Executive Officer reports to the board of fluctuations in the fair value of the assets and liabilities.

Provision for doubtful receivables:

The Company has adopted expected credit loss model for provisioning of receivables,apart from this the company also monitors long outstanding balances and make additional provision where required.

Provision for employee benefits:

The Company uses actuarial assumptions to determine the obligations for employee benefits at each reporting period . These assumptions include the discount rate, expected long-term rate of return on plan assets, rate of increase in compensation levels and mortality rates.

Provision for taxes:

Significant judgments are required in determining the provision for income taxes, including the amount expected to be paid/ recovered for uncertain tax positions.

3. New Accounting Standards, Amendments to Existing Standards, Annual Improvements and Interpretations Effective Subsequent to 31 March 2019

On 30 March 2019, Ministry of Corporate Affairs issued Companies (Indian Accounting Standards) Amendment Rules, 2019 notifying Ind AS 116 - “Leases”. Ind AS 116 will replace Ind AS 17. Ind AS 116 introduces major changes in the principles for measuring, recognizing and presenting leases in the financial statements of lessees. As of 01 April 2019, Ind AS 116 requires lessees to recognize most leases using a single accounting model, i.e., the same model as that used to recognise finance leases under Ind AS 17. The lessee will recognize:

- a non-current asset representing its right to use the leased asset, in the statement of financial position;
- a financial liability representing its obligation to pay for the right to use the asset, in the statement of financial position;
- amortization of the right-of-use asset and interest expenses on the lease liability, in the statement of Profit and Loss.

The main measures included in Ind AS 116 to simplify application and adopted by the Group are:

- exclusion of short-term leases;
- exclusion of leases of low-value assets.

The Company will apply Ind AS 116 using the modified retrospective approach. This simplified approach does not require restatement of financial statements published before the date Ind AS 116 is first applied.

Within the scope of its transition to Ind AS 116, the Company has elected the following main options to simplify application:

- exclusion of leases with a residual term of 12 months or less at the transition date, along with leases of low-value assets;
- application of Ind AS 116 only to contracts previously identified as leases;
- use of the initial lease term to determine the discount rate at the transition date;
- exclusion of initial direct costs from the measurement of the right-of-use asset at the date of initial application.

The Company is currently finalizing its assessment of the impact of applying Ind AS 116 on its financial statements, based on the leases identified and an analysis of their main terms and conditions. The Company mainly has lease contracts for land and buildings which are currently accounted for as operating leases and for which it will be required to recognize a right-of-use asset under Ind AS 116.

		As at 31 March 2019	As at 31 March 2018
4.	**Property, Plant and Equipment**		
	Carrying amounts of		
	Plant and Equipment	**249.94**	294.88
	Office Equipments	**60.94**	63.26
	Furniture and Fixtures	**41.20**	40.68
	Vehicles	**-**	1.01
	Total	**352.08**	399.83
5.	**Capital work-in-progress**		
	Capital work-in-progress	**12.41**	-
	Total	**12.41**	-
6.	**Other Intangible assets**		
	Carrying amounts of:		
	Computer Software (other than internally generated)	**705.69**	718.92
	Total	**705.69**	718.92

4A Property, Plant and Equipment

(All amounts are ₹ in lakhs unless otherwise stated)

	Gross Block (At Cost)					Depreciation					Net Block
	Cost as at 01 April, 2018	Additions	Deletion / Adjustment	Effect of Foreign Currency Exchange Differences	Balance as at 31 March 2019	Upto 01 April, 2018	For the year	Deletion / Adjustment	Effect of Foreign Currency Exchange Differences	Upto 31 March 2019	As at 31 March 2019
Tangible Assets											
Plant and Machinery	1,740.82	143.71	20.76	0.005	1,863.78	1,445.92	188.12	20.23	-0.01	1,613.80	249.97
Office Equipment	353.65	46.14	23.91	-	375.88	290.38	46.07	21.50	-	314.95	60.94
Furniture, Fixtures & Interiors	314.69	33.85	10.63	-	337.90	274.01	31.84	9.14	-	296.70	41.20
Vehicles	32.77	-		-	32.77	31.77	1.00		-	32.77	-0.00
Total	2,441.93	223.69	55.29	0.005	2,610.33	2,042.08	267.02	50.87	-0.01	2,258.22	352.10

	Gross Block (At Cost)					Depreciation					Net Block
	Cost as at 01 April, 2017	Additions	Deletion / Adjustment	Effect of Foreign Currency Exchange Differences	Balance as at 31 March 2018	Upto 01 April, 2017	For the year	Deletion / Adjustment	Effect of Foreign Currency Exchange Differences	Upto 31 March 2018	As at 31 March 2018
Tangible Assets											
Plant and Machinery	1,629.70	232.34	121.22		1,740.82	1,344.66	222.16	120.90	0.02	1,445.93	294.88
Office Equipment	325.43	28.49	0.27	-	353.65	233.42	57.16	0.20	-	290.38	63.27
Furniture, Fixtures & Interiors	302.36	32.45	20.12	-	314.69	252.03	42.10	20.12	-	274.01	40.68
Vehicles	32.77	-	-	-	32.77	29.75	2.02	-	-	31.77	1.00
Total	**2,290.26**	**293.28**	**141.62**	**-**	**2,441.93**	**1,859.86**	**323.44**	**141.22**	**0.02**	**2,042.09**	**399.83**

6A Other Intangible assets

	Gross Block (At Cost)					Amortisation					Net Block
	Cost as at 01 April, 2018	Additions	Deletion / Adjustment	Effect of Foreign Currency Exchange Differences	Balance as at 31 March 2019	Upto 01 April, 2018	For the year	Deletion / Adjustment	Effect of Foreign Currency Exchange Differences	Upto 31 March 2019	As at 31 March 2019
Software	3,946.04	457.03		-	4,403.06	3,227.12	470.26		-	3,697.37	705.69
Total	**3,946.04**	**457.03**	**-**	**-**	**4,403.06**	**3,227.12**	**470.26**	**-**	**-**	**3,697.37**	**705.69**

	Gross Block (At Cost)					Amortisation					Net Block
	Cost as at 01 April, 2017	Additions	Deletion / Adjustment	Effect of Foreign Currency Exchange Differences	Balance as at 31 March 2018	Upto 01 April, 2017	For the year	Deletion / Adjustment	Effect of Foreign Currency Exchange Differences	Upto 31 March 2018	As at 31 March 2018
Software	3,440.60	505.44	-	-	3,946.04	2,741.50	485.62		-	3,227.12	718.92
Total	**3,440.60**	**505.44**	**-**	**-**	**3,946.04**	**2,741.50**	**485.62**	**-**	**-**	**3,227.12**	**718.92**

(All amounts are ₹ in lakhs unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
7. Other financial assets measured at amortised cost		
I. Non-Current		
(Unsecured, considered good)		
Other bank balances - in deposit accounts	**1,207.32**	100.00
Security Deposits	**463.88**	339.68
Total	**1,671.19**	439.68
II. Current		
(Unsecured, considered good)		
Unbilled revenue	**2,293.36**	1,927.72
Interest Receivable on deposits	**97.05**	66.56
Total	**2,390.41**	1,994.29

7.1 Include deposit of ₹ 67,82,579 [31 March 2018 : Nil] with CGITCLC and ₹ 58,24,182 [31 March 2018: ₹ 41,76,372] with CESTAT in respect of the ongoing disputes [Refer note 30]

	As at 31 March 2019	As at 31 March 2018
8. Deferred tax assets		
Deferred tax assets	**875.73**	743.61
Deferred tax liabilities	**-**	-
Total	**875.73**	743.61

8.1 The tax effect of significant temporary differences that has resulted in deferred tax assets are given below:

	For the year ended 31 March 2019			
	Opening balance	**Recognised in Profit and loss**	**Recognised in OCI**	**Closing balance**
Property, plant and equipment and Intangible assets	218.50	104.22	-	322.72
Provision for doubtful debts	6.56	12.51	-	19.07
Provision for defined benefit obligations	505.93	91.15	(19.21)	577.87
Fair value gain on Mutual funds	-	(50.64)		(50.64)
Exchange difference in translating the financial statements of foreign operations	12.62	(5.91)	-	6.71
Net Deferred Tax Assets	**743.61**	**151.33**	**(19.21)**	**875.73**

	For the year ended 31 March 2018			
	Opening balance	**Recognised in Profit and loss**	**Recognised in OCI**	**Closing balance**
Property, plant and equipment and Intangible assets	233.55	(15.05)	-	218.50
Provision for doubtful debts	97.21	(90.65)	-	6.56
Provision for defined benefit obligations	459.10	63.38	(16.55)	505.93
Fair value gain on Mutual funds	-	-	-	-
Exchange difference in translating the financial statements of foreign operations	9.62	-	3.00	12.62
Net Deferred Tax Assets	**799.48**	**(42.31)**	**(13.55)**	**743.61**

(All amounts are ₹ in lakhs unless otherwise stated)

		As at 31 March 2019		As at 31 March 2018	
		Units	**Amount**	Units	Amount
I	**Current Investments**				
A	**Investment in Mutual Funds - quoted**				
	(at fair value)				
	ICICI Prudential Liquidity Fund - Direct - Growth	**416232**	**1,146.38**	753488	1,931.85
	ICICI Prudential Savings Fund- Growth	**243602**	**873.87**	362929	1,209.71
	ICICI Prudential Savings Fund - DP Growth	**614238**	**2,218.44**	-	-
	ICICI Prudential Liquid Fund - DP Growth	**155243**	**429.12**	-	-
			4,667.81		3,141.56
(a)	Aggregate amount of quoted investments and market value thereof;		**4,667.81**		3,141.56
(b)	Aggregate amount of unquoted investments		**-**		-
(c)	Aggregate amount of impairment in value of investments		**-**		-

(All amounts are ₹ in lakhs unless otherwise stated)

		As at 31 March 2019	As at 31 March 2018
10.	**Non-current tax assets (net)**		
	Advance income tax	**5,522.34**	5,328.41
	(net of provisions ₹ 10,138.41 Lakhs [31 March 2018: ₹ 8,361.63 Lakhs])		
	Total		
		5,522.34	5,328.41
11.	**Trade receivables**		
	(a) Unsecured, considered good	**7,623.29**	9,024.17
	(b) Unsecured, doubtful	**245.88**	18.95
	Less: provision for expected credit loss	**(245.88)**	(18.95)
	Total	**7,623.29**	9,024.17
11.1	**Of the above, trade receivables from:**		
	(a) Related parties [Refer note 33]	**1,504.12**	2,835.90
	(b) Others	**6,119.17**	6,188.27
	Total	**7,623.29**	9,024.17
11.2	**Classification of trade receivables**		
	Non-Current	**-**	-
	Current	**7,623.29**	9,024.17
	Total	**7,623.29**	9,024.17

11.3 Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each date of statements of financial position whether a financial asset or a group of financial assets is impaired. The Company recognises lifetime expected losses for trade receivables that do not constitute a financing transaction. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. Before accepting any new customer, the Company assesses the potential customer's credit quality.

The Average credit period on Sale of Services 60 days .

Age of Trade Receivables

Age of receivables		As at 31 March 2019	As at 31 March 2018
a)	Within the credit period	**7,014.45**	8,103.54
b)	less than 180 days past due	**514.53**	516.37
c)	More than 180 days past due and less than 365 days	**73.78**	159.08
d)	More than 1 year	**266.42**	264.13

11.4	**Movement in the allowance for expected credit loss**		
	Balance at the beginning of the year/period	**18.95**	280.89
	Add: Allowance for expected credit loss	**226.93**	18.95
	Less: Provision write back	**-**	3.38
	Less: Receivables written off	**-**	277.51
	Balance at the end of the year/period	**245.88**	18.95
12.	**Cash and cash equivalents**		
	Balances with Banks		
	(a) with Scheduled banks		
	in Current account	**1,619.60**	681.57
	in Deposit account	**690.00**	680.00
	(b) with Other banks		
	in Current account	**1,309.39**	1,336.92
	Cash on hand	**0.68**	0.93
	Cash and cash equivalents as per balance sheet	**3,619.68**	2,699.42

(All amounts are ₹ in lakhs unless otherwise stated)

13. Other Bank Balances	As at 31 March 2019	As at 31 March 2018
Balances with Banks		
with Scheduled banks		
in Deposit account	**3,056.00**	2,340.36
Total	**3,056.00**	2,340.36

14. Other assets		
I. Non-Current		
(Unsecured, considered good)		
Capital advances	**46.07**	-
	46.07	-
I. Current		
(Unsecured, considered good)		
Prepaid expenses	**405.25**	512.99
Loans and Advances to Employees	**359.58**	412.76
Balance with government authorities	**43.26**	23.94
Others	**159.97**	468.73
Total	**968.06**	1,418.42

15. Equity share capital

	As at 31 March 2019		As at 31 March 2018	
	Number of Shares	Amount	Number of Shares	Amount
Authorised Share Capital				
Equity share capital of Rs.10 each	**7,500,000**	**750.00**	7,500,000	750.00
Issued, Subscribed and Fully Paid up				
Equity share capital of Rs.10 each	**7,088,960**	**708.90**	7,088,960	708.90

15.1 Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the reporting period.

	As at 31 March 2019		As at 31 March 2018	
	Number of Shares	Amount	Number of Shares	Amount
Equity share capital of Rs.10 each				
Balance as at beginning of the Year	**7,088,960**	**708.90**	7,088,960	708.90
Issued during the year	**-**	**-**	-	-
Balance as at end of the Year	**7,088,960**	**708.90**	7,088,960	708.90

15.2 Shares held by holding/ultimate holding Company and/or their subsidiaries/associates

	As at 31 March 2019		As at 31 March 2018	
	Number of Shares	Amount	Number of Shares	Amount
Equity shares of Rs.10 each fully paid held by				
Tech Mahindra Limited	**3,544,480**	**354.45**	3,544,480	354.45
Venture Global Engineering Services LLC	**3,544,480**	**354.45**	3,544,480	354.45

(All amounts are ₹ in lakhs unless otherwise stated)

15.3 Details of shares held by each shareholders holding more than 5% shares in the Company

	As at 31 March 2019		As at 31 March 2018	
	Number of Shares	**% of holding**	Number of Shares	% of holding
Equity shares of Rs.10 each fully paid held by				
Tech Mahindra Limited	**3,544,480**	**50%**	3,544,480	50%
Venture Global Engineering Services LLC	**3,544,480**	**50%**	3,544,480	50%

15.4 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.

	As at 31 March 2019	As at 31 March 2018
16. Other equity		
General Reserve	**12.50**	12.50
Retained Earnings	**20,206.62**	16,780.80
Other Components of Equity		
Remeasurement of the defined benefits plans	**67.02**	31.26
Exchange difference in translating the financial statements of foreign operations (Net of tax)	**4.20**	64.19
	20,290.34	16,888.75
16.1 General Reserve [Refer note 16.4]		
Balance at beginning of year	**12.50**	12.50
Movement during the period/year	**-**	-
Balance at end of period / year	**12.50**	12.50
16.2 Retained Earnings [Refer note 16.5]		
Balance at beginning of year	**16,780.80**	14,157.18
Profit attributable to owners of the Company	**3,425.82**	2,623.62
Balance at end of period / year	**20,206.62**	16,780.80
16.3 Other Components of Equity		
a) Remeasurement of the defined benefits plans [Refer note 16.6]		
Opening balance	**31.26**	-
Movement during the period/year (Net of tax)	**35.76**	31.26
Balance at end of period / year	**67.02**	31.26
b) Exchange difference in translating the financial statements of foreign operations [Refer note 16.7]		
Opening balance	**64.19**	(18.17)
Movement during the period/year (Net of tax)	**(59.99)**	82.36
Balance at end of period / year	**4.20**	64.19

16.4 The Company has transferred the amount from capital reserve upon fulfilment of the contribution attached to the investment subsidy received in earlier years.

16.5 Retained earning represents the Company's undistributed earnings after taxes.

16.6 It represents the actuarial gain / (loss) recognised on the defined benefit plan and will not be reclassified to retained earnings.

16.7 It represents the exchange difference accumulated when the foreign operations financial statements are converted from their functional currency to presentation currency of the Company.

(All amounts are ₹ in lakhs unless otherwise stated)

		As at 31 March 2019	As at 31 March 2018
17.	**Provisions**		
I	**Non-Current**		
	Provision for Employee Benefits		
	Compensated Absences	**391.84**	361.76
	Gratuity	**904.88**	787.82
		1,296.72	1,149.58
II	**Current**		
	Provision for Employee Benefits		
	Compensated Absences	**287.89**	183.32
	Gratuity	**143.60**	114.87
	Provision for Contingencies [Refer note 30]	**5,291.42**	5,291.42
		5,722.91	5,589.61
18.	**Trade Payables**		
	Amounts due to micro and small enterprises	**-**	-
	Others	**1,219.07**	1,499.22
		1,219.07	1,499.22

18.1 Includes ₹ 83.39 Lakhs [31 March 2018 : ₹1.53 Lakhs] dues to related parties [Refer note 33]

18.2 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:

		As at 31 March 2019	As at 31 March 2018
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
		Nil	Nil
19.	**Other Financial Liabilities**		
	Dues for Capital assets	**0.00**	0.61
		0.00	0.61

		As at 31 March 2019	As at 31 March 2018
20.	**Other Current Liabilities**		
	Statutory payables	**631.76**	627.15
		631.76	627.15
21.	**Current tax liabilities**		
	Income tax payables (net of advance tax ₹ 3,236.37 Lakhs [31 March 2018: ₹ 2,971.97 Lakhs])	**1,641.07**	1,784.83
		1,641.07	1,784.83

(All amounts are ₹ in lakhs unless otherwise stated)

		Year ended 31 March 2019	Year ended 31 March 2018
22.	**Income from operations**		
	Income from Services		
	- export of services	**23,485.15**	23,985.68
	- domestic services	**13,346.20**	10,255.98
	Other operating income	**437.16**	659.56
	Total	**37,268.51**	34,901.22
23.	**Other income**		
	Interest Income		
	Deposits with Banks (at amortised cost)	**219.98**	139.86
	Income tax refund	**-**	531.69
	Other interest	**0.24**	-
	Net Gain / (Loss) on sale of investments	**36.85**	33.13
	Profit on sale of assets (net)	**8.56**	0.81
	Forex gain/loss	**(33.20)**	340.11
	Fair value measurements	**190.58**	59.60
	Liability no longer required written back	**-**	121.11
	Miscellaneous Income	**41.09**	14.34
	Total	**464.09**	1,240.66
24.	**Employee benefits expense**		
	Salaries and Bonus	**25,700.53**	23,917.61
	Contribution to Provident and Other Funds	**537.04**	581.58
	Gratuity	**249.03**	257.21
	Staff Welfare	**148.11**	218.54
	Total	**26,634.72**	24,974.95
25.	**Depreciation and amortisation expense**		
	On tangible assets	**267.02**	323.28
	On intangible assets	**470.26**	485.62
		737.28	808.90
26.	**Other expenses**		
	Rent	**484.66**	467.44
	Rates and taxes	**104.48**	121.82
	Power and fuel	**122.86**	137.23
	Travelling and Conveyance	**1,533.79**	1,402.61
	Communication	**108.33**	101.92
	Marketing expenses	**123.09**	156.49
	Repair and Maintenance	**226.67**	173.71
	Computer Hire Charges	**64.37**	18.95
	Security Services	**47.33**	48.96
	Recruitment, Training and Development	**120.18**	155.99
	General Office Expenses	**29.99**	30.02
	Legal and professional	**534.94**	525.13
	Provision for doubtful debts	**226.93**	18.95
	Bad Debts Written off	**-**	277.50
	Less: Provision	**-**	(277.50)
	Office Maintenance	**122.39**	151.90
	Computer Maintenance	**812.73**	1,067.22
	Auditors' Remuneration (Refer note 26.1)	**21.56**	30.11
	Directors Sitting Fees	**3.40**	1.50
	CSR Expenses	**64.00**	66.00
	Bank Charges	**37.97**	68.51
	Miscellaneous expenses	**166.77**	134.18
		4,956.44	4,878.65

(All amounts are ₹ in lakhs unless otherwise stated)

		Year ended 31 March 2019	Year ended 31 March 2018
26.1	**Auditors' remuneration includes**		
	for statutory audit	**10.00**	10.00
	for taxation matters	**2.60**	2.60
	for other matters	**8.96**	17.51
		21.56	30.11
27.	**Income taxes relating to continuing operations**		
27.1	**Income tax recognised in profit or loss**		
	Current tax		
	In respect of the current year	**1,922.07**	1,818.70
	In respect of the prior years	**16.09**	(329.97)
		1,938.17	1,488.72
	Deferred tax		
	In respect of the current year	**(151.33)**	42.32
	Deferred tax reclassified from equity to profit or loss	**-**	-
		(151.33)	42.32
27.2	**Reconciliation of income tax expense for the year to the accounting profit is as follows:**		
	Profit before tax from continuing operations	**5,212.65**	4,154.67
	Income tax expense calculated at 34.944% [2015-2016: 34.608%]	**1,821.51**	1,437.85
	Effect of income that is exempt from tax	**(2.99)**	(0.28)
	Effect of expenses that are not deductible in determining taxable profit	**103.55**	381.13
		1,922.07	1,818.70
	Adjustment recognised in the current year in relation to the current tax of prior years	**16.09**	(329.97)
	Income tax expense recognised in profit or loss (relating to continuing operations)	**1,938.17**	1,488.72
27.3	**Income tax recognised in other comprehensive income**		
	Deferred tax arising on income and expenses recognised in other comprehensive income		
A.	**Items that will not be recycled to profit or loss**		
	Remeasurements of the defined benefit liabilities / (asset)	**19.21**	16.55
		19.21	16.55
B.	**Items that may be reclassified to profit or loss**		
	Exchange differences in translating the financial statements of foreign operations	**-**	(3.00)
	Effective portion of gain / (loss) on Designated Portion of Hedging Instruments in a Cash Flow Hedge (net)	**-**	-
		-	(3.00)
		19.21	13.55

(All amounts are ₹ in lakhs unless otherwise stated)

		As at 31 March 2019	As at 31 March 2018
28.	**Commitments**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for	**83.51**	26.02

29. Operating Leases

Rental expenses of Rs.484.66 Lakhs [31 March 2018 : Rs.467.44 Lakhs] has been charged to Statement of Profit and Loss in respect of cancellable operating lease.

		As at 31 March 2019	As at 31 March 2018
30.	**Contingent Liabilities**		
A	**Claims against the Company not acknowledged as debt**		
i	Disputed income tax matters [Refer Note 30.1]	**804.86**	1,151.45
ii	Disputed service tax liability for which the Company preferred appeal	**948.63**	707.48
iii	Disputed interest liability on service tax for which the Company preferred appeal	**Not Ascertained**	Not Ascertained
iv	Demand from EPFO for which the Company preferred appeal	**193.79**	-
v	Others [Refer Note 30.2]	**17,840.10**	14,460.70

30.1 Disputed income tax matters

The income tax appeals for assessment years from 2002-03 to 2009-10 have been decided by the Hon'ble Income Tax Appellate Tribunal ("ITAT") in favour of the Company. Consequential orders determining the refund due have been received up to assessment years 2007-08 necessary adjustments have been made to reflect reversal of tax provision created for these years. The department is in appeal to the Hon'ble High Court on all the matters decided in favour of the Company by the Hon'ble ITAT. For AY 2009-10 and 2010-11 the Hon'ble ITAT remanded case back to the Transfer Pricing Officer for fresh adjudication.

The Company is in appeal before various appellate authorities for AY 2011-12 to 2014-15. Assessment for AY 2012-13 was reopened and an addition of ₹ 3435 Lakhs was made on account of reversal of commission in the books of account, which was allowed as expenditure in the earlier years. CIT(A) have given a relief of ₹ 1517 Lakhs in respect of the above matter and remanded back to the AO. The balance amount represents commission provided to a related party which was allowed in earlier years as deductions and reversed to Statement of Profit and Loss in the FY 11-12. The additional tax on account of the reversed of the expenditure of earlier years in the FY 2011-12, was already provided in the books of account in the FY 2011-12. For AY 2015-16 the Company has filed objections before the Hon'ble DRP on the issue of arm's length price on the export of services to associate enterprise.

The primary issue relates tax arising on account of disallowance of reimbursements made to a related party without deducting tax. No provision towards tax is made in respect of this matter as Company is confident of getting a favourable order. The amount is accordingly disclosed under contingent liabilities.

30.2 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 multiple legal proceedings 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 Rs.3,594.07 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 Rs.5,291.42 Lakhs 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 aforesaid 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 were passed by the City Civil Court, 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 . 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 Hon'ble Bench of Supreme Court, in view of the difference of opinion by an order dated November 1, 2017 has directed the registry to place the SLP's before the Chief Justice of India for appropriate further course of action.

The Company has not modified the provision for contingencies amounting to ₹ 5,291.41 Lakhs as on 31 March 2012. The Company has also disclosed an amount of ₹ 17,840.1 Lakhs [31 March 2018: ₹ 14,460.70 Lakhs] as contingent liability, to cover any possible charge that may arise in respect of the above said matter, in the financial statements for the year ended 31 March 2019 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.

31. Preparation of financial statements:

At the Annual General Meetings of the Company held on 29.10.2012, 10.09.2013, 22.09.2014, 07.09.2015, 29.07.2016, 19.07.2017 and 23.07.2018 one of the shareholders abstained from voting on the resolution for adoption of audited financial statements as at and for the years ended March 31, 2012, 2013, 2014, 2015, 2016, 2017 and 2018 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 the year ended 31 March 2019 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.

(All amounts are ₹ in lakhs unless otherwise stated)

32. Subsidiaries considered for consolidation

Name of the subsidiary	Place of incorporation	Proportion of ownership interest and voting power held by the Group	
		As at 31 March 2019	As at 31 March 2018
Satyam Venture Engineering Services (Shanghai) Co. Ltd	China	100%	100%
Satven GmbH	Germany	100%	100%

Disclosure of additional information as required by the Schedule III as at and for the year ended 31 March 2019

Name of the Company	Net assets, i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount Amounts in Rupees	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Satyam Venture Engineering Services Private Limited	89.12%	18,714.21	87.70%	3,004.44	-	(24.23)	87.70%	2,980.21
Subsidiaries - Foreign								
Satyam Venture Engineering Services (Shanghai) Co. Ltd	8.82%	1,852.32	10.87%	372.46	-	-	10.87%	372.46
Satven GmbH	2.06%	432.71	1.43%	48.92	-	-	1.43%	48.92
Total	**100.00%**	**20,999.24**	**100.00%**	**3,425.82**	**-**	**(24.23)**	**100%**	**3,401.59**

Disclosure of additional information as required by the Schedule III as at and for the year ended 31 March 2018

Name of the Company	Net assets, i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount Amounts in Rupees	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Satyam Venture Engineering Services Private Limited	91.85%	16,162.98	90.05%	2,362.68	100.00%	113.62	90.47%	2,476.30
Subsidiaries - Foreign								
Satyam Venture Engineering Services (Shanghai) Co. Ltd	5.41%	952.70	14.91%	391.20	-	-	14.29%	391.20
Satven GmbH	2.74%	481.97	-4.96%	(130.26)	-	-	-4.76%	(130.26)
Total	**100.00%**	**17,597.65**	**100.00%**	**2,623.62**	**100.00%**	**113.62**	**100.00%**	**2,737.24**

33. Related Party Transactions

33.1 Following is the list of related parties and their relationships

A. Joint Venture Partner

1. Tech Mahindra Limited
2. Venture Global Engineering LLC

B. Enterprise having significant influence over Tech Mahindra Limited

3. Mahindra & Mahindra Ltd

C. Under control of Tech Mahindra Limited

4. Tech Mahindra Technologies Inc.
5. Tech Mahindra GmbH
6. Tech Mahindra Foundation

(All amounts are ₹ in lakhs unless otherwise stated)

D. Under control of Venture Global Engineering LLC
7. Jiangyin Venture Interior System
8. Venture Diversified Products
9. Venture Mould & Engg Co
10. Venture Otto South Africa (Prop) Ltd
11. Venture Auto Design(Shanghi)Co. Ltd

E. Key Mangerial Personnel
12 Rao S Vadlamudi - Chief Executive Officer (w.e.f 23rd October,2018)
13 Srinivas Chakravarthi Ramancherla - Chief Financial Officer (w.e.f 23rd October,2018)
14 Aradhana Rewatkar - Company Secretary (w.e.f 23rd October,2018)

33.2 Related party transactions during the period are as follows:

	31 March 2019	31 March 2018
Tech Mahindra Limited		
Revenue	**6,521.22**	3,745.31
Reimbursement of Expenditure	**331.82**	268.71
Tech Mahindra Technologies Inc		
Revenue	**-**	2,662.68
Reimbursement of Income	**-**	8.73
Tech Mahindra GmbH		
Revenue	**438.11**	499.97
Sub Contracting Costs	**-**	14.00
Venture Otto South Africa (Prop) Ltd		
Revenue	**-**	4.97
Mahindra & Mahindra Ltd.		
Revenue	**179.66**	132.50
Jiangyin Venture Interior Systems		
Credit notes	**-**	-18.85
Tech Mahindra Foundation		
Contribution made toward CSR Expenditure	**64.00**	66.00
Remuneration to Key Managerial Personnel	**71.06**	-

	As at 31 March 2019	As at 31 March 2018
Debit balances outstanding as at 31 March 2019		
Tech Mahindra Limited	**1,903.89**	2,839.55
Tech Mahindra Technologies Inc	**-**	32.11
Tech Mahindra GmbH	**30.34**	497.78
Mahindra & Mahindra Ltd	**84.55**	28.22
Jiangyin Venture Interior Systems	**9.53**	9.53
Venture	**6.81**	6.81
Venture Diversified Products	**2.62**	2.62
Venture Otto South Africa (Prop) Ltd	**9.31**	8.96
Credit balances outstanding as at 31 March 2019		
Venture Mould & Engg.Co	**0.27**	0.25

(All amounts are ₹ in lakhs unless otherwise stated)

34. Segment Information

34.1 Based on the assessment of the chief operating decision maker ('CODM'), for the purpose of resource allocation and assessment of segment performance, the Company has only one business segment viz, engineering services.

34.2 Geographical information

The Group operates in seven principal geographical areas - India (country of domicile), United States of America (USA), Europe, Canada, Australia, South Africa and Asia Pacific comprising of China, Japan, Mexico and Singapore

The Company's revenue and Non-Current Assets from continuing operations from customers by location of operations are detailed below:

	Revenue		**Non-Current assets**	
	Year ended 31 March 2019	Year ended 31 March 2018	**As at 31 March 2019**	As at 31 March 2018
India	**13,348.03**	10,417.76	**8,487.22**	7,348.48
USA	**10,460.08**	12,033.47	**243.96**	15.26
Europe	**4,711.92**	4,981.20	**38.01**	14.52
Asia Pacific	**8,413.30**	7,348.41	**416.33**	252.19
South Africa	**0.71**	5.09	**-**	-
Canada	**116.92**	91.54	**-**	-
Australia	**19.60**	23.76	**-**	-
Other	**197.95**	-	**-**	-

34.3 Information about major customers

Revenue arising from sales of Automotive Engineering Services and there are about 60 customers base and out of them 10 customers contributing 80% of revenue.

35 Financial Instruments

35.1 Capital Management

Equity share capital and other equity are considered for the purpose of Company's capital management. The Company manages its capital so as to safeguard its ability to continue as a going concern. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

Financial Risk Management

The Company's activities are exposed to liquidity and market risks. The Company's senior management has the overall responsibility for establishing and governing the company's risk management frame work. The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the board annually.

Financial Instruments by category

The carrying value and fair value of financial instruments by categories as of 31 March 2019 is as follows:

(All amounts are ₹ in lakhs unless otherwise stated)

Particulars	Fair value through P&L	Fair value through OCI	Derivative instruments in hedging relationship	Amortised cost	Total carrying value	Total fair value*
Assets						
Cash and cash equivalents	-	-	-	3,619.68	3,619.68	3,619.68
Other balances with banks	-	-	-	3,056.00	3,056.00	3,056.00
Trade receivables	-	-	-	7,623.29	7,623.29	7,623.29
Investments (Other than in subsidiaries)	4,667.81	-	-	-	4,667.81	4,667.81
Other financial assets	-	-	-	4,061.60	4,061.60	4,061.60
Total	**4,667.81**	**-**	**-**	**18,360.57**	**23,028.38**	**23,028.38**
Liabilities					-	-
Trade and other payables	-	-	-	1,219.07	1,219.07	1,219.07
Other financial liabilities	-	-	-	0.00	0.00	0.00
Total	**-**	**-**	**-**	**1,219.07**	**1,219.07**	**1,219.07**

The carrying value and fair value of financial instruments by categories as of 31 March 2018 is as follows:

Particulars	Fair value through P&L	Fair value through OCI	Derivative instruments in hedging relationship	Amortised cost	Total carrying value	Total fair value*
Assets						
Cash and cash equivalents	-	-	-	2,699.42	2,699.42	2,699.42
Other balances with banks	-	-	-	2,340.36	2,340.36	2,340.36
Trade receivables	-	-	-	9,024.17	9,024.17	9,024.17
Investments (Other than in subsidiaries)	3,141.56	-	-	-	3,141.56	3,141.56
Other financial assets	-	-	-	2,433.97	2,433.97	2,433.97
Total	**3,141.56**	**-**	**-**	**16,497.91**	**19,639.47**	**19,639.47**
Liabilities					-	-
Trade and other payables	-	-	-	1,499.22	1,499.22	1,499.22
Other financial liabilities	-	-	-	0.61	0.61	0.61
Total	**-**	**-**	**-**	**1,499.84**	**1,499.84**	**1,499.84**

The fair value of cash and cash equivalents, other balances with bank, trade receivables, unbilled revenues, trade payables, and certain other financial assets and liabilities approximate their carrying amount largely due to the short term nature of these instruments.

Fair value hierarchy

The following table summarises financial asses and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosures are required):

The different levels have been defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within level -1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

(All amounts are ₹ in lakhs unless otherwise stated)

	As at 31 March 2019			As at 31 March 2018		
Particulars	**Level 1**	**Level 2**	**Level 3**	Level 1	Level 2	Level 3
Financial assets						
Mutual fund investments	**4,667.81**			3,141.56		
Total	**4,667.81**	**-**	**-**	3,141.56	-	-
Financial Liabilities						
Derivative financial liabilities	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

The Company has several balances in foreign currency and consequently the company is exposed to foreign exchange risk. The exchange rate between the rupee and foreign currencies has changed substantially in recent years, which has affect on the results of the Company, and may fluctuate substantially in the future. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities based on gross exposure and the unhedged foreign currency exposures outstanding at the end of reporting period is as under:

	Assets		Liabilities	
Currency	**As at 31 March 2019**	As at 31 March 2018	**As at 31 March 2019**	As at 31 March 2018
USD	**4,138.05**	3,335.31	**247.37**	216.36
JPY	**1,564.19**	2,120.17	**210.81**	171.99
Euro	**1,423.64**	1,768.62	**215.81**	313.12
CNY	**1,733.15**	1,046.47	**46.34**	46.17
GBP	**183.46**	183.80	**101.63**	2.05
Others	**112.78**	106.39	**97.58**	3.75

Forward Exchange Contracts

The Company enters into foreign Exchange Forward 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 Forward Contracts is generally a bank. These contracts are entered into to hedge the foreign currency risks of certain forecasted transactions. Forward exchange contracts in USD exposure are USD to INR. These contracts are for a period of less than a year.

The following are the various outstanding foreign currency to Indian currency forward contracts (Sell) entered into be the company which has been designated as cash flow hedges:

		Amount outstanding in Foreign currency		Fair Value Gain / (Loss)	
	Currency	**As at 31 March 2019**	As at 31 March 2018	**As at 31 March 2019**	As at 31 March 2018
Type of cover					
Forward	USD to INR	-	5.00	**-**	-

The movement in hedging reserve for derivatives designated as Cash Flow Hedges is as follows:

Particulars	**As at 31 March 2019**	As at 31 March 2018
Credit / (Debit) balance at the beginning of the year	**-**	-
Gain / (loss) net transferred to income statement on occurrence of forecasted hedge transaction	-98.51	-
Changes in fair value of effective portion of cash flow derivative occurred during the year	98.51	
Changes in fair value of effective portion of outstanding cash flow derivative	-	-
Tax impact on effective portion of outstanding cash flow derivative	-	-
Credit/(Debit) balance at the end of the year	-	-

As at 31 March 2018 the Company has outstanding foreign exchange options with amount aggregating to USD 5 Lakhs (approximately Rs.335 Lakhs) whose fair value showed a net profit of Rs.1.18 Lakhs as at March 31, 2018. Although these contracts are effective as hedges from an economic perspective, they were not qualified for hedge accounting.

Credit Risk Management

Credit Risk refers to the risk for a counter party default on its contractual obligation resulting a financial loss to the Group. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risk. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. The maximum exposure of the financial assets represents trade receivables.

Credit risk on trade receivables is limited as the customers of the Company mainly consists of the entities having a strong credit worthiness. For doubtful receivables the Company uses a provision matrix to compute the expected credit loss allowances for trade receivables. The provision matrix takes into account ageing of accounts receivables and the company’s historical experience of the customers and financial conditions of the customers.

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily are investment in liquid mutual fund units issued by institutions with high credit ratings.

Liquidity Risk Management

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments.

	As at 31 March 2019		As at 31 March 2018	
	Accounts payable and acceptances	**Other financial liabilities**	Accounts payable and acceptances	Other financial liabilities
Carrying amount	**1,219.07**	**0.00**	1,499.22	0.61
upto 1 year	**1,219.07**	**0.00**	1,499.22	0.61
More than 1 year	**-**	**-**	-	-
Total contracted cash flows	**1,219.07**	**0.00**	1,499.22	0.61

The table below provides details of financial assets:

	As at 31 March 2019	As at 31 March 2018
Trade receivables	**7,623.29**	9,024.17
Other financial assets	**4,061.60**	2,433.97

(All amounts are ₹ in lakhs unless otherwise stated)

36. Pursuant to the order from Ministry of Corporate Affairs, Serious Fraud Investigation Office (SFIO) vide its letter dated January 9, 2009 carried out inspection of books of accounts and other records of the Company under Section 209A of the Act. Consequent to inspection, SFIO has filed a complaint in Economic Offences Court, Hyderabad ("the trial court") against the Company and the then directors. The Company has filed a writ petition in the Hon'ble High court of judicature at Hyderabad to quash the complaint of SFIO. The Hon'ble High Court has directed the trial court not to insist the appearance of directors for examination.

The Management at this juncture, does not foresee adjustments, if any, to be made in the financial statements of the Company.

37. Earning per share

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follow.

	Year ended 31 March 2019	Year ended 31 March 2018
Profit for the year attributable to owners of the Company	**3,425.82**	2,623.62
Earnings used in the calculation of basic earnings per share	**3,425.82**	2,623.62
Weighted average number of equity shares outstanding during the period	**7,088,960**	7,088,960
Face Value of Equity Shares - Rs.	**10**	10
Basic and Diluted Earnings per Share *	**48.33**	37.01

* The Company has no potential dilutive instruments

38. Corporate social responsibility

	Year ended 31 March 2019	Year ended 31 March 2018
Average net profit of the company for last three financial years	**3,159.93**	3,263.55
Prescribed CSR expenditure to be spent (2% of the average net profits)	**63.20**	65.27
Amount spent during the period on		
i) Construction / acquisition of any asset	**-**	-
ii) On purposes other than above	**64.00**	66.00

SATYAM VENTURE ENGINEERING SERVICES (SHANGHAI) CO., LTD.

Board of Directors
Mr. P. V. Krishna Kumar

Registered Office
Building.4,No.1521
A Section,Jia Tang Road,
Jiading District, China

Bankers
HSBC Bank

Auditors
Shanghai Teamsoul Certified Public Accountants

SATYAM VENTURE ENGINEERING SERVICES (SHANGHAI) 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, 2018.

Financial Results

For the year ended December 31st, 2018	**2018 CNY**	**2018 INR**	2017 CNY	2017 INR
Income	**1,96,82,511**	**19,95,57,043**	1,21,81,754	11,69,53,367
Profit / (Loss) before tax	**2,68,803**	**27,25,344**	13,61,418	1,30,70,566
Profit/(Loss) after tax	**1,96,775**	**19,95,058**	10,21,064	98,02,929

Conversion Rate Used for 2017: CNY to INR= 9.6007

Conversion Rate Used for 2018: CNY to INR= 10.1388

Review of Operations:

During the year under review, your company recorded an income of CNY 1,96,82,511 (Equivalent to INR 19,95,57,043). Profit after tax was CNY 1,96,775 (Equivalent to INR 19,95,058). 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.

Director

Shanghai, April 19, 2019

AUDITOR'S REPORT

HTKSZ No. 1062 [2019]

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 from January 2018 to the end of December 2018 and the Income Statement and Cash Flow Statement from January 2018 to the end of December 2018 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 from January 2018 to the end of December 2018, and the results of its operations and cash flow from January 2018 to the end of December 2018.

Shanghai TeamSoul CPAs **China Certified Public Accountant:**

China Certified Public Accountant:

Shanghai, China **JUNE 28, 2019**

Financial Statements of Foreign Investment Enterprises in Shanghai
BALANCE SHEET

Name of Enterprise: Satyam-Venture Engineering Services (Shanghai) Co.,Ltd. 2018\01-2018\12

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	**57,72,015.95**	18,19,274.89	Short-term loan	48		
Short-term investments	3			Notes payable	49		
Notes receivable	4			Accounts payable	50	**98,27,424.57**	55,74,694.57
Dividend receivable	5			Prepayment From Customers	51		
Interest receivable	6			Accrued wages	52	**8,969.00**	1,98,284.00
Accounts receivable	7	**65,29,126.83**	61,24,767.48	Welfare payable	53		
Advances to Suppliers	8			Inside: bonus & welfare of employee	54		
Advances to Suppliers	9			Divident payable	55		
Deposit of futures	10			Interest payable	56		
Accrued allowance	11			Tax payables	57	**2,47,125.07**	2,19,368.19
Export return tax receivable	12			Inclu: tax payable	58		
other receivable	13	**6,20,610.39**	7,25,916.00				
	14						
Inventories	15			Other payable	59	**4,45,324.12**	4,72,832.12
Including: raw material	16			Accrued expense	60		
Finished products	17			Perceivable liabilities	61		
To hold assets for sale	18			A liability for sale			
Other current assets	19			Deferred income	62		
TOTAL CURRENT ASSETS	20	**1,29,21,753.17**	86,69,958.37	Long-term liability due within one year	63		
	18			Other current liabilities	64		
LONG TERM INVESTMENTS	19			**TOTAL CURRENT LIABILITIES**	65	**1,05,28,842.76**	64,65,178.88
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	**20,057.00**	6,500.00		72		
Less: Accumulated depreciation	27	**10,763.36**	5,850.00		73		
Fixed assets-net value	28	**9,293.64**	650.00	DEFERRED TAX:	74		
Less: Provision for loss on fixed-assets	29			Deferred tax credit items	75		
Net value of fixed-assets	30	**9,293.64**	650.00	**TOTAL LONG TERM LIABILITIES**	76	**0.00**	0.00
Construction materials	31			**TOTAL LIABILITIES**	77	**1,05,28,842.76**	64,65,178.88
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	**9,93,912.57**	9,93,912.57
TOTAL FIXED ASSETS	36			Less: returned investment	82		
INTANGIBLE AND OTHER ASSETS:	37			Net Paid-in capital	83	**9,93,912.57**	9,93,912.57
Intangible assets	38			Capital surplus	84		
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	**9,293.64**	650.00	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	**14,08,291.48**	12,11,516.92
				Discount difference of foreign currency statement	94		
				TOTAL OWNERS' EQUITY	95	**24,02,204.05**	22,05,429.49
				Less: loss of asset	96		
				TOTAL OWNERS' EQUITY (except the loss of assets)	97	**24,02,204.05**	22,05,429.49
TOTAL ASSETS	46	**1,29,31,046.81**	86,70,608.37	TOTAL LIABILITIES AND OWNERS' EQUITY	98	**1,29,31,046.81**	86,70,608.37

FINANCIAL STATEMENTS OF FOREIGN INVESTMENT ENTERPRISES IN SHANGHAI
PROFIT STATEMENTS

KWNQ Form 02
Name of Enterprise: Satyam-Venture Engineering Services (Shanghai) Co.,Ltd. 2018\01-2018\12 **Amount Unit: CNY**

ITEM	Line	2018.1-2018.12 (This term)	2017.1-2017.12 (current year)	ITEM	Line	2018.1-2018.12 (This term)	2017.1-2017.12 (current year)
I. Total Business Income	1	**1,96,67,067.78**	1,21,74,070.53	Add: Gain from change of fair value	20		
Business Income	2	**1,96,67,067.78**	1,21,74,070.53	Investment Gain	21		
Inside: Main Business Income	3	**1,96,67,067.78**	1,21,74,070.53	Include: Gain from Joint-venture	22		
Other Business Income	4			**III. Profit from Business Operation**	23	**2,53,360.12**	13,55,525.32
II. Net Business Cost	5	**1,94,13,707.66**	1,08,18,545.21	Add: (1) Non-Business revenue	24	**15,443.28**	7,683.65
Include: (1) Businese cost	6	**39,27,259.00**	24,55,704.00	include: Gain from disposal of Non-current assets	25		
Inside: Main Business Cost	7	**39,27,259.00**	24,55,704.00	Gain fron Non-monetary transaction	26		
Other Business Cost	8			Allowance	27		
(2) Tax and additional	9	**92,428.89**	65,155.77	Gain from Liability re-arrangement	28		
(3) Operation expense	10	**1,22,99,880.66**	77,28,215.44	Less: Non-Operation expenditure	29	**0.00**	1,790.96
(4) Administration expense	11	**30,99,355.57**	5,63,322.14	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	**-5,216.46**	6,147.86	**IV. Profit before Tax**	33	**2,68,803.40**	13,61,418.01
Inside: Interest payout	15			Less: Income Tax	34	**72,028.84**	3,40,354.50
Interest income	16			Add: Unconfirmed Investment Loss	35		
Net loss of exchange	17			**V. Net Profit**	36	**1,96,774.56**	10,21,063.51
(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	**1,96,774.56**	10,21,063.51

Financial Statements of Foreign Investment Enterprises in Shanghai
CASH FLOW STATEMENT

KWNQ Form 03

Name of Enterprise: Satyam-Venture Engineering Services (Shanghai) Co.,Ltd. **2018\01-2018\12** **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	**2,03,25,209.33**	96,46,411.90	Other cash paid relating to investing activities	22		
Refund of Taxes	3			**Sub-total of cash outflows**	23	**-**	-
Other cash received relating to other operating activities	4	**8,98,087.22**	2,58,315.41	**Net cash flows from investing activities**	24	**-**	-
Sub-total of cash inflows	5	**2,12,23,296.55**	99,04,727.31	**3. Cash Flows from Financing Activities:**	25	**-**	-
Cash paid for goods and services	6	**7,23,932.73**	-	Proceeds from received investment	26		
Cash paid to and on behalf of employees	7	**97,97,122.41**	62,56,796.57	include proceeds of investment by minor shreholder	27		
Cash apid for all type of taxes	8	**11,47,386.53**	6,84,034.94	Proceeds from borrowing	28		
Cash paid relating to other operating activities	9	**56,02,113.82**	17,14,504.75	Other proceeds relating to financing activities	29		
Sub-total of cash outflows	10	**1,72,70,555.49**	86,55,336.26	**Sub-total of cash inflows**	30		-
Net cash flows from operating activities	11	**39,52,741.06**	12,49,391.05	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		-
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	**39,52,741.06**	12,49,391.05
Cash paid to acquire fixed assets, intangible assets and other long-term assets	19			**6. Cash equivalents at the beginning of the period**	39	**18,19,274.89**	5,69,883.84
Cash paid to acquire investments	20			**7. Cash equivalents at the end of period**	40	**57,72,015.95**	18,19,274.89

Notes to the Financial Statements of Satyam-Venture Engineering Services (Shanghai) Co.,Ltd.

For the January 2018- the end of December 2018

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.: *91310000593145765W*) on May 15, 2012. The registered capital of the Company is USD160,000.00; the registered address of the Company is Building 4,No.1521 A Section,Jia Tang Road, Jiading 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 2018 to the end of December 2018

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%.
Income tax :	The income tax rate applicable to the Company in this year is 25%.
Urban construction tax :	The Urban construction tax rate applicable to the Company in this year is 5%.
Education surcharge:	The Education surcharge rate applicable to the Company in this year is 4%.

IV. Notes to the main items of the financial statements

Unless otherwise indicated, the currency unit is CNY.

1. Cash & Cash Equivalents

As at the end of December 2018, the balance of Cash & Cash Equivalents is CNY 5,772,015.95.

Item	**Book balance at end of year**	**Book balance at beginning of year**
Cash	**0.00**	0.00
Cash in bank	**5,772,015.95**	1,819,274.89
Total	**5,772,015.95**	1,819,274.89

2. Accounts receivable

As at the end of December 2018, the balance of accounts receivable is CNY 6,529,126.83, 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	**6,529,126.83**	**78.01%**
2-3 Years	**1,840,377.85**	**21.99%**
Provision for doubtful debts	**-1,840,377.85**	**-21.99%**
Total	**6,529,126.83**	**78.01%**

3. Other receivable

As at the end of December 2018, the balance of other receivable is CNY 620,610.39. The aging of accounts receivable is analyzed below:

Aging	Book balance at end of year	
	Amount	%
Within 1 year	620,610.39	**100.00%**
Total	620,610.39	**100.00%**

4. Fixed Assets:

Net Value on the end of December 2018 is CNY 9,293.64, Breakdown is listed as follows:

Item	Opening Balance	Increase in Current Period	Decrease in Current Period	Closing Balance
Original value	**6,500.00**			**20,057.00**
Electronic equipment	**6,500.00**	**13,557.00**	**0.00**	**20,057.00**
Sub-total	**6,500.00**	**13,557.00**	**0.00**	**20,057.00**
Accumulated Depreciation	**5,850.00**	**4,913.36**		**10,763.00**
Electronic equipment	**5,850.00**	**4,913.36**	**0.00**	**10,763.00**
Sub-total	**5,850.00**	**4,913.36**	**0.00**	**10,763.00**
Net Value	**650.00**			**9293.64**

5. Accounts Payable

As at the end of December 2018, the balance of accounts payable is CNY9,827,424.57. The aging of accounts payable is analyzed below:

Aging	Book balance at end of year	
	Amount	%
Within 1 year	**4.256,230.00**	**43%**
1 - 2 Years	**5,574,694.57**	**57%**
Total	**9,827,424.57**	**100.00%**

The major customers are as follows:

The list of units	Amount
SATYAM VENTURE ENGINEERING SERVICES PRIVATE LIMITED	9,827,424.57

6. Other payable

As at the end of December 2018, the balance of other payable is CNY 445,324.12. The aging of other payable is analyzed below:

Aging	Book balance at end of year	
	Amount	%
Within 1 year	**445,324.12**	**100.00%**
1 - 2 Years	**0.00**	**0.00%**
Total	**445,324.12**	**100.00%**

7. Tax Payable

As at the end of December 2018, the balance of tax payable is CNY247,125.07 The detail is as follows:

	Book balance at end of year
Value added tax	**56,128.82**
Income tax	**67,200.85**
City building duty	**2,806.44**
The individual income tax	**118,743.80**
Educational expenses to add	**2,245.16**
Total	**247,125.07**

8. Paid-in Capital

As at the end of March 2019,the balance of Paid-in Capital is USD160,000.00, (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%**

9. Undistributed Profits

Undistributed profits at the end of last year 1,211,516.92

Plus: Increased this year 196,774.56

Less: Decreased this year Undistributed profits at the end of the year 1,408,291.48

10. Operating Income & Operating Cost

2018.01.01-2018.12.31 amount, detailed as follows:

Item	Amount at current period		Amount at current year	
	Operating income	Operating cost	Operating income	Operating cost
Total	19,667,067.78	3,927,259.00	19,667,067.78	3,927,259.00

11. Operating Expenses

2018.01.01-2018.12.31 amount, detailed as follows:

Item	Amount at current period
wages	**10,055,795.04**
External costs	**780,533.16**
Rent	**296,391.85**
Consulting services	**1,190,291.16**
Express fee	-
Others	**-23,130.55**
Total	**12,299,880.66**

12. Management fees

2018.01.01-2018.12.31 amount, detailed as follows:

Item	Amount at current period
Office expenses	94,860.22
Travel	412,387.57
Business hospitality	17,894.00
Communication costs	0.00
Employee benefits expenditures	384,032.77
Consultancy fee	258,604.2
Auditing and inspection charges	19500
Bookkeeping agency fee	57500
Depreciation expense	4913.36
court costs	9285
Bad debt loss	1,840,377.85
Total	**3,099,355.57**

13. Finance charges

2018.01.01-2018.12.31 amount, detailed as follows:

Item	Amount at current period
Bank charges	2,685.8
Interest return	-6,979.48
Exchange gain or loss	-529.87
Total	**-4,823.55**

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	**9,827,424.57**

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.

June 28, 2019

TECH MAHINDRA SERVICOS DE INFORMATICA LTDA

Board of Directors
Mr. Arvind Malhotra
Mr. Jose Carlos Pimentel
Mr. Anil Joshi

Registered Office
Rua Quintana, 887,12th Floor,
Brooklin Novo,
Suite 121,
Sao paulo,SP CEP 04569-011

Bankers
Citi Bank
ITAU Bank
Santander
Bradesco

Auditors
Padrao Auditoria S/S Brazil

INDEPENDENT AUDITOR´S REPORT ON FINANCIAL STATEMENTS

To
Shareholders, Board of Directors and Officers
Tech Mahindra Serviços de Informática LTDA
São Paulo - SP

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Tech Mahindra Serviços de Informática LTDA ("the Company") as at March 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with accounting practices adopted in Brazil and International Financial Reporting Standards (IFRSs). We have audited the financial statements of the Company, which comprise the statement of financial position as at March 31, 2019, and the statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company within the meaning of ethical requirements, applicable law, regulation and have fulfilled our other responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices adopted in Brazil and IFRSs, 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. Management is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and ISAs, we exercise professional judgment and maintain professional skepticism throughout the planning and performance of the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

We are required to communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

São Paulo, April 30, 2019.

PADRÃO AUDITORIA S/S
CRC-2SP 016.650/O-7

YUKIO FUNADA
Accountant CRC-1SP 043.351/O-8

BALANCE SHEETS AS OF MARCH 31, 2019 AND MARCH 31, 2018

(In Thousands of Reais)

	Note	**31.03.2019**	31.03.2018
CURRENT ASSETS		**81,729**	65,452
Cash and cash equivalentes	4	**22,179**	2,048
Trade accounts receivable	5	**53,117**	49,264
Taxes recoverable		**2,126**	1,458
Related parties	9	**598**	10,410
Financial instruments derivatives	12.2 (b)	**25**	-
Other receivables		**3,684**	2,272
NON-CURRENT ASSETS		**48,950**	47.604
Related parties	9	**1**	1,729
Property & equipment	6	**7,877**	4,051
Intangible assets	7	**37,911**	38,005
Judicial deposits		**2,195**	3,054
Long term investments		**966**	765
TOTAL ASSETS		**130,679**	113,056
CURRENT		**88,608**	98,850
Trade accounts payable		**2,715**	3,823
Salary and social charges		**12,334**	10,968
Taxes liabilities		**503**	1,432
Loans and financing	8	**17,238**	7,026
Financial instruments derivatives	12.2 (b)	**-**	103
Related parties	9	**46,968**	64,783
Other liabilities		**8,850**	10,715
NON-CURRENT LIABILITIES		**35,946**	9,454
Provision for contingencies	10	**20,849**	3,426
Other liabilities		**4,400**	6,028
Related parties	9	**10,697**	-
EQUITY	11	**6,125**	4,752
Capital		**118,270**	63,117
Retained losses		**(112,145)**	(58,365)
TOTAL LIABILITIES AND EQUITY		**130,679**	113,056

See accompanying notes.

TECH MAHINDRA SERVICOS DE INFORMATICA LTDA

INCOME STATEMENTS FOR THE YEAR ENDED AS OF MARCH 31, 2019 AND 2018

(In Thousands of Reais)

	Note	**31.03.2019**	31.03.2018
Net operating revenue		**172,083**	188,710
Cost of services rendered		**(162,931)**	(177,475)
Gross profit		**9,152**	11,235
Operating income (expenses)			
General and administrative expenses		**(36,793)**	(17,340)
Other operating income		**(16,809)**	12
		(53,602)	(17,328)
Financial result			
Financial income		**11,564**	6,435
Financial expenses		**(20,577)**	(11,729)
		(9,013)	(5,294)
Loss before income and social contribution taxes		**(53,463)**	(11,387)
Income tax and social contribution		**(317)**	-
Total of income tax and social contribution		**(317)**	-
Loss for the year		**(53,780)**	(11,387)
Losses per unit of interest – R$	15	**(0.455)**	(0.180)

The Company has no other comprehensive income.

See accompanying notes.

STATEMENTS OF CHANGES IN EQUITY AS OF MARCH 31, 2019 AND 2018

(In Thousands of Reais)

EVENTS	CAPITAL	CAPITAL TO BE PAID-IN	RETAINED (EARNINGS) LOSSES	TOTAL
Balances at 31.03.2017	**49,033**	**-**	**(46,978)**	**2,055**
Capital increase	14,084	-	-	14,084
Loss for the year	-	-	(11,387)	(11,387)
Balances at 31.03.2018	**63,117**	**-**	**(58,365)**	**4,752**
Capital increase at June 13, 2018	55,153	-	-	55,153
Loss for the year	-	-	(53,780)	(53,780)
Balances at 31.03.2019	**118,270**	**-**	**(112,145)**	**6,125**

See accompanying notes.

TECH MAHINDRA SERVICOS DE INFORMATICA LTDA

CASH FLOW STATEMENTS AS OF MARCH 31, 2019 AND 2018

(In Thousands of Reais)

	31.03.2019	31.03.2018
Cash flow from operating activities		
Losses before income and social contribution taxes	**(53,780)**	(11,387)
Adjustments to reconcile net income to cash and cash equivalents provided by operating activities:		
Depreciation and amortization	**2,405**	2,157
Allowance for doubtful accounts	**(416)**	(545)
Provisions	**17,423**	2,548
Net book value of fixed asset disposals	**11**	-
Decrease (increase) in assets:		
Trade accounts receivable	**(3,437)**	(9,300)
Taxes recoverable	**(668)**	2,353
Other receivables	**(1,613)**	(438)
Related parties	**11,540**	(8,914)
Judicial deposits	**859**	(1.955)
Increase (decrease) in liabilities:		
Trade accounts payable	**(1,108)**	(1,315)
Taxes payable and others	**437**	2,813
Related parties	**(7,118)**	12,910
Other liabilities	**(3,493)**	(6,111)
Financial instruments derivatives	**(128)**	22
Net cash provided by operating activities	**(39,086)**	(17,162)
Cash flow from investing activities		
Fixed asset and intangible purchases	**(6,148)**	(3,839)
Net cash used in investing activities	**(6,148)**	(3,839)
Cash flow from financing activities		
Increase (decrease) in loans and financing	**10,212**	(1,744)
Increase of social capital	**55,153**	14,084
Net cash provided by financing activities	**65,365**	12,340
Increase (decrease) in cash and cash equivalents	**20,131**	(8,661)
Cash and cash equivalents		
Cash and cash equivalents at the beginning of the year	**2,048**	10,709
Cash and cash equivalents at the end of the year	**22,179**	2,048

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS AS OF MARCH 31, 2019 AND 2018

(In Thousands of Reais)

1. OPERATIONS

Tech Mahindra Serviços de Informática LTDA former Tech Mahindra Serviços de Informática S.A. ("Tech Mahindra" or "Company") is a closely held corporation 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 January 1st, 2017, Tech Mahindra Serviços de Informática S.A. incorporated Complex IT Solution Consultoria em Informática S.A.

2. BASIS FOR PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

Authorization to complete these financial statements was given at the General Meeting held on April 30, 2019.

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) 1,65%;
- Social Contribution Tax on Gross Revenue for Social Security Financing (COFINS) 7,65;
- 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 de-recognition 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 period which the asset is derecognized.

The net book value and useful lives of the assets and the depreciation methods are reviewed at period 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 goodwill related to acquisition of Complex IT Solution Consultoria em Informática S.A. 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, financial instruments derivatives 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 individual and consolidated 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 (R2) – 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.

3.14. Adoption of new standards, amendments to and interpretations of existing standards issued by the IASB and standards issued

3.14.1. New and revised standards already issued

The Company has adopted the following new and revised IFRSs already issued with exception of IFRS 16 that will be adopted in March 31, 2020 comparing with April 1st, 2019 (Opening balance sheet):

Pronouncement	Description	Applicable to annual periods beginning on or after
IFRS 9 (CPC 48) - Financial Instruments	Several changes in classification and measurement, measurement of impairment and hedge accounting.	January 1st, 2018
IFRS 15 (CPC 47) - Revenue from contracts with customers	Implements a principle-based model and a definitive guide as when to recognize revenue. It also introduces new disclosures.	January 1st, 2018
IFRS 16 (CPC 6 - R2) - Leases	Requires a review on lease arrangements for both lessors and lessees, replacing IAS 17 (CPC 6). The definition of finance lease disappear, except for short-term leases and for contracts involving immaterial amounts.	January 1st, 2019
IFRS 2 (CPC 10 - R1) - Classification and measurement of share based payment	Between other changes describes modifications of settled options of shares.	January 1st, 2018
IFRS 10 (CPC 36 - R3) and IAS 28 (CPC 18 - R2) improvements – Sell or asset contribution between investor and associate or Joint Venture	In case of assets sell or contribution between investor and associates or joint venture, the transaction effect only be recognized in profit and loss while the transaction be with a not related third party.	January 1st, 2018

The Company analyzed the impacts of the standards and did not identify significant effects on their adoption.

4. CASH AND CASH EQUIVALENTS

	31.03.2019	31.03.2018
Cash and Banks	**21,772**	157
Short term investments	**407**	1,891
	22,179	2,048

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

	31.03.2019	31.03.2018
Accounts receivable – invoiced	**18,343**	23,208
Accounts receivable – invoices to be issued	**35,158**	27,514
(-) Provision for doubtful accounts	**(384)**	(1,458)
	53,117	49,264

	31.03.2019	31.03.2018
Balances at the beginning of the year	**(1,458)**	(913)
Provision set up (+)	**(425)**	(545)
Write-off (-)	**9**	-
Recovered amounts (-)	**1,490**	-
Balance at the end of the year	**(384)**	(1,458)

6. PROPERTY AND EQUIPMENT

The details of fixed assets are disclosed as follows:

	Improvements	Machines and equipments	Furniture and fixtures	Vehicles	Others	Total
Cost						
Balances at March 31, 2017	**86**	**2,258**	**814**	**-**	**31**	**3,189**
Additions	150	2,149	249	63	-	2,611
Disposals	-	-	-	-	(6)	(6)
Balances at March 31, 2018	**236**	**4,407**	**1,063**	**63**	**25**	**5,794**
Additions	2,958	2,093	688	-	18	5,757
Disposals	-	(83)	-	-	-	(83)
Balances at March 31, 2019	**3,194**	**6,417**	**1,751**	**63**	**43**	**11,468**
Depreciation						
Balances at March 31, 2017	**(42)**	**(613)**	**(225)**	**-**	**(12)**	**(892)**
Depreciation in the year	(65)	(677)	(95)	(9)	(6)	(852)
Disposals	-	-	-	-	1	1
Balances at March 31, 2018	**(107)**	**(1,290)**	**(320)**	**(9)**	**(17)**	**(1,743)**
Depreciation in the year	(621)	(1,132)	(148)	(13)	(6)	(1,920)
Disposals	-	72	-	-	-	72
Balances at March 31, 2019	**(728)**	**(2,350)**	**(468)**	**(22)**	**(23)**	**(3,591)**
Net value						
Balances at March 31, 2017	**44**	**1,645**	**589**	**-**	**19**	**2,297**
Balances at March 31, 2018	**129**	**3,117**	**743**	**54**	**8**	**4,051**
Balances at March 31, 2019	**2,466**	**4,067**	**1,283**	**41**	**20**	**7,877**
Average rate of annual depreciation	**4%**	**10%**	**10%**	**20%**	**5% to 20%**	

7. 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 generates 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$26,089 totalizing R$36,828 related to goodwill. Additionally, on January 1st, 2017, Tech Mahindra incorporated Complex IT Solution figure´s.

8. LOAN AND FINANCING

	Average annual interest	Beginning Date	Maturity Date	31.03.2019	31.03.2018
Current liabilities					
Bank Citibank (K Giro)	9.34%	23/01/2019	23/01/2020	**4,070**	4,053
Bank Citibank (Garantida)	-	-	-	**10,063**	255
Bank Itaú (i)	5.04%	21/02/2019	23/08/2019	**3,105**	2,718
				17,238	7,026

(i) The loans are indexed by derivative financial instruments. Refer to note 12.2 (b).

9. RELATED PARTIES

Operation with related party refers to consulting services rendered to Tech Mahindra Limited. As of March 31, 2019 and 2018 the amounts are summarized as follows:

	31.03.2019	31.03.2018
Tech Mahindra Limited	**598**	10,410
Total current assets	**598**	10,410
Tech Mahindra America Inc.	-	35
Tech Mahindra Limited	1	1,694
Total non-current assets	**1**	**1,729**
Tech Mahindra Limited	**13,416**	49,618
Tech Mahindra Americas Inc.	**12,112**	15,165
Mahindra Engineering Services (Europe) Ltd – UK	**21,440**	-
Total current liabilities	**46,968**	64,783
Tech Mahindra Limited.	**10,697**	-
Total non-current liabilities	**10,697**	-

Remuneration of key management

Expenses related to remuneration of key management personnel of the Company, recognized in P&L, totalled R$4,091 at March 31, 2019 (R$3,867 at March 31, 2018).

10. PROVISION FOR CONTINGENCIES

The Company, in the normal course of its operations, is a party to judicial proceedings. Management, based on information from its legal advisors and the analysis of judicial proceedings pending judgment, concluded and set up a provision amounting to R$20,849 (R$3,426 as of March 31, 2018) related to labor causes classified as probable loss risk assessment.

11. EQUITY

As of March 31, 2019, the capital is represented by 118,270,118 (One hundred and eighteen million, two hundred and seventy thousands, one hundred and eighteen) shares related to social capital amounts to R$1.00 recorded as follows:

Shareholders	Nº Quotas	%
Tech Mahindra Limited	118,270,117	99,99
Mr. Antonio Alberto Rosati	1	0,01
	118,270,118	**100,00**

12. FINANCIAL INSTRUMENT AND RISK MANAGEMENT

12.1. 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: the Company 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.

12.2. Financial instruments

(a) 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	31.03.2019	31.03.2018	31.03.2019	31.03.2018
	Book value	Book value	**Fair value**	Fair value
Cash and cash equivalents	**22,179**	2,048	**22,179**	2,048
Trade accounts receivable	**53,117**	49,264	**53,117**	49,264
Taxes recoverable	**2,126**	1,458	**2,126**	1,458
Related parties	**599**	12,139	**599**	12,139
Financial instruments derivatives	**25**	-	**25**	-
Other receivables	**3,684**	2,272	**3,684**	2,272
	81,730	67,181	**81,730**	67,181

Financial liabilities	31.03.2019	31.03.2018	31.03.2019	31.03.2018
	Book value	Book value	**Fair value**	Fair value
Trade accounts payable	**2,715**	3,823	**2,715**	3,823
Salary and social charges	**12,334**	10,968	**12,334**	10,968
Taxes liabilities	**503**	1,432	**503**	1,432
Loans and financing	**17,238**	7,026	**17,238**	7,026
Financial instruments derivatives	**-**	103	**-**	103
Related parties	**57,665**	64,783	**57,665**	64,783
Other liabilities	**12,750**	16,743	**12,750**	16,743
	103,205	104,878	**103,205**	104,878

(b) Derivatives

In accordance with the accounting policies as set out in CPC 48 (IFRS 9) all derivative financial instruments with hedging purposes are measured at fair value and recorded in the balance sheet against income for the year.

The derivative financial instruments held by the Company are intended to protect its future raw material purchases of the effects of changes in foreign currency, and are not used for speculative purposes. At March 31, 2019 and 2018, outstanding contracts Non-Deliverable Forwards (NDFs) were:

Type		**31.03.2019**	
	Nominal Amount	**Fair value (market value - R$)**	**Gain (Unrealized) 31.03.2019**
NDF – Liabilities			
Foreign currency - US$	**810**	**3,105**	**25**
			25
Current assets			**25**
Non-current assets			**-**

Type		31.03.2018	
	Nominal Amount	Fair value (market value - R$)	Loss (Unrealized) 31.03.2018
NDF – Liabilities			
Foreign currency - US$	854	2,718	(103)
			(103)
Current liabilities			(103)
Non-current liabilities			-

The unrealized loss or gain represent the difference between the value of the instrument by the curve and fair value (market) and were recorded at March 31, 2019 and 2018 in the “Financial results” line.

13. INSURANCE COVERAGE (UNAUDITED)

At March 31, 2019 and 2018, insurance coverage taken out is considered sufficient by management to cover losses, if any. As these refer to immaterial amounts, they were not audited.

14. 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.

15. 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:

	31.03.2019	31.03.2018
Basic and diluted earnings per unit of interest		
Numerator		
Loss for the year attributed to Company unit of interest holders (in thousands of reais)	**(53,780)**	(11,387)
Denominator (in units of interest)		
Weighted average number of units of interest	**118,270,118**	63,117,498
Basic and diluted earnings (losses) per units of interest (in R$)	**(0.455)**	(0.180)

16. COMMITMENTS

(a) Rents

The Company rents properties housing its head office.

Initiation	End	Installments	Index	Location
25/04/2018	24/04/2021	R$98	IPCA	São Paulo
01/07/2015	30/06/2021	R$30	IGM-M	Rio de Janeiro
15/10/2017	15/10/2020	R$3	IGP-M	São Paulo
14/12/2017	13/11/2020	R$4	IGP-M	São Paulo
05/11/2018	04/06/2019	R$6	-	Rio de Janeiro
11/06/2018	10/06/2019	R$2	IGP-M	Florianópolis
11/04/2018	10/04/2021	R$43	IPCA	São Paulo
05/03/2018	04/09/2020	R$9	-	Rio de Janeiro
01/09/2017	31/08/2020	R$7	IGP-M	Rio de Janeiro
18/07/2016	18/01/2019	R$5	IGP-M	São Paulo
25/09/2018	24/03/2021	R$8	IGP-M	São Paulo
27/03/2018	27/09/2020	R$7	IGP-M	São Paulo
12/09/2018	11/03/2021	R$7	IGP-M	São Paulo
02/10/2017	02/10/2020	R$7	IGP-M	São Paulo
01/06/2016	01/06/2019	R$7	IGP-M	São Paulo

(b) Guarantee letters

At March 31 2019, the Company has a guarantee letter with Citibank an amount of KBRL10,400.

TECH MAHINDRA DE MÉXICO, S. DE R. L. DE C. V.

Board of Directors

Mr. Arvind Malhotra
Mr. Pablo Gallegos
Mr. Jenny Jacob

Registered Office

Av. Eje 5 Note # Edificio F - Planta
Baja Colonia Santa Bárbara, C.P. 02230
Delegación Azcapotzalco Distrito Federal México

Bankers

Citi Bank

Auditors

Deloitte Touche Tohmatsu Limited

INDEPENDENT AUDITORS' REPORT TO THE PARTNERS OF TECH MAHINDRA DE MÉXICO, S. DE R. L. DE C. V.

Opinion

We have audited the accompanying financial statements of Tech Mahindra de México, S. de R. L. de C. V. (the "Entity"), which comprise the balance sheets as of December 31, 2018 and 2017, and the related statements of profit or loss, the statements of changes in partners' equity and the statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as of December 31, 2018 and 2017, and their financial performance and their cash flows, for the years then ended in accordance with Mexican Financial Reporting Standards (NIF).

Basis for Opinion

We conducted our audits in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor´s Responsibilities for the Audit of Financial Statements section of our report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for professional Accountants (IESBA Code) and with the Ethics Code issued by the Mexican Institute of Public Accountants (IMCP Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and IMCP Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the accompanying financial statements in accordance with NIF, 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.

In preparing the financial statements, management is responsible for assessing the Entity´s ability to continue as a going concern, disclosing, as applicable, matters, related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity´s financial reporting process.

Auditors´ Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor´s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA's, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and asses the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control.

- Obtain an understanding of internal control relevant to the audit 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.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management´s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors´ report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Galaz, Yamazaki, Ruiz Urquiza, S. C.
Member of Deloitte Touche Tohmatsu Limited

C. P. C. Carlos Alberto Chávez Llamas

June 3, 2019

TECH MAHINDRA DE MÉXICO, S. DE R. L. DE C. V.

BALANCE SHEETS

As of December 31, 2018 and 2017

(In Mexican pesos)

	2018 $	2017 $
Assets		
Current assets:		
Cash	**11,877,044**	39,089,726
Accounts receivable - Net	**258,297,915**	237,826,242
Guaranteed deposits	**970,300**	206,369
Prepaid expenses	**2,306,226**	1,214,213
Total current assets	**273,451,485**	278,336,550
Non-Current assets:		
Property and equipment - Net	**34,958,939**	28,787,711
Guaranteed deposits	**2,439,223**	2,603,921
Deferred income taxes	**899,380**	2,099,128
Total non-current assets	**38,297,542**	33,490,760
Total	**311,749,027**	311,827,310
Liabilities and partners' equity		
Current liabilities:		
Accounts payable	**187,369,122**	210,568,570
Accrued expenses and taxes	**82,585,572**	75,546,014
Employee benefits	**549,565**	248,583
Net current tax liability	**2,351,408**	-
Total currents liabilities	**272,855,667**	286,363,167
Non-current liabilities:		
Employee benefits	**198,018**	104,557
Total non-currents liabilities	**198,018**	104,557
Total liabilities	**273,053,685**	286,467,724
Partners' equity:		
Social parts	**12,934,771**	12,934,771
Retained earnings	**25,760,571**	12,424,815
Total partners' equity	**38,695,342**	25,359,586
Total	**311,749,027**	311,827,310

See accompanying notes to financial statements.

STATEMENTS OF OPERATIONS

For the years ended December 31, 2018 and 2017

(In Mexican pesos)

	2018 **$**	2017 $
Revenue	**751,339,185**	517,062,980
Other income	**4,648,729**	1,482,500
	755,987,914	518,545,480
Cost of sales	**(683,418,085)**	(482,932,327)
Sales and administrative expenses	**(35,524,433)**	(17,456,728)
Operating income	**37,045,396**	18,156,425
Comprehensive financing results:		
Exchange loss – Net	**(13,289,339)**	(5,606,739)
	(13,289,339)	(5,606,739)
Income before income tax expense	**23,756,057**	12,549,686
Income tax expense	**(10,420,301)**	(3,408,927)
Net income	**13,335,756**	9,140,759

See accompanying notes to financial statements.

TECH MAHINDRA DE MÉXICO, S. DE R. L. DE C. V.

STATEMENTS OF PARTNERS' EQUITY

For the years ended December 31, 2018 and 2017

(In Mexican pesos)

	Social Parts	Retained earnings	Total partners' equity
Balances at the beginning of 2017	12,934,771	3,284,056	16,218,827
Net Income	-	9,140,759	9,140,759
Balance as of December 31, 2017	12,934,771	12,424,815	25,359,586
Net Income	-	13,335,756	13,335,756
Balance as of December 31, 2018	12,934,771	25,760,571	38,695,342

See accompanying notes to financial statements.

STATEMENTS OF CASH FLOWS

For the years ended December 31, 2018 and 2017

(In Mexican pesos)

	2018 **$**	2017 $
Operating activities:		
Income before income taxes	**23,756,057**	12,549,686
Items related to investment activities:		
Depreciation	**10,981,291**	5,105,750
Less : non-operating income		
Profit on sale of fixed asset	**(2,795)**	(883)
Rent income- intercompany	**(4,634,814)**	(1,481,617)
	30,099,738	16,172,936
Changes in Working Capital:		
(Increase) decrease in:		
Accounts receivable – Net	**(23,407,406)**	(115,334,043)
Prepaid expenses	**(1,092,013)**	439,199
Guaranteed deposits	**(599,232)**	(1,440,246)
Increase (decrease) in:		
Accounts payable	**(23,199,448)**	91,385,755
Direct employee benefits	**394,443**	240,069
Accrued expenses and taxes	**11,425,557**	49,861,315
Tax paid	**(8,319,413)**	(27,915)
Net cash flows provided by (used in) operating activities	**(14,697,773)**	41,297,070
Investing activities:		
Acquisitions of equipment	**(17,149,723)**	(280,63,789)
Rent income- intercompany	**4,634,814**	1,481,617
Net cash flows used in investing activities	**(12,514,909)**	(26,585,172)
Net (decrease) increase in cash and cash equivalents	**(27,212,682)**	14,714,898
Cash and cash equivalents at the beginning of the year	**39,089,726**	24,374,828
Cash and cash equivalents at the end of the year	**11,877,044**	39,089,726

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

For the years ended December 31, 2018 and 2017

(In Mexican pesos)

1. Activities and significant events

a. Activities

Tech Mahindra de México, S. de R.L. de C.V. (the “Entity” subsidiary of Tech Mahindra Limited) was incorporated on June 30, 2008 and its main activity is to provide computing consulting services.

b. There were no significant events during the year.

2. Basis of presentation

a. Explanation for translation into English - The accompanying financial statements have been translated from Spanish into English for use outside of Mexico. These financial statements are presented on the basis of Mexican Financial Reporting Standards (“MFRS”), which are comprised of accounting standards that are individually referred to as Normas de Información Financiera, or “NIFs”). Certain accounting practices applied by the Entity that conform with MFRS may not conform with accounting principles generally accepted in the country of use.

b. Monetary unit of the financial statements – The financial statements and notes as of December 31, 2018 and 2017 and for the years then ended include balances and transactions denominated in Mexican pesos of different purchasing power. Cumulative inflation rates over the previous three-year periods ended December 31, 2018 and 2017 were 12.71% and 9.87%, respectively. Accordingly, the economic environment is not inflationary in either such period and no inflationary effects were recognized in the accompanying financial statements. Inflation rate for the three-year period ended December 31, 2018 was 15.69%. Inflation rates for the years ended December 31, 2018 and 2017 were 4.83% and 6.77%, respectively.

c. Classification of costs and expenses - These were classified according to their function because this is the practice of the industry to which the Entity belongs.

d. Income from operations - Income from operations is the result of subtracting costs and general expenses from service revenues. While NIF B-3, Statement of Comprehensive Income, does not require inclusion of this line item within results, it has been included for a better understanding of the Entity’s economic and financial performance.

e. Previous year’s figures are regrouped where ever necessary.

3. Summary of the significant accounting policies

The accompanying financial statements have been prepared in conformity with MFRS, which require that management make certain estimates and use certain assumptions that affect the amounts reported in the financial statements and their related disclosures; however, actual results may differ from such estimates. The Entity’s management, upon applying professional judgment, considers that estimates made and assumptions used were adequate under the circumstances.

The accompanying financial statements have been prepared on the historical cost basis of accounting; hence, the comprehensive effects of inflation that should have been recognized through December 31, 2007, are not reflected. Therefore, the information included in the accompanying financial statements is not intended to be in conformity with MFRS. Preparation of the financial statements requires that management, upon applying professional judgment, make certain estimates and use certain assumptions that affect the amounts reported in the financial statements and their related disclosures; however, actual results may differ from such estimates.

The accompanying financial statements were adjusted through December 31, 2007, for the effects of inflation on property, plant and equipment and related accumulated and annual depreciation. Only these line items were updated to Mexican pesos of purchasing power as of that date. Consequently, retained earnings do not include monetary gains (losses) cumulative through December 31, 2007, and all other financial statement line items are not restated through December 31, 2007.

The significant accounting policies and accounting changes of the Entity are as follows:

a. Accounting changes -

As of January 1, 2018, the Entity adopted the following NIF and improvements to NIF 2018:

b. The following NIF were issued and are effective January 1, 2018:

NIF C-3, Accounts receivable

NIF C-9, Provisions, contingencies and commitments

NIF D-1, Revenues from contracts with customers

NIF D-2, Costs from contracts with customers

NIF C-3, Accounts receivable - The main changes consist of specifying that: a) the accounts receivable based on a contract represent a financial instrument; b) the allowance for bad debts for commercial accounts is recognized from the time the revenue is accrued, based on the expected credit losses; c) the time value of money should be considered as of the initial recognition; consequently, if the effect of the present value of the account receivable is material based on its term, it should be adjusted based on such present value, and d) required disclosures include an analysis of the change between the opening and closing balances of the allowance for bad debts.

NIF C-9, Provisions, contingencies and commitments - The term probable replaced the term virtually avoidable in the definition of liabilities. The first-time application of this NIF does not generate accounting changes in the financial statements.

NIF D-1, Revenues from contracts with customers - Previously there was no Mexican accounting standard for revenue recognition, for which reason the main changes focus on providing greater consistency in revenue recognition and eliminating weaknesses in the previous supplemental standards. The most important changes consist of establishing a model for revenue recognition based on the following steps: a) transfer of control, the basis for the timeliness of revenue recognition; b) the identification of the different performance obligations in a contract; c) the allocation of the transaction amount between the different unfulfilled obligations based on independent selling prices; d) the introduction of the concept conditional account receivable, when an unfulfilled obligation is satisfied and an unconditional right to the consideration is generated because only the passage of time is required for the payment of such consideration to become enforceable; e) the recognition of collection rights, where in certain cases there may be an unconditional right to the consideration before an unfulfilled obligation is satisfied, and f) the valuation of the revenue, considering aspects such as the recognition of significant financing components, the noncash consideration cash and the consideration payable to a customer.

NIF D-2, Costs from contracts with customers - Separates the standard for recognition of the costs from contracts with customers from that related to recognition of the revenues from contracts with customers, and expands the scope to include costs related to all types of contracts with customers.

As at the date of issuance of these financial statements, the adoption of these improvements did not have a material effect on the Entity's financial information.

c. 2018 Improvements to NIF - The following improvements were issued which generate accounting changes effective as of January 1, 2018:

NIF B-2, Statement of cash flows - For liabilities from financing activities, requires disclosure of the relevant changes in cash flows, and preferably the initial and closing balances of such items should be reconciled.

NIF B-10, Effects of inflation - Also requires disclosure of the accumulated inflation percentage for three years, which includes the previous two years and the period referred to in the current financial statements, that will be used as the basis to classify the economic environment in which the entity will operate in the following year.

NIF C-6, Property, plant and equipment and NIF C-8, Intangible assets - The depreciation and amortization method based on revenues cannot be used, except where the revenues and the consumption of the economic benefits from the assets follow a similar pattern.

NIF C-14, Transfer and cancellation of financial assets - To avoid contradictions in the standard, it is clarified that the transferor should continue recognizing any revenue and loss from impairment originated from the asset transferred up to the degree of its continuous involvement and should recognize any expense related with the associated liability. If the transferred asset continues to be recognized at amortized cost, the associated liability should not be valued at fair value.

d. 2018 Improvements to NIF - The following improvements do not generate accounting changes:

NIF B-7, Business acquisitions - It is clarified that a contingent liability of a business acquired should be recognized at the purchase date as a provision, if such item represents a present obligation for the business acquired as a result of past events.

NIF B-15, Translation of foreign currencies - In financial statements where the functional currency is different from the Mexican peso, the entity should, among others, determine in its functional currency: a) the fair value of the items in which it is applicable, b) conduct impairment tests on the value of the asset and c) determine the deferred tax liabilities or assets, etc.

e. Recognition of the effects of inflation – Beginning on January 1, 2008, the Entity discontinued recognition of the effects of inflation in its financial statements. However, non-monetary assets and liabilities and stockholders' equity include the restatement effects recognized through December 31, 2007.

f. Cash– Cash consist mainly of bank deposits in checking accounts. Cash is stated at nominal value.

g. Property and equipment – Property, plant and equipment are recorded at acquisition cost. Balances from acquisitions made through December 31, 2007 were restated for the effects of inflation by applying factors derived from the NCPI through that date. Depreciation is calculated using the straight-line method based on the remaining useful lives of the related assets, as follows:

h. Provisions - Provisions are recognized for current obligations that arise from a past event, that are probable to result in the use of economic resources, and that can be reasonably estimated.

i. Employee benefits - Employee benefits are those granted to personnel and/or their beneficiaries in exchange for the services rendered by the employee, which include all kinds of remuneration earned, as follows:

  i. Direct employee benefits - Direct employee benefits are calculated based on the services rendered by employees, considering their most recent salaries. The liability is recognized as it accrues. These benefits include mainly statutory employee profit sharing (PTU) payable, compensated absences, such as vacation and vacation premiums, and incentives.

  ii. Post-employment benefits - Liabilities for seniority premiums, pensions and termination benefits are recorded as accrued, and are calculated by independent actuaries based on the projected unit credit method using nominal interest rates.

  iii. Employee benefits from termination - The liability for seniority premium, pensions and severance for termination of the employment relationship is recorded as accrued, which is calculated by independent actuaries based on the projected unit credit method using nominal interest rates.

  iv. Statutory employee profit sharing (PTU) - PTU is recorded in the results of the year in which it is incurred. Deferred PTU is derived from temporary differences that result from comparing the accounting and tax bases of assets and liabilities and is recognized only when it can be reasonably assumed that a liability may be settled or a benefit is generated, and there is no indication that circumstances will change in such a way that the liabilities will not be paid or benefits will not be realized.

  As result of the 2014 Tax Reform, as of December 31, 2018 and 2017, PTU is determined based on taxable income, according to Section I of Article 10 of the Income Tax Law. Deferred PTU derived from temporary differences between the accounting and tax bases of assets and liabilities is recognized only when it can be reasonably assumed that a liability may be settled or a benefit is generated, and there is no indication that circumstances will change in such a way that the liabilities will not be paid or benefits will not be realized.

j. Income taxes - Income tax ("ISR") is recorded in results of the year in which they are incurred. Deferred taxes are calculated by applying the corresponding tax rate to temporary differences resulting from comparing the accounting and tax bases of assets and liabilities and including, if any, future benefits from tax loss carryforwards and certain tax credits.

k. Foreign currency transactions - Foreign currency transactions are recorded at the applicable exchange rate in effect at the transaction date. Monetary assets and liabilities denominated in foreign currency are translated into Mexican pesos at the applicable exchange rate in effect at the balance sheet date. Exchange fluctuations are recorded as a component of net financing cost (income) in the statements of income.

l. Revenue recognition – Revenues include the fair value of the consideration received or receivable for the services in the regular course of operations, which is when control has been transferred to the customers in exchange for the consideration to which the Entity believes it is entitled in exchange for such goods or services. Revenues are presented net of discounts.

  Revenues are recognized when the following steps are completed:

  - The contract or contracts are identified with the customer.
  - The obligations to be performed in the contract are identified.
  - The transaction price is determined.
  - The transaction price is allocated among the different obligations to be performed in the contract.
  - The revenues are recognized when the Entity fulfills each of the obligations involved.

4. Accounts receivable

a. As of December 31, accounts receivable are as follows:

		2018		2017
Customers:				
Tech Mahindra Limited	**$**	**3,2778,195**	$	32,686,715
External		**201,729,091**		171,080,394
Allowance for doubtful debts		**(3,814,789)**		(1,577,368)
		230,692,497		202,189,741
Unbilled revenue		**17,620,393**		28,414,977
Recoverable income tax		**325,645**		3,261,379
Guarantee deposits, officers and employees		**1,527,613**		357,290
Others:				
LCC Central America de Mexico SA de CV		**6,235,722**		583,975
External		**1,896,045**		3,018,880
	$	**258,297,915**	$	237,826,242

b. Expected credit losses:

For the commercial accounts receivable portfolio, the Entity estimates the expected credit loss (ECL) based on its experience of previous credit losses, current changes in the behavior of its customers and future economic forecasts, for which purpose it classifies its portfolio by degree of payment arrears and allocates different amounts of ECL to each of the segments of its portfolio.

Based on the average that its ECL represent of total revenues and the payment arrears of customer receivables, as well as adjustments to the amounts of ECL considering the current economic situation, the respective calculation is as follows:

Amount of accounts receivable	**Days in arrears**	**Probability of default**	**Portfolio amount in default**	**Loss Severity (SP)**	**Estimated ECL**
3,814,789	More than 365 days	100%	3,814,789	100%	3,814,789

In this case, given the impossibility of estimating the collection date, it is not practical to discount the amounts of cash flows receivable. Also, the Entity does not charge interest to its customers for arrears, and so it has not identified the effective interest rate.

5. Property and equipment

		December 31, 2018		December 31, 2017
Investment:				
Plant & Machinery	**$**	**14,624,762**	$	11,382,253
Furniture and fixtures		**11,807,614**		8,935,303
Equipment and computers		**25,163,230**		14,132,510
Leasehold improvements		**1,215,194**		1,215,194
		52,810,800		35,665,260
Accumulated depreciation:				
Plant & Machinery		**(3,572,523)**		(1,069,581)
Furniture and fixtures		**(3,667,606)**		(1,596,941)
Equipment and computers		**(9,842,111)**		(3,684,444)
Leasehold improvements		**(769,621)**		(526,583)
		(17,851,861)		(6,877,549)
Net property and equipment	**$**	**34,958,939**	$	28,787,711

Depreciation recognized in the statements of operations was $10,981,291 and $5,109,450 in 2018 and 2017, respectively.

6. Accounts Payables

As of December 31, accounts payable are as follows:

Vendors :		
Tech Mahindra Limited	$ 178,530,640	$ 204,131,558
LCC Central America de Mexico SA de CV	5,200,624	6,294,767
External	3,637,858	142,245
	$ 187,369,122	$ 210,568,570

7. Employee benefits

a. Net period cost for the obligations resulting from the pensions plan and the related seniority premiums and termination benefits was $747,583 and $353,140 in 2018 and 2017, respectively. Other disclosures required under accounting provisions are not considered material.

b. The amount of deferred PTU recognized in the statements of operation of the period is:

	2018	2017
PTU:		
Current	**$ 9,220,553**	$ 4,047,658
Deferred	**1,199,748**	(638,731)
	$ 10,420,301	$ 3,408,927

8. Periods of payment and recovery of financial liabilities and assets

	2018	2017
Financial Liabilities:		
Accounts payable	**$ 187,369,122**	$ 210,568,570
Accrued expenses and taxes	**24,617,509**	14,998,124
	$ 211,986,631	$ 224,829,624

	2018	2017
Financial Asset:		
Cash	**$ 11,877,044**	$ 39,089,726
Customers	**230,692,497**	202,189,741
Unbilled Revenue	**17,620,393**	28,414,977
Other Receivables	**6,235,722**	583,975
Reimbursable Exps - Others	**740,808**	
Guarantee deposits , officers and employees	**1,527,613**	357,290
Deposits in guarantee	**3,409,523**	2,810,291
	$ 272,103,600	$ 273,446,000

9. Partners' equity

a. As of December 31, 2018 and 2017 partner units at par value (historical pesos), is as follows:

	Number of social parts 2018	**Amount in historical pesos**	**Number of social parts** 2017	**Amount in historical pesos**
Fixed capital:				
Series "A" partner units*	**2**	$ 1	2	$ 1
(Non-Withdrawable)	**-**	-	-	-
Variable capital	**-**	-	-	-
Series "B" partner units**	**1**	12,934,770	1	12,934,770
Total	**3**	$ 12,934,771	3	$ 12,934,771

* Series "A" represents the fixed portion of capital stock with no retirement rights.

** Series "B" represents the variable portion of capital stock with retirement rights.

b. Pursuant to a resolution of the general ordinary partners meeting on January 4, 2016, variable social parts was increased by $5,015,522, through cash contributions.

c. Retained earnings include the statutory legal reserve. The General Corporate Law requires that at least 5% of net income of the year be transferred to the legal reserve until the reserve equals 20% of partner units at par value (historical pesos). The legal reserve may be capitalized but may not be distributed unless the entity is dissolved. The legal reserve must be replenished if it is reduced for any reason. As of December 31, 2016, the legal reserve, in historical pesos, was $164,203. The legal reserve for the year ended 31st December 2018 is $ 666,788.

d. Partners' equity, except restated paid-in capital and tax retained earnings, will be subject to income taxes payable by the Entity at the rate in effect upon distribution. Any tax paid on such distributions may be credited against annual and estimated income taxes of the year in which the tax on dividends is paid and the following two fiscal years.

e. The balances of the partners' equity tax accounts as of December 31 are:

	2018	2017
Contributed capital account	**$ 15,134,958**	$ 4,380
Net tax income account	**39,724,183**	17,637,037
Total	**$ 54,859,141**	$ 17,641,417

10. Transaction and balances with related parties

a. Transactions with related parties, carried out in the ordinary course of business, whose consideration is equivalent to that in similar transactions carried out with independent parties, were as follows:

	2018	2017
Tech Mahindra Limited (Holding):		
Sales	**$ 388,437,858**	$ 232,382,470
Sub-contracting cost	**(362,901,327)**	(284,680,511)
LCC Central America de Mexico SA de CV (Fellow Subsidiary):		
Other Income (Rental Income)	**$ 4,634,814**	$ 1,481,617
Sub-contracting cost	**(20,438,362)**	(23,980,857)

b. Balances due from and to related parties are as follows:

	2018	2017
Tech Mahindra Limited (Holding):		
Due from Tech Mahindra Limited	**$ 32,778,195**	$ 32,686,715
Due to Tech Mahindra Limited	**178,530,640**	204,131,558
LCC Central America de Mexico SA de CV (Fellow Subsidiary):		
Due from LCC Central America de Mexico SA de CV	**$ 6,235,722**	$ 583,975
Due to LCC Central America de Mexico SA de CV	**5,200,624**	6,294,767

11. Other income (expenses)

a. Breakdown as follows:

	2018	2017
Rental income	**$ 4,634,814**	$ 1,481,617
Profit on disposal of asset	**2,795**	883
Others	**11,120**	-
	$ 4,648,729	$ 1,482,500

12. Income taxes

The Entity is subject to ISR.

The Entity is subject to ISR. According with the ISR law, the rate is 30% in 2018 and 2017 and it will continue at 30% in 2018 and thereafter.

a. ISR consists of the following:

		2018		2017
ISR:				
Current	**$**	**9,220,553**	$	4,047,658
Deferred		**1,199,748**		(638,731)
	$	**10,420,301**	$	3,408,927

b. The reconciliation of the statutory and effective ISR rates expressed as a percentage of income before ISR for the years ended December 31 is:

	2018	2017
	%	%
Statutory rate	**30**	30
Add (less) differences:		
Effects of tax inflation	**4**	7
Non-deductible items and other	**10**	(10)
Effective rate	**44%**	27%

c. The main items that give rise to a deferred ISR asset (liability) a December 31 are:

	2018	2017
Deferred income tax		
Deferred income tax assets:		
Accrued bonuses and other accruals	**899,380**	2,099,128
Deferred ISR asset	**899,380**	2,099,128
Net deferred ISR asset	**899,380**	2,099,128

13. New Accounting principles:

As of December 31, 2018, the CNIF has issued the following NIFs and Improvements to NIFs which may affect the financial statements of the Entity.

Effective January 1, 2019:

NIF D-5, Leases-The accounting recognition for the lessor remains the same and only disclosure requirements are added. For the lessee it introduces a single recognition model for leases which eliminates their classification as operating or capital leases , so the latter should recognize the assets and liabilities of all leases of over 12 months (unless the underlying asset is low value). Consequently, the most important impact will be an increase in the assets leased and in the financial liabilities of a lessee when recognizing an asset for the right to use the underlying asset leased and a lease liability which reflects the obligation of the lease payments at present value.The following aspects should be considered when this NIF is applied : a) a lease is defined as a contract which transfers to the lessee the right to use an asset for a determined period of time in exchange for consideration, therefore, it should be evaluated, at the start of the contract , whether the right to control the use of an identified asset for a determined period of time in exchange for a consideration ; therefore, it should be evaluated , at the start of the contract , whether the right to control the use of an identified asset for a determined period of time is obtained ; b) it changes the nature of the expenses related with leases , by replacing the expense for operating lease in accordance with Bulletin D-5 , with an expense for depreciation or amortization of the assets for the right of use (in operating costs) and an interest expense on the lease liabilities (in comprehensive financing result) ; c) it modifies the presentation in the statement of cash flows when reducing the cash flows from operating activities, with an increase in outlays of cash flows when reducing the cash flows from operating activities, with an increase in outlays of cash flows from financing activities to reflect the payments of lease liabilities ; d) it modifies the recognition of the gain or loss when a vendor-lessee transfers an asset to another entity and leases that asset back.

At the date of issuance of these financial statements, the Entity has not completed its evaluation of the potential effects of adopting these new standards on its financial information.

14. 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.

15. Financial statements issuance authorization

On June 3, 2019, the issuance of the financial statements was authorized by Mr. Pablo Gallegos Herrera. These financial statements are subject to the approval of the Board of Partners and the general ordinary partners' meetings, where they may be modified, based on provisions set forth by the General Corporate Law.

FIXSTREAM NETWORKS INC

Board of Directors
Mr. Manoj Bhat
Mr. UlhasYargop
Mr. Manish Vyas
Mr. Sameer Padhye
Mr. Andy Geisse

Registered Office
Unisearch, Inc.
28 Old Rudnick Lane
Dover, DE 19901

Bankers
Comerica Bank
2 Embarcadero Center, Suite 300
San Francisco, California 94111

Auditors
Catrakilis Kraitzick Hrabova, LLC
CPAs and Advisors

DIRECTORS' REPORT

This report together with the audited accounts of FixStream Networks Inc. for the year ended March 31, 2019 is as follows:

Financial Results (US$):

For the year ended March 31,	**2019 US $**	2018 US $
Income	**5,154,560**	3,108,200.00
Profit/(Loss) before tax	**(5,194,454)**	(6,713,663.00)
Profit/(Loss)after tax	**(5,195,384)**	(14,779,304.00)

Review of Operations:

The Company is a 73.45% owned subsidiary of Tech Mahindra Limited, 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.

Board:

Mr. Manoj Bhat, Mr. Manish Vyas, Mr. Ulhas Yargop, Mr. Sameer Padhye and Mr. Andy Geisse 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 cooperation and assistance received from them.

For FixStream Networks Inc.

Sameer Padhye
Director

Date : 24th April, 2019.

Place : San Jose, California

INDEPENDENT AUDITOR’S REPORT

Board of Directors
Fixstream Networks, Inc.
a Delaware Corporation,
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 Delaware Corporation, a 73.38% owned subsidiary of Tech Mahindra Limited, an India corporation, which comprise the balance sheets as of March 31, 2019 and 2018, and the related statements of comprehensive loss, changes in stockholders’ 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.

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 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 99.99% 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, Fixstream India Private Limited (formerly 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 73.38% owned subsidiary of Tech Mahindra Limited, as of March 31, 2019 and 2018, 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 page 19 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

Catrakilis Kraitzick Hrabova, LLC
Atlanta, Georgia
May 24, 2019

FIXSTREAM NETWORKS INC

BALANCE SHEETS

AT MARCH 31,

		March 31,	
		2019	2018
	Notes	**$**	$
Assets:			
Current assets:			
Cash	3	**694,281**	210,304
Accounts receivable, net	4	**127,248**	-
Due from affiliated companies	7	**-**	913,000
Due from parent company	10	**1,235,355**	1,111,100
Prepaid expenses		**84,206**	175,196
		2,141,090	2,409,600
Non-current assets:	8		
Property and equipment, net		**89,477**	136,693
Investment in subsidiary	5	**42,047**	42,047
Restricted cash	3	**282,437**	282,155
Security deposits	9	**42,272**	42,272
Intangible assets, net		**61,181**	-
		427,937	366,474
Total Assets		**2,658,504**	2,912,767
Liabilities:			
Current liabilities:			
Accounts payable		**112,976**	188,381
Accrued expenses	10	**1,189,708**	220,476
Due to parent company		**1,601,383**	924,084
Due to affiliated companies	7	**1,347,432**	1,334,861
Deferred revenue	11	**96,010**	91,480
Note payable to affiliated company, current		**12,500,000**	-
Income tax payable	6	**930**	1,535
		16,848,439	2,760,817
Non-current liabilities:			
Other non-current liabilities	11	**167,626**	817,841
Notes payable to affiliated company, non-current		**6,500,000**	10,500,000
Note payable to parent company	10	**-**	4,500,000
		6,667,626	15,817,841
Total liabilities		**23,516,065**	18,578,658
Commitments and contingencies (Note 17)			
Convertible-redeemable preferred stock	15	**10,000,000**	10,000,000
Stockholders' Deficit	16		
Common stock		**668**	665
Additional paid in capital		**55,104**	51,393
Accumulated deficit		**(30,913,333)**	(25,717,949)
Deficit attributable to stockholders' of the Company		**(30,857,561)**	(25,665,891)
Total liabilities and stockholders' deficit		**2,658,504**	2,912,767

STATEMENTS OF COMPREHENSIVE LOSS

Years Ended March 31,

		March 31,	
		2019	2018
	Schedules	**$**	$
Revenue	I	**5,154,560**	3,108,200
Cost of sales		**388,478**	136,084
Gross profit		**4,766,082**	2,972,116
Operating expenses			
Personnel	II	**6,294,473**	6,199,969
General and administrative	III	**2,800,034**	2,819,797
Amortization		**1,630**	-
Depreciation		**79,040**	113,508
		9,175,177	9,133,274
Operating loss		**(4,409,095)**	(6,161,158)
Non-operating income/(expenses):			
Interest income		**1,134**	1,376
Loss on disposal of asset		**-**	(17,110)
Other interest expense		**-**	(1,492)
Foreign currency (loss)/gain		**(26,258)**	16,222
Intercompany interest expense		**(760,235)**	(551,501)
Loss before income tax benefit		**(5,194,454)**	(6,713,663)
Income tax expense	Note 6	**930**	8,065,641
Net Loss		**(5,195,384)**	(14,779,304)

All revenue and profit for the year is generated from continuing operations.

STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT

YEARS ENDED MARCH 31,

	Common shares	Amount $	Preferred shares	Amount $	APIC $	Accumulated deficit $	Total stockholders' deficit $
Balance at April 1, 2017	6,632,854	663	18,400,279	10,000,000	49,030	(10,938,645)	(888,952)
Net loss	-	-	-	-	-	(14,779,304)	(14,779,304)
Common stock issued	16,667	2	-	-	2,363	-	2,365
Balance at March 31, 2018	**6,649,521**	**665**	**18,400,279**	**10,000,000**	**51,393**	**(25,717,949)**	**(15,665,891)**
Net loss	-	-	-	-	-	(5,195,384)	(5,195,384)
Common stock issued	26,521	3	-	-	3,711	-	3,714
Balance at March 31, 2019	**6,676,042**	**668**	**18,400,279**	**10,000,000**	**55,104**	**(30,913,333)**	**(20,857,561)**

STATEMENTS OF CASH FLOWS

YEARS ENDED MARCH 31,

	March 31, 2019	2018
	$	$
Cash flows from operating activities		
Net loss	**(5,195,384)**	(14,779,304)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	**79,040**	113,508
Amortization	**1,630**	-
Change in deferred income tax benefit	**-**	8,065,466
Changes in operating assets and liabilities:		
Increase in accounts receivable, net	**(127,248)**	-
Increase in due from parent company	**(124,255)**	(173,966)
Decrease (increase) in receivable from affiliates	**913,000**	(734,000)
Decrease (increase) in prepaid expenses	**90,990**	(44,648)
Increase (decrease) in deferred revenue	**4,530**	(358,597)
Decrease in accounts payable	**(75,405)**	(25,373)
Increase (decrease) in accrued expenses	**969,232**	(14,333)
Income tax payable	**(605)**	735
Decrease (increase) in security deposit	**-**	(30,563)
Increase in payable to related party	**689,870**	1,104,169
Net cash used in operating activities	**(2,774,605)**	(6,876,906)
Cash flows from investing activities		
Capital expenditures	**(31,824)**	(42,466)
Payments for purchase of intangibles	**(62,811)**	-
Net cash used in investing activities	**(94,635)**	(42,466)
Cash flows from financing activities		
Increase in restricted cash	**(282)**	(282)
Issued common stocks	**3**	2
Issued additional paid in capital	**3,711**	2,363
Net change in note payable to affiliated company	**8,224,625**	6,365,650
Net change in note payable to parent company	**(4,874,840)**	185,850
Net cash provided by financing activities	**3,353,217**	6,553,583
Increase (decrease) in cash and cash equivalents	**483,977**	(365,789)
Cash and cash equivalents at beginning of year	**210,304**	576,093
Cash and cash equivalents at end of year	**694,281**	210,304
Supplemental disclosure of cash flow information		
Cash paid for income tax	**1,535**	800

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 & MARCH 2018

1. NATURE OF OPERATIONS

FixStream Networks, Inc. (the "Company") is a 73.38% 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 99.99% of Fixstream India Private Limited, formerly known as Quexa Systems Private Limited ("FIXIND"). FIXIND 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

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 par value per share (the "Series A Preferred Stock"), at a purchase price of $0.54347 per share. As of March 31, 2019 and 2018 TechM holding is 73.38% and 73.45%, respectively.

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.

Non-consolidated subsidiary

The Company has elected not to present the consolidated financial statements of the Company and it's 99.99% owned subsidiary FIXIND. 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.

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.

Cash and cash equivalents

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

Property and equipment

Property and equipment are stated at cost. 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. Depreciation expense is calculated principally on the straight-line basis. Useful lives determined by the Company are as follows: Computer equipment (3 - 10 years), furniture (3 - 7 years), software (3 years) and leasehold improvements (5 years).

Accounts receivable

The Company routinely assesses the financial strength of its customers and debtors and as a consequence, believes that its accounts receivable credit risk exposure is limited. 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. The Company provides an allowance for doubtful accounts based upon a review of the outstanding accounts receivable, historical collection information and existing economic conditions. Management determines if the receivables are past due based on the days outstanding. The amounts are written off when determined to be uncollectible by management. As of March 31, 2019 and 2018, the allowance for doubtful accounts was $0, respectively.

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 three 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 Company's 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.

Revenue from software services including revenue earned from services rendered on 'time and material' basis, and time bound fixed price engagements. All revenues from services, as rendered, are recognized when persuasive evidence of an arrangement exists, the sale price is fixed or determinable and collectability is probable. Revenue from the sale of user licenses for software applications is recognized when control is transferred and customers can benefit from the license as is or with readily available resources. Typically license is regarded as a right to use, therefore, the entity recognizes revenue at the point in time when the license is delivered.

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.

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, 2019 and 2018, 2,430,252 and 1,981,843 of granted shares have vested, respectively.

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.

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 years ended March 31, 2019.

The company amortizes intangibles asset patent on a straight-line basis over a eighteen year period.

Advertising

Advertising cost is expensed as incurred. For the year ended March 31, 2019 and 2018, the Company incurred $105,556 and $18,991, respectively, of advertising expenses.

Related parties

Related parties are considered to be related if one party has the ability to control or jointly control the other party or exercise significant influence over the party in making financial and operational decisions. Key management personnel are also regarded as related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise).

Fair value - Definition and hierarchy

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.

In determining fair value, the Company uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. The valuation techniques used by the Company to determine fair value are consistent with the income approaches. The Company determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access.

Level 2 – Valuations based on inputs, other than quoted prices included in Level 1, that are observable either directly or indirectly.

Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

Fair value is a market-based measure, based on assumptions of prices and inputs considered from the perspective of a market participant that are current as of the measurement date, rather than an entity-specific measure. Therefore, even when observable inputs are not readily available, the Company's own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date.

The availability of valuation techniques and observable inputs can vary from investment to investment and are affected by a wide variety of factors, including the type of investment, whether the investment is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Because of the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a ready market for the investments existed. Accordingly, the degree of judgment exercised by the Fund in determining fair value is greatest for investments categorized in Level 3. In some cases, the inputs used to measure fair value might be categorized within different levels of the fair value hierarchy. In such cases, the fair value measurement is generally categorized in its entirety in the fair value hierarchy based on the lowest level input that is significant to the fair value measurement.

3. CASH AND RESTRICTED CASH

The following table summarizes, the company's cash, that are measured at fair value on a recurring basis and are categorized using the fair value hierarchy.

	March 31,	
	2019	2018
	$	$
Cash	**976,718**	492,459
Less: restricted cash (1)	**(282,437)**	(282,155)
	694,281	210,304

The line of credit and credit cards are secured by compensating cash held in the form of a Certificate of Deposit with a balance including accrued interest thereon at March 31, 2019 and 2018 of $282,437 and $282,155 respectively.

(1) We are required to restrict a portion of our cash as collateral for balances for the outstanding merchant credit card accounts. We classify cash with use restrictions of twelve months or longer as non-current "Other assets" on our balance sheet.The outstanding line of credit is summarized in Note 12 below.

Cash and cash equivalents credit risk

The Federal Deposit Insurance Corporation covers $250,000 for substantially all depository accounts. As of March 31, 2019 and 2018, the Company had a balance with the financial institution that exceeded the Federal insured limit by $444,281 and $0, respectively.

4. ACCOUNTS RECEIVABLE, NET

The following summarize, our accounts receivable, that approximate fair value due to the immediate to short-term maturity of these financial instruments.

	March 31,	
	2019	2018
	$	$
Accounts receivable	**127,248**	-

a) Trade receivables: credit risk

The entity's exposure to the credit risk inherent in its trade receivables and the associated risk management techniques that the entity deploys in order to mitigate this risk. The credit periods offered to customers vary according to the credit risk profiles of, and the invoicing conventions established in, the entity's markets. The allowance for bad and doubtful receivables is calculated based on prior experience reflecting the level of uncollected receivables over the last year within each business.

On this basis, the aging analysis of trade receivables, is as follows:

	Less than 30 days $	**Between 30 to 60 days $**	**More than 60 days $**	**Total $**
The carrying amounts reported as at March 31, 2019	-	110,000	17,248	127,248
The carrying amounts reported as at March 31, 2018	-	-	-	-

b) Movement in the allowance account for bad and doubtful receivables Bad debt movement was $0 for the years ended March 31, 2019 and 2018.

5. INVESTMENT IN SUBSIDIARY

	March 31,	
	2019	2018
	$	$
Investment in Fixstream India Private Limited ("FIXIND") (*)	**42,047**	42,047

(The Company owns 99.99% investment (17,006 shares) of FIXIND located in Bangalore, India, which is accounted for using the cost method at $42,047. The book value of the subsidiary was reported at $521,998 and $406,831 at March 31, 2019 and 2018 respectively. The investment is a non-public business entity. 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.

6. INCOME TAX NOTE

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

The components of the provisions for the income taxes for the years in the year ended March 31, 2019 and 2018 are as follows:

	March 31,	
	2019	2018
	$	$
Current income tax expense consists of the following:		
State	**930**	175
Deferred income tax (benefit) / expense consists of the following:		
Federal	**(1,054,107)**	1,013,594
State	**(331,683)**	(252,782)
	(1,385,790)	760,812
Total current and deferred income tax (benefit) / expense	**(1,384,860)**	760,987
Valuation allowance for deferred tax assets		
Federal	**1,054,107**	5,417,868
State	**331,683**	1,886,786
Net current and deferred income tax (benefit) / expense	**930**	8,065,641
Deferred tax assets consists of the following:		
Federal	**6,471,976**	5,417,869
State	**2,218,467**	1,886,784
Total deferred tax asset	**8,690,443**	7,304,653
Valuation allowance for deferred tax assets	**(8,690,443)**	(7,304,653)
Deferred tax asset, net	**-**	-

As of March 31, 2019 and 2018, the Company had approximately $29,470,253 and $24,557,770, respectively of estimated federal net operating losses and $25,637,036 and $21,734,912, of state net operating losses available to be carried forward, respectively. The Company is subject to taxation in the United States and various states jurisdictions. Tax years that remain subject to examination date back to the year ended March 31, 2016.

The Company assesses the available positive and negative evidence to estimate if sufficient future taxable income will be generated to use the existing deferred tax assets. A significant piece of objective negative evidence evaluated was the cumulative loss incurred over the three-year period ended March 31, 2019. Such objective evidence limits the ability to consider other subjective evidence such as management's projects for future growth.

On the basis of this evaluation, as of March 31, 2019 and 2018, a valuation allowance of $8,690,443 and $7,304,653 has been recorded to provide for the deferred tax asset that is more likely than not to be realized. The amount in future of the deferred tax asset considered to be realizable, however, could be adjusted if estimates of future taxable income during the carryforward period are reduced or increased or if objective negative evidence in the form of cumulative losses is no longer present and additional weight may be given to subjective evidence such as the company's projections for growth.

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. TRANSACTION WITH AFFILIATED COMPANIES

During the years ended March 31, 2019 and 2018, FixStream Networks had intercompany transactions with its 99.99% owned subsidiary FIXIND. FIXIND provides software development service to the Company and bills the Company for such services on a monthly basis.

	March 31, 2019	2018
	$	$
Beginning balance, due (to) from FIXIND	**(317,820)**	(230,692)
FIXIND billings for R&D services	**(1,389,477)**	(1,505,032)
Expense reimbursement - debit/credit notes	**-**	(2,096)
Advances paid to FIXIND	**1,260,000**	1,420,000
Ending balance, due (to) from FIXIND	**(447,297)**	(317,820)

Due (to) from FIXIND consists of:	March 31,	
Amounts due to FIXIND	**(447,297)**	(317,820)
Amounts due from FIXIND	**-**	-
	(447,297)	(317,820)

During the years ended March 31, 2019 and 2018, FixStream Networks had intercompany transactions with Tech Mahindra (Americas) Inc.

(“TMA”), an affiliated company. Transactions with TMA are summarized below:

	March 31,	
Beginning balance, due (to) from TMA	**(104,041)**	(223,958)
Revenue from services	**2,867,527**	563,417
Receipts from TMA	**(3,663,621)**	(443,500)
Ending balance, due (to) from TMA	**(900,135)**	(104,041)

Due (to) from TMA consists of:	March 31,	
Amounts due to TMA	**(900,135)**	(1,017,041)
Amounts due from TMA	**-**	913,000
	(900,135)	(104,041)

During the year ended March 31, 2018, FixStream Networks had intercompany transactions with Societe de Telecommunications Africaine (STA) Abidjan (“STA”), an affiliated company. Transactions with STA are summarized below:

	March 31,	
Beginning balance, due (to) from STA	**-**	(36,616)
Cost of services	**-**	36,616
Ending balance, due (to) from STA	**-**	-

Due (to) from STA consists of:	March 31,	
Amounts due to STA	**-**	-
Amounts due from STA	**-**	-
	-	-

During the year ended March 31, 2018, FixStream Networks had intercompany transactions with Tech Mahindra (Malaysia) Sdn. Bhd (“TM MA”), an affiliated company. Transactions with MA are summarized below:

	March 31, 2019	2018
	$	$
Beginning balance, due (to) from TM MA	**-**	(10,503)
Cost of goods sold	**-**	7,877
Prepayment received from MA	**-**	2,626
Ending balance, due (to) from TM MA	**-**	**-**

Due (to) from TM MA consists of:	March 31, 2019	2018
Amounts due to TM MA	**-**	-
Amounts due from TM MA	**-**	-
	-	**-**
Total amounts due to affiliated companies	**(1,347,432)**	(1,334,861)
Total amounts due from affiliated companies	**-**	913,000
	(1,347,432)	(421,861)

8. PROPERTY AND EQUIPMENT

	March 31, 2019	2018
	$	$
Property and equipment, net, consisted of the following as of March 31,		
Computer equipment	**516,222**	484,397
Furniture	**8,918**	8,918
Software	**40,134**	40,134
Leasehold improvements	**5,000**	5,000
Less: accumulated depreciation	**(480,797)**	(401,756)
	89,477	136,693

Depreciation expense for the fiscal year ended March 31, 2019 and 2018 was $79,040 and $113,508, respectively. The depreciation policies followed by the Company are described in Note 2.

	March 31, 2019	2018
	$	$
Reconciliation of Carrying value	**136,693**	207,735
Carrying value at the beginning of the year		
Additions	**31,824**	42,466
Depreciation	**(79,040)**	(113,508)
Carrying value at the end of the year	**89,477**	136,693

9. INTANGIBLE ASSET, NET

At March 31, 2019 and 2018, intangible assets are summarized as follows:

	March 31, 2019	2018
	$	$
Patent (*)	**7,955**	-
Patent	**54,856**	-
Less: accumulated amortization	**(1,630)**	-
	53,226	-
	61,181	-

(*) Capitalized cost of patent not yet in use.

Amortization expense for the year ended March 31, 2019 was $1,630. The amortization policy followed by the Company are described in Note 2. As of March 31, 2019, the estimated future amortization of the intangible for the next five years and thereafter is as follows:

Amortization expense of intangible assets subject to amortization for the five years succeeding March 31, 2019, and thereafter is as follows:

	March 31,	
	2019	2018
Years ending March 31,	**$**	$
2020	**3,048**	-
2021	**3,048**	-
2022	**3,048**	-
2023	**3,048**	-
2024	**3,048**	-
Thereafter	**37,986**	-
	53,226	-

10. TRANSACTIONS WITH PARENT COMPANY

During the years ended March 31, 2019 and 2018, FixStream Networks had intercompany transactions with its parent company, TechM.

Transactions with the parent company are summarized below:

	March 31,	
	2019	2018
	$	$
Beginning balance, due from (to) parent company	**187,016**	13,050
Revenue from services	**1,727,635**	2,175,504
Payments made by parent company	**(2,209,938)**	(275,377)
Income and reimbursements (to) from parents	**(70,741)**	(1,726,161)
	(366,028)	187,016

Due to parent company consists of:	March 31,	
Amounts due to parent company	**(1,601,383)**	(924,084)
Amounts due from parent company	**1,235,355**	1,111,100
	(366,028)	187,016

Note payable to parent company:	March 31,	
Note payable to Tech Mahindra Limited ("TechM"). The note is unsecured. The outstanding principal balance accrues interest of 1-year LIBOR plus 3%. The repayment of principal and interest shall be made in thirty-nine equal monthly installments starting on second anniversary of applicable drawdown dated March 1, 2016. This note was fully repaid during the year ended March 31, 2019. Interest expense on the note was $51,936 and $185,850, respectively, for the years ended March 31, 2019 and 2018. Outstanding principal balance of the note was $0 and $4,500,000 as of March 31, 2019 and 2018.	**-**	4,874,840
Subtotal	**-**	4,874,840
Less: current portion	**-**	-
Less: interest portion	**-**	(374,840)
None-current portion	**-**	4,500,000

11. NOTES PAYABLE TO AFFILIATED COMPANY

	2019 **$**	2018 $
Note payable to related party consists of the following:		
Note receivable from FixStream Networks, Inc. The note is unsecured. The outstanding balance includes principal loan balances of $1,500,000, the principal loan balance accrues interest of 4.52% per annum and is payable upon repayment of loan. This note matures on August 20, 2019. Accumulated interest income on the loan was $176,837 and $109,037 for the years ended March 31, 2019 and 2018, respectively.	**1,676,837**	1,609,037
Note receivable from FixStream Networks, Inc. The note is unsecured. The outstanding balance includes principal loan balances of $1,500,000, the principal loan balance accrues interest of 3.90% per annum and is payable upon repayment of loan. This note matures on November 14, 2019. Accumulated interest income on the loan was $139,118 and $80,618 for the years ended March 31, 2019 and 2018, respectively.	**1,639,118**	1,580,618
Note receivable from FixStream Networks, Inc. The note is unsecured. The outstanding balance includes principal loan balances of $1,500,000, the principal loan balance accrues interest of 4.73% per annum and is payable upon repayment of loan. This note matures on January 19, 2020. Accumulated interest income on the loan was $155,896 and $84,946 for the years ended March 31, 2019 and 2018, respectively.	**1,655,896**	1,584,946
Note receivable from FixStream Networks, Inc. The note is unsecured. The outstanding balance includes principal loan balances of $1,500,000, the principal loan balance accrues interest of 4.77% per annum and is payable upon repayment of loan. This note matures on April 27, 2019, management is in the process of extending. Accumulated interest income on the loan was $138,003 and $66,453 for the years ended March 31, 2019 and 2018, respectively.	**1,638,003**	1,566,453
Note receivable from FixStream Networks, Inc. The note is unsecured. The outstanding balance includes principal loan balances of $1,500,000, the principal loan balance accrues interest of 4.74% per annum and is payable upon repayment of loan. This note matures on July 26, 2019. Accumulated interest income on the loan was $119,604 and $48,504 for the years ended March 31, 2019 and 2018, respectively.	**1,619,604**	1,548,504
Note receivable from FixStream Networks, Inc. The note is unsecured. The outstanding balance includes principal loan balances of $1,500,000, the principal loan balance accrues interest of 4.36% per annum and is payable upon repayment of loan. This loan matures on October 4, 2019. Accumulated interest income on the loan was $97,473 and $32,073 for the years ended March 31, 2019 and 2018, respectively.	**1,597,473**	1,532,072
Note receivable from FixStream Networks, Inc. The note is unsecured. The outstanding balance includes principal loan balances of $1,500,000, the principal loan balance accrues interest of 4.86% per annum and is payable upon repayment of loan. This note matures on December 15, 2019. Accumulated interest income on the loan was $94,271 and $21,371 for the years ended March 31, 2019 and 2018, respectively.	**1,594,271**	1,521,370
Note receivable from FixStream Networks, Inc. The note is unsecured. The outstanding balance includes principal loan balances of $500,000, the principal loan balance accrues interest of 5.71% per annum and is payable upon repayment of loan. This note matures on April 6, 2020. Accumulated interest income on the loan was $28,159 for the year ended March 31, 2019.	**528,159**	-
Note receivable from FixStream Networks, Inc. The note is unsecured. The outstanding balance includes principal loan balances of $5,000,000, the principal loan balance accrues interest of 3.83% per annum and is payable upon repayment of loan. This note matures on July 3, 2021. Accumulated interest income on the loan was $142,707 for the year ended March 31, 2019.	**5,142,707**	-
Note receivable from FixStream Networks, Inc. The note is unsecured. The outstanding balance includes principal loan balances of $500,000, the principal loan balance accrues interest of 5.93% per annum and is payable upon repayment of loan. This note matures on July 27, 2023. Accumulated interest income on the loan was $20,146 for the year ended March 31, 2019.	**520,146**	-
Note receivable from FixStream Networks, Inc. The note is unsecured. The outstanding balance includes principal loan balances of $500,000, the principal loan balance accrues interest of 5.26% per annum and is payable upon repayment of loan. This note matures on September 21, 2019. Accumulated interest income on the loan was $13,835 for the year ended March 31, 2019.	**513,835**	-

	2019 $	2018 $
Note receivable from FixStream Networks, Inc. The note is unsecured. The outstanding balance includes principal loan balances of $500,000, the principal loan balance accrues interest of 5.42% per annum and is payable upon repayment of loan. This note matures on November 3, 2019. Accumulated interest income on the loan was $11,828 for the year ended March 31, 2019.	**511,828**	-
Note receivable from FixStream Networks, Inc. The note is unsecured. The outstanding balance includes principal loan balances of $500,000, the principal loan balance accrues interest of 5.50% per annum and is payable upon repayment of loan. This note matures on November 27, 2019. Accumulated interest income on the loan was $9,418 for the year ended March 31, 2019.	**509,418**	-
Note receivable from FixStream Networks, Inc. The note is unsecured. The outstanding balance includes principal loan balances of $500,000, the principal loan balance accrues interest of 5.57% per annum and is payable upon repayment of loan. This note matures on February 13, 2024. Accumulated interest income on the loan was $3,586 for the year ended March 31, 2019.	**503,586**	-
Note receivable from FixStream Networks, Inc. The note is unsecured. The outstanding balance includes principal loan balances of $500,000, the principal loan balance accrues interest of 5.12% per annum and is payable upon repayment of loan. This note matures on March 26, 2024. Accumulated interest income on the loan was $421 for the year ended March 31, 2019.	**500,421**	-
Subtotal	**20,151,302**	10,943,001
Less: current portion	**(12,500,000)**	-
Less: interest portion	**(1,151,301)**	(443,001)
Long-term portion	**6,500,000**	10,500,000

12. LINE OF CREDIT

	2019 $	2018 $
Credit facility	**-**	**-**

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 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, 2019 and 2018 of $282,437 and $282,155, respectively. The balance of the outstanding line of credit at March 31, 2019 and 2018 was $0. The line is payable on demand by the Company. Interest expense was $0 and $0 for the year ended March 31, 2019 and 2018, respectively.

Credit Facility covenants and compliance

As of March 31, 2019 and 2018, the balance due on both facilities is $0, covenants in place are only applicable so long as the facilities remain unpaid.

13. EMPLOYEE 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 years ended March 31, 2019 and 2018.

The Plan's administrative expense which is paid by the Company was $3,104 and $2,242 for the years ended March 31, 2019 and 2018, respectively.

14. STOCK-BASED COMPENSATION

	2019		2018	
	Shares	**$**	Shares	$

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 per share on the date of the grant and an option's maximum term is ten years. For all the stock options granted after September 30, 2014, the exercise price is a set price of $0.11 per share on the date of the grant and an option's maximum term is ten years. For all the stock options granted after February 28, 2018, the exercise price is a set price of $0.21 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. The Company has 6,135,000 shares of common stock authorized to be issued under the plan. As of March 31, 2019 and 2018, 4,024,270 and 3,582,281 respectively, shares have been granted and 2,430,252 and 1,981,843 shares have been vested, respectively.

A summary of stock options for the years ended March 31, 2019 and 2018 is presented below:

Outstanding at beginning of period	**3,582,281**	**0.15**	3,209,686	0.13
Granted	**1,421,000**	**0.21**	1,159,960	0.20
Exercised	**(14,229)**	**-**	(11,667)	-
Forfeited or expired	**(964,782)**	**0.17**	(775,698)	0.15
Outstanding at end of period	**4,024,270**	**0.15**	3,582,281	0.14

As of March 31, 2019 and 2018, the aggregate intrinsic value of stock options outstanding was $1,581,575 and $1,474,087 respectively; the aggregate intrinsic value of stock options exercisable was $1,055,093 and $871,225, respectively.

The Weighted Average Exercise Price was calculated using the Black Scholes fair value based method for service based grants using the following assumptions:

	2019		2018	
	Shares	**$**	Shares	$
Weighted average fair value per option granted during the period			0.54	0.54
Assumptions:				
Weighted average stock price volatility			0.00%	0.00%
Weighted average risk free rate of return			0.52%	0.52%
Weighted average expected term in years			6.25	6.25
The Company expects all granted shares to vest.				

15. CONVERTIBLE-REDEEMABLE PREFERRED STOCK

	2019		2018	
	Number	**$**	Number	$
Preferred stock of $0.54347 each			0.54	0.54
Issued and fully paid (*)	**18,400,279**	**10,000,000**	18,400,279	10,000,000

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) by the Series A Conversion Price, currently set at $0.54347.

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), 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. In the period ending March 31, 2019 no redemption of preferred stock was exercised.

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.

16. COMMON STOCK

	2019		2018	
	Number	**$**	Number	$
Ordinary shares of $0.0001 each				
Issued and fully paid	**6,676,042**	**668**	6,649,521	665

The Company has authorized 33,000,000 shares of Common Stock at $0.0001 par value and 6,676,042 and 6,649,521 were issued and outstanding at March 31, 2019 and 2018, respectively. The Company has no Common Stock at it's Treasury. All outstanding Common Stock are subject to the 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 it's 2013 Equity Incentive Plan, see Note 14.

No dividends were issued during the years ended March 31, 2019 and 2018.

17. COMMITMENTS AND CONTINGENCIES

Leases

The Company leases its office space under a non-cancelable operating lease with an effective date of July 1, 2017 through June 30, 2020.

Total rental expense related to this lease was $243,851 and $197,108 for the year ended March 31, 2019 and 2018, respectively.

Future minimum lease payments for leases for each of the next two years at March 31, 2019 are as follows:

	2019
Years ended March 31,	**$**
2020	**251,967**
2021	**84,943**
	336,910

Legal claims, proceedings and litigation

The Company is involved from time to time in claims, proceedings, and litigation. The outcome of legal proceedings and other contingencies are inherently unpredictable, subject to significant uncertainties. Based on current known facts and circumstances, the Company currently believe that any liabilities ultimately resulting from these ordinary course claims and proceedings will not individually or in aggregate, have a material adverse effect on the Company's financial position, results of operations or cash flows.

18. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through May 24, 2019, the date the financial statements were available to be issued. No significant events occurred subsequent to the balance sheet date but prior to May 24, 2019, that would have a material impact on the financial statements.

	2019	2018
	$	$
Schedule I		
REVENUES		
Revenue from affiliated companies	**4,595,162**	2,786,040
Revenue from third parties	**559,398**	322,160
	5,154,560	3,108,200
Schedule II		
PERSONNEL EXPENSES		
Personnel cost	**4,983,441**	4,948,747
Contract services	**368,045**	332,567
Employee benefits	**335,861**	413,800
Payroll taxes	**326,857**	325,917
Employee related expenses	**280,269**	178,938
	6,294,473	6,199,969
Schedule III		
GENERAL AND ADMINISTRATIVE		
R&D expense	**1,403,955**	1,561,743
Sales and marketing	**692,965**	358,786
Rent	**243,851**	197,108
Travel	**218,586**	195,436
Professional fees	**98,390**	129,090
Office expenses	**73,331**	127,900
Miscellaneous expense	**33,410**	208,997
Insurance	**19,173**	23,168
Communications	**10,741**	6,767
Taxes - other	**5,632**	10,802
	2,800,034	**2,819,797**

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 73.38% own ended March 31, 2019 and 2018, appears on pages 1 - 2. 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 21 - 36 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 69.1550 to 1.00 USD for both 2019 and 2018.

Catrakilis Kraitzick Hrabova, LLC.
Atlanta, Georgia

May 24, 2019

	Notes	2019		2018	
		$	**INR**	$	INR
Assets:					
Current assets:	3				
Cash		**694,281**	**48,013,003**	210,304	14,543,573
Accounts receivable, net	4	**127,248**	**8,799,835**	-	-
Due from affiliated companies	7	**-**	**-**	913,000	63,138,515
Due from parent company	10	**1,235,355**	**85,430,975**	1,111,100	76,838,121
Prepaid expenses		**84,206**	**5,823,266**	175,196	12,115,679
		2,141,090	**148,067,079**	2,409,600	166,635,888
Non-current assets:	8				
Property and equipment, net		**89,477**	**6,187,782**	136,693	9,453,004
Investment in subsidiary	5	**42,047**	**2,907,760**	42,047	2,907,760
Restricted cash	3	**282,437**	**19,531,931**	282,155	19,512,429
Security deposits	9	**42,272**	**2,923,320**	42,272	2,923,320
Intangible assets, net		**61,181**	**4,230,972**	-	-
		427,937	**29,593,983**	366,474	25,343,509
Total Assets		**2,658,504**	**183,848,844**	**2,912,767**	**201,432,401**
Liabilities:					
Current liabilities:					
Accounts payable		**112,976**	**7,812,855**	188,381	13,027,488
Accrued expenses	10	**1,189,708**	**82,274,257**	220,476	15,247,018
Due to parent company		**1,601,383**	**110,743,641**	924,084	63,905,029
Due to affiliated companies	7	**1,347,432**	**93,181,660**	1,334,861	92,312,312
Deferred revenue	11	**96,010**	**6,639,572**	91,480	6,326,299
Note payable to affiliated company, current		**12,500,000**	**864,437,500**	-	-
Income tax payable	6	**930**	**64,314**	1,535	106,153
		16,848,439	**1,165,153,799**	2,760,817	190,924,299
Non-current liabilities:					
Other non-current liabilities	11	**167,626**	**11,592,176**	817,841	56,557,794
Notes payable to affiliated company, non-current		**6,500,000**	**449,507,500**	10,500,000	726,127,500
Note payable to parent company	10	**-**	**-**	4,500,000	311,197,500
		6,667,626	**461,099,676**	**15,817,841**	**1,093,882,794**
Total liabilities		**23,516,065**	**1,626,253,475**	**18,578,658**	**1,284,807,093**
Commitments and contingencies (Note 17)					
Convertible-redeemable preferred stock	15	**10,000,000**	**691,550,000**	10,000,000	691,550,000
Stockholder's Deficit	16				
Common stock		**668**	**46,196**	665	45,988
Additional paid in capital		**55,104**	**3,810,717**	51,393	3,554,083
Accumulated deficit		**(30,913,333)**	**(2,137,811,544)**	(25,717,949)	(1,778,524,763)
Deficit attributable to stockholders' of the Company		**(30,857,561)**	**(2,133,954,631)**	(25,665,891)	(1,774,924,692)
Total liabilities and stockholders' deficit		**2,658,504**	**183,848,844**	2,912,767	201,432,401

	Schedules	2019		2018	
		$	**INR**	**$**	**INR**
Revenue	I	**5,154,560**	**356,463,597**	3,108,200	214,947,571
Cost of sales		**388,478**	**26,865,196**	136,084	9,410,889
Gross profit		**4,766,082**	**329,598,401**	2,972,116	205,536,682
Operating expenses	II				
Personnel		**6,294,473**	**435,294,280**	6,199,969	428,758,856
General and administrative	III	**2,800,034**	**193,636,353**	2,819,797	195,003,062
Amortization		**1,630**	**112,723**	-	-
Depreciation		**79,040**	**5,466,011**	113,508	7,849,646
		9,175,177	**634,509,367**	9,133,274	631,611,564
Operating loss		**(4,409,095)**	**(304,910,966)**	(6,161,158)	(426,074,882)
Non-operating income/ (expenses):					
Interest income		**1,134**	**78,422**	1,376	95,157
Loss on disposal of asset		**-**	**-**	(17,110)	(1,183,242)
Other interest expense		**-**	**-**	(1,492)	(103,179)
Foreign currency (loss)/gain		**(26,258)**	**(1,815,872)**	16,222	1,121,832
Intercompany interest expense		**(760,235)**	**(52,574,051)**	(551,501)	(38,139,052)
Loss before income tax benefit		**(5,194,454)**	**(359,222,467)**	(6,713,663)	(464,283,366)
Income tax expense	Note 6	**930**	**64,314**	8,065,641	557,779,403
Net Loss		**(5,195,384)**	**(359,286,781)**	(14,779,304)	(1,022,062,769)

All revenue and loss for the years is generated from continuing operations.

YEARS ENDED MARCH 31,

	Common shares	Amount	Preferred shares	Amount	Additional paid in capital	Accumulated deficit	Total stockholder's deficit
		$		$	$	$	$
Balance at April 1, 2017	6,632,854	663	18,400,279	10,000,000	49,030	(10,938,645)	(888,952)
Net loss	-	-	-	-	-	(14,779,304)	(14,779,304)
Common stock issued	16,667	2	-	-	2,363	-	2,365
Balance at March 31, 2018	**6,649,521**	**665**	**18,400,279**	**10,000,000**	**51,393**	**(25,717,949)**	**(15,665,891)**
Net loss	-	-	-	-	-	(5,195,384)	(5,195,384)
Common stock issued	26,521	3	-	-	3,711	-	3,714
Balance at March 31, 2019	**6,676,042**	**668**	**18,400,279**	**10,000,000**	**55,104**	**(30,913,333)**	**(20,857,561)**
Balance at April 1, 2017	6,632,854	45,850	18,400,279	691,550,000	3,390,670	(756,461,995)	(61,475,475)
Net loss	-	-	-	-	-	(1,022,062,768)	(1,022,062,768)
Common stock issued	16,667	138	-	-	163,413	-	163,551
Balance at March 31, 2018	**6,649,521**	**45,988**	**18,400,279**	**691,550,000**	**3,554,083**	**(1,778,524,763)**	**(1,083,374,692)**
Net loss	-	-	-	-	-	(359,286,781)	(359,286,781)
Common stock issued	26,521	208	-	-	256,634	-	256,842
Balance at March 31, 2019	**6,676,042**	**46,196**	**18,400,279**	**691,550,000**	**3,810,717**	**(2,137,811,544)**	**(1,442,404,631)**

See Independent accountant's audit report and notes to financial statements

YEARS ENDED MARCH 31,

	2019		2018	
	$	**INR**	**$**	**INR**
Cash flows from operating activities				
Net loss	**(5,195,384)**	**(359,286,781)**	(14,779,304)	(1,022,062,768)
Adjustments to reconcile net loss to net cash used in operating activities:				-
Depreciation	**79,040**	**5,466,011**	113,508	7,849,646
Amortization	**1,630**	**112,723**	-	-
Change in deferred income tax benefit	**-**	**-**	8,065,466	557,767,301
Changes in operating assets and liabilities:				
Increase in accounts receivable, net	**(127,248)**	**(8,799,835)**	-	-
Increase in due from parent company	**(124,255)**	**(8,592,855)**	(173,966)	(12,030,619)
Decrease (increase) in receivable from affiliates	**913,000**	**63,138,515**	(734,000)	(50,759,770)
Decrease (increase) in prepaid expenses	**90,990**	**6,292,413**	(44,648)	(3,087,632)
Increase (decrease) in deferred revenue	**4,530**	**313,272**	(358,597)	(24,798,776)
Decrease in accounts payable	**(75,405)**	**(5,214,633)**	(25,373)	(1,754,670)
Increase (decrease) in accrued expenses	**969,232**	**67,027,242**	(14,333)	(991,198)
Income tax payable	**(605)**	**(41,839)**	735	50,829
Decrease (increase) in security deposit	**-**	**-**	(30,563)	(2,113,584)
Increase in payable to related party	**689,870**	**47,707,960**	1,104,169	76,358,807
Net cash used in operating activities	**(2,774,605)**	**(191,877,807)**	(6,876,906)	(475,572,434)
Cash flows from investing activities				
Capital expenditures	**(31,824)**	**(2,200,789)**	(42,466)	(2,936,736)
Payments for purchase of intangibles	**(62,811)**	**(4,343,695)**	-	-
Net cash used in investing activities	**(94,635)**	**(6,544,484)**	(42,466)	(2,936,736)
Cash flows from financing activities				
Increase in restricted cash	**(282)**	**(19,502)**	(282)	(19,502)
Issued common stocks	**3**	**207**	2	138
Issued additional paid in capital	**3,711**	**256,634**	2,363	163,413
Net change in note payable to affiliated company	**8,224,625**	**568,773,942**	6,365,650	440,216,526
Net change in note payable to parent company	**(4,874,840)**	**(337,119,560)**	185,850	12,852,457
Net cash provided by financing activities	**3,353,217**	**231,891,721**	6,553,583	453,213,032
Increase (decrease) in cash and cash equivalents	**483,977**	**33,469,430**	(365,789)	(25,296,138)
Cash and cash equivalents at beginning of year	**210,304**	**14,543,573**	576,093	39,839,711
Cash and cash equivalents at end of year	**694,281**	**48,013,003**	210,304	14,543,573
Supplemental disclosure of cash flow information				
Cash paid for income tax	**1,535**	**106,153**	800	55,324

See Independent accountant's audit report and notes to financial statements

1. NATURE OF OPERATIONS

FixStream Networks, Inc. (the “Company”) is a 73.38% 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 99.99% of Fixstream India Private Limited, formerly known as Quexa Systems Private Limited (“FIXIND”). FIXIND 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

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 par value per share (the “Series A Preferred Stock”), at a purchase price of $0.54347 per share. As of March 31, 2019 and 2018 TechM holding is 73.38% and 73.45%, respectively.

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.

Non-consolidated subsidiary

The Company has elected not to present the consolidated financial statements of the Company and it’s 99.99% owned subsidiary FIXIND. 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.

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.

Cash and cash equivalents

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

Property and equipment

Property and equipment are stated at cost. 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. Depreciation expense is calculated principally on the straight-line basis. Useful lives determined by the Company are as follows: Computer equipment (3 - 10 years), furniture (3 - 7 years), software (3 years) and leasehold improvements (5 years).

Accounts receivable

The Company routinely assesses the financial strength of its customers and debtors and as a consequence, believes that its accounts receivable credit risk exposure is limited. 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. The Company provides an allowance for doubtful accounts based upon a review of the outstanding accounts receivable, historical collection information and existing economic conditions. Management determines if the receivables are past due based on the days outstanding. The amounts are written off when determined to be uncollectible by management. As of March 31, 2019 and 2018, the allowance for doubtful accounts was $0, respectively.

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 three 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 Company's 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.

Revenue from software services including revenue earned from services rendered on 'time and material' basis, and time bound fixed price engagements. All revenues from services, as rendered, are recognized when persuasive evidence of an arrangement exists, the sale price is fixed or determinable and collectability is probable. Revenue from the sale of user licenses for software applications is recognized when control is transferred and customers can benefit from the license as is or with readily available resources. Typically license is regarded as a right to use, therefore, the entity recognizes revenue at the point in time when the license is delivered.

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.

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, 2019 and 2018, 2,430,252 and 1,981,843 of granted shares have vested, respectively.

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.

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 years ended March 31, 2019.

The company amortizes intangibles asset patent on a straight-line basis over a eighteen year period.

Advertising

Advertising cost is expensed as incurred. For the year ended March 31, 2019 and 2018, the Company incurred $105,556 and $18,991, respectively, of advertising expenses.

Related parties

Related parties are considered to be related if one party has the ability to control or jointly control the other party or exercise significant influence over the party in making financial and operational decisions. Key management personnel are also regarded as related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise).

Fair value - Definition and hierarchy

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.

In determining fair value, the Company uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. The valuation techniques used by the Company to determine fair value are consistent with the income approaches. The Company determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access.

Level 2 – Valuations based on inputs, other than quoted prices included in Level 1, that are observable either directly or indirectly.

Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

Fair value is a market-based measure, based on assumptions of prices and inputs considered from the perspective of a market participant that are current as of the measurement date, rather than an entity-specific measure. Therefore, even when observable inputs are not readily available, the Company’s own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date.

The availability of valuation techniques and observable inputs can vary from investment to investment and are affected by a wide variety of factors, including the type of investment, whether the investment is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Because of the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a ready market for the investments existed. Accordingly, the degree of judgment exercised by the Fund in determining fair value is greatest for investments categorized in Level 3. In some cases, the inputs used to measure fair value might be categorized within different levels of the fair value hierarchy. In such cases, the fair value measurement is generally categorized in its entirety in the fair value hierarchy based on the lowest level input that is significant to the fair value measurement.

3. CASH AND RESTRICTED CASH

	2019		2018	
	$	**INR**	**$**	**INR**

The following table summarizes, the company’s cash, that are measured at fair value on a recurring basis and are categorized using the fair value hierarchy.

	2019		2018	
	$	**INR**	**$**	**INR**
Cash	**694,281**	**48,013,003**	**492,459**	**34,056,002**
Less: restricted cash	**(282,437)**	**(19,531,931)**	**(282,155)**	**(19,512,429)**
	411,844	**28,481,072**	**210,304**	**14,543,573**

The line of credit and credit cards are secured by compensating cash held in the form of a Certificate of Deposit with a balance including accrued interest thereon at March 31, 2019 and 2018 of $282,437 and $282,155 respectively.

We are required to restrict a portion of our cash as collateral for balances for the outstanding merchant credit card accounts. We classify cash with use restrictions of twelve months or longer as non-current “Other assets” on our balance sheet.The outstanding line of credit is summarized in Note 12 below.

Cash and cash equivalents credit risk

The Federal Deposit Insurance Corporation covers $250,000 for substantially all depository accounts. As of March 31, 2019 and 2018, the Company had a balance with the financial institution that exceeded the Federal insured limit by $444,281 and $0, respectively.

4. ACCOUNTS RECEIVABLE, NET

	2019		2018	
	$	**INR**	**$**	**INR**
The following summarize, our accounts receivable, that approximate fair value due to the immediate to short-term maturity of these financial instruments.	**127,248**	**8,799,835**	**-**	**-**

a) Trade receivables: credit risk

The entity’s exposure to the credit risk inherent in its trade receivables and the associated risk management techniques that the entity deploys in order to mitigate this risk. The credit periods offered to customers vary according to the credit risk profiles of, and the invoicing conventions established in, the entity’s markets. The allowance for bad and doubtful receivables is calculated based on prior experience reflecting the level of uncollected receivables over the last year within each business.

On this basis, the aging analysis of trade receivables, is as follows:

	Less than 30 days	Between 30 to 60 days	More than 60 days	Total
	$	$	$	$
The carrying amounts reported as at March 31, 2019 USD	-	110,000	17,248	127,248
The carrying amounts reported as at March 31, 2019	-	7,607,050	1,192,785	8,799,835
The carrying amounts reported as at March 31, 2018	-	-	-	-
The carrying amounts reported as at March 31, 2018	-	-	-	-

Movement in the allowance account for bad and doubtful receivables Bad debt movement was $0 for the years ended March 31, 2019 and 2018.

5. INVESTMENT IN SUBSIDIARY

	2019		2018	
	$	**INR**	**$**	**INR**
Investment in Fixstream India Private Limited („FIXIND“) (*)	42,047	2,907,760	42,047	2,907,760

The Company owns 99.99% investment (17,006 shares) of FIXIND located in Bangalore, India, which is accounted for using the cost method at $42,047. The book value of the subsidiary was reported at $521,998 and $406,831 at March 31, 2019 and 2018 respectively. The investment is a non-public business entity. 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.

6. INCOME TAX NOTE

	2019		2018	
	$	**INR**	**$**	**INR**

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

The components of the provisions for the income taxes for the years in the year ended March 31, 2019 and 2018 are as follows:

Current income tax expense consists of the following:

	2019		2018	
	$	**INR**	**$**	**INR**
State	**930**	**64,314**	**175**	**12,102**
Deferred income tax (benefit) / expense consists of the following:				
Federal	**(1,054,107)**	**(72,896,770)**	**1,013,594**	**70,095,093**
State	**(331,683)**	**(22,937,538)**	**(252,782)**	**(17,481,139)**
	(1,385,790)	**(95,834,308)**	**760,812**	**52,613,954**
Total current and deferred income tax (benefit) / expense	**(1,384,860)**	**(95,769,994)**	**760,987**	**52,626,056**
Valuation allowance for deferred tax assets				
Federal	**1,054,107**	**72,896,770**	**5,417,868**	**374,672,662**
State	**331,683**	**22,937,538**	**1,886,786**	**130,480,685**
Net current and deferred income tax (benefit) / expense	**930**	**64,314**	**8,065,641**	**557,779,403**
Deferred tax assets consists of the following:				
Federal	**6,471,976**	**447,569,500**	**5,417,869**	**374,672,731**
State	**2,218,467**	**153,418,085**	**1,886,784**	**130,480,548**
Total deferred tax asset	**8,690,443**	**600,987,586**	**7,304,653**	**505153278.2**
Valuation allowance for deferred tax assets	**(8,690,443)**	**(600,987,586)**	**(7,304,653)**	**(505,153,278)**
Deferred tax asset, net	**-**	**-**	**-**	**-**

As of March 31, 2019 and 2018, the Company had approximately $29,470,253 and $24,557,770, respectively of estimated federal net operating losses and $25,637,036 and $21,734,912, of state net operating losses available to be carried forward, respectively. The Company is subject to taxation in the United States and various states jurisdictions. Tax years that remain subject to examination date back to the year ended March 31, 2016.

The Company assesses the available positive and negative evidence to estimate if sufficient future taxable income will be generated to use the existing deferred tax assets. A significant piece of objective negative evidence evaluated was the cumulative loss incurred over the three-year period ended March 31, 2019. Such objective evidence limits the ability to consider other subjective evidence such as management's projects for future growth.

On the basis of this evaluation, as of March 31, 2019 and 2018, a valuation allowance of $8,690,443 and $7,304,653 has been recorded to provide for the deferred tax asset that is more likely than not to be realized. The amount in future of the deferred tax asset considered to be realizable, however, could be adjusted if estimates of future taxable income during the carryforward period are reduced or increased or if objective negative evidence in the form of cumulative losses is no longer present and additional weight may be given to subjective evidence such as the company's projections for growth.

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. TRANSACTION WITH AFFILIATED COMPANIES

	2019		2018	
	$	**INR**	**$**	**INR**

During the years ended March 31, 2019 and 2018, FixStream Networks had intercompany transactions with its 99.99% owned subsidiary FIXIND. FIXIND provides software development service to the Company and bills the Company for such services on a monthly basis.

	March 31		March 31	
Beginning balance, due (to) from FIXIND	(317,820)	(21,978,842)	(230,692)	(15,953,505)
FIXIND billings for R&D services	(1,389,477)	(96,089,283)	(1,505,032)	(104,080,488)
Expense reimbursement - debit/credit notes	-	-	(2,096)	(144,949)
Advances paid to FIXIND	1,260,000	87,135,300	1,420,000	98,200,100
Ending balance, due (to) from FIXIND	(447,297)	(30,932,825)	(317,820)	(21,978,842)
Due (to) from FIXIND consists of:				
Amounts due to FIXIND	(447,297)	(30,932,825)	(317,820)	(21,978,842)
Amounts due from FIXIND	-	-	-	-
	(447,297)	(30,932,825)	(317,820)	(21,978,842)

During the years ended March 31, 2019 and 2018, FixStream Networks had intercompany transactions with Tech Mahindra (Americas) Inc. ("TMA"), an affiliated company. Transactions with TMA are summarized below:

	March 31		March 31	
Beginning balance, due (to) from TMA	(104,041)	(7,194,955)	(223,958)	(15,487,815)
Revenue from services	2,867,527	198,303,830	563,417	38,963,103
Receipts from TMA	(3,663,621)	(253,357,710)	(443,500)	(30,670,243)

During the year ended March 31, 2018, FixStream Networks had intercompany transactions with Societe de Telecommunications Africaine (STA) Abidjan ("STA"), an affiliated company. Transactions with STA are summarized below:

	March 31		March 31	
Ending balance, due (to) from TMA	(900,135)	(62,248,835)	(104,041)	(7,194,955)
Due (to) from TMA consists of:				
Amounts due to TMA	(900,135)	(62,248,835)	(1,017,041)	(70,333,470)
Amounts due from TMA	-	-	913,000	63,138,515
	(900,135)	(62,248,835)	(104,041)	(7,194,955)

During the year ended March 31, 2018, FixStream Networks had intercompany transactions with Societe de Telecommunications Africaine (STA) Abidjan ("STA"), an affiliated company. Transactions with STA are summarized below:

	March 31		March 31	
Beginning balance, due (to) from STA	-	-	(36,616)	(2,532,179)
Cost of services	-	-	36,616	2,532,179
Ending balance, due (to) from STA	-	-	-	-

	March 31		March 31	
Due (to) from STA consists of:	-	-	-	-
Amounts due to STA	-	-	-	-
Amounts due from STA	-	-	-	-

During the year ended March 31, 2018, FixStream Networks had intercompany transactions with Tech Mahindra (Malaysia) Sdn. Bhd ("TM MA"), an affiliated company. Transactions with MA are summarized below:

	March 31		March 31	
Beginning balance, due (to) from TM MA	-	-	(10,503)	(726,335)
Cost of goods sold	-	-	7,877	544,734
Prepayment received from MA	-	-	2,626	181,601
Ending balance, due (to) from TM MA	-	-	-	-

	March 31		March 31	
Due (to) from TM MA consists of:				
Amounts due to TM MA	-	-	-	-
Amounts due from TM MA	-	-	-	-
	-	-	-	-
Total amounts due to affiliated companies	(1,347,432)	(93,181,660)	(1,334,861)	(92,312,312)
Total amounts due from affiliated companies	-	-	913,000	63,138,515
	(1,347,432)	(93,181,660)	(421,861)	(29,173,797)

8. PROPERTY AND EQUIPMENT

	2019		2018	
	$	INR	$	INR

Property and equipment are summarized as follows at March 31, 2019 and 2018:

Computer equipment	516,222	35,699,332	484,397	33,498,475
Furniture	8,918	616,724	8,918	616,724
Software	40,134	2,775,467	40,134	2,775,467
Leasehold improvements	5,000	345,775	5,000	345,775
Less: accumulated depreciation	(480,797)	(33,249,516)	(401,756)	(27,783,437)
	89,477	6,187,782	136,693	9,453,004

Depreciation expense for the fiscal year ended March 31, 2019 and 2018 was $79,040 and $113,508, respectively. The depreciation policies followed by the Company are described in Note 2.

Reconciliation of Carrying value				
Carrying value at the beginning of the year	136,693	9,453,004	207,735	14,365,914
Additions	31,824	2,200,789	42,466	2,936,736
Depreciation	(79,040)	(5,466,011)	(113,508)	(7,849,646)
Carrying value at the end of the year	89,477	6,187,782	136,693	9,453,004

9. INTANGIBLE ASSET, NET

	2019		2018	
	$	**INR**	**$**	**INR**

At March 31, 2019 and 2018, intangible assets are summarized as follows:

Patent (*)	7,955	550,128	-	-
Patent	54,856	3,793,567	-	-
Less: accumulated amortization	(1,630)	(112,723)	-	-
	53,226	3,680,844	-	-
	61,181	4,230,972	-	-

(*) Capitalized cost of patent not yet in use.

Amortization expense for the year ended March 31, 2019 was $1,630. The amortization policy followed by the Company are described in Note 2. As of March 31, 2019, the estimated future amortization of the intangible for the next five years and thereafter is as follows:

Amortization expense of intangible assets subject to amortization for the five years succeeding March 31, 2019, and thereafter is as follows:

Years ending March 31,	**$**	**INR**	**$**	**INR**
2020	3,048	210,784	-	-
2021	3,048	210,784	-	-
2022	3,048	210,784	-	-
2023	3,048	210,784	-	-
2024	3,048	210,784	-	-
Thereafter	37,986	2,626,924	-	-
	53,226	3,680,844	-	-

10. TRANSACTIONS WITH PARENT COMPANY

	2019		2018	
	$	**INR**	**$**	**INR**

During the years ended March 31, 2019 and 2018, FixStream Networks had intercompany transactions with its parent company, TechM. Transactions with the parent company are summarized below:Transactions with the parent company are summarized below:

	March 31		**March 31**	
Beginning balance, due from (to) parent company	187,016	12,933,092	13,050	902,473
Revenue from services	1,727,635	119,474,598	2,175,504	150,446,979
Payments made by parent company	(2,209,938)	(152,828,262)	(275,377)	(19,043,696)
Income and reimbursements (to) from parents	(70,741)	(4,892,094)	(1,726,161)	(119,372,664)
	(366,028)	(25,312,666)	187,016	12,933,092

	March 31		March 31	
Due to parent company consists of:				
Amounts due to parent company	(1,601,383)	(110,743,641)	(924,084)	(63,905,029)
Amounts due from parent company	1,235,355	85,430,975	1,111,100	76,838,121
	(366,028)	(25,312,666)	187,016	12,933,092

	2019		2018	
	$	INR	$	INR
Note payable to parent company:				
Note payable to Tech Mahindra Limited ("TechM"). The note is unsecured. The outstanding principal balance accrues interest of 1-year LIBOR plus 3%. The repayment of principal and interest shall be made in thirty-nine equal monthly installments starting on second anniversary of applicable drawdown dated March 1, 2016. This note was fully repaid during the year ended March 31, 2019. Interest expense on the note was $51,936 (INR 3,591,634) and $185,850 (INR 12,852,457), respectively, for the years ended March 31, 2019 and 2018. Outstanding principal balance of the note was $0 and $4,500,000 (INR 311,197,500) as of March 31, 2019 and 2018.	**-**	**-**	**4,874,840**	**337,119,560**
Subtotal	**-**	**-**	4,874,840	337,119,560
Less: current portion	**-**	**-**	-	-
Less: interest portion	**-**	**-**	(374,840)	(25,922,060)
Non-current portion			4,500,000	311,197,500

11. NOTES PAYABLE TO AFFILIATED COMPANY

	2019		2018	
	$	INR	$	INR
Note payable to related party consists of the following:				
Note receivable from FixStream Networks, Inc. The note is unsecured. The outstanding balance includes principal loan balances of $1,500,000 (INR 103,732,500), the principal loan balance accrues interest of 4.52% per annum and is payable upon repayment of loan. This note matures on August 20, 2019. Accumulated interest income on the loan was $176,837 (INR 12,229,163) and $109,037 (INR 7,540,454) for the years ended March 31, 2019 and 2018, respectively.	**1,676,837**	**115,961,663**	**1,609,037**	**111,272,954**
Note receivable from FixStream Networks, Inc. The note is unsecured. The outstanding balance includes principal loan balances of $1,500,000 (INR 103,732,500), the principal loan balance accrues interest of 3.90% per annum and is payable upon repayment of loan. This note matures on November 14, 2019. Accumulated interest income on the loan was $139,118 (INR 9,620,705) and $80,618 (INR 5,575,138) for the years ended March 31, 2019 and 2018, respectively.	**1,639,118**	**113,353,205**	1,580,618	109,307,638
Note receivable from FixStream Networks, Inc. The note is unsecured. The outstanding balance includes principal loan balances of $1,500,000 (INR 103,732,500), the principal loan balance accrues interest of 4.73% per annum and is payable upon repayment of loan. This note matures on January 19, 2020. Accumulated interest income on the loan was $155,896 (INR 10,780,988) and $84,946 (INR 5,874,441) for the years ended March 31, 2019 and 2018, respectively.	**1,655,896**	**114,513,488**	1,584,946	109,606,941

Note receivable from FixStream Networks, Inc. The note is unsecured. The outstanding balance includes principal loan balances of $1,500,000 (INR 103,732,500), the principal loan balance accrues interest of 4.77% per annum and is payable upon repayment of loan. This note matures on April 27, 2019, management is in the process of extending. Accumulated interest income on the loan was $138,003 (INR 9,543,597) and $66,453 (INR 4,595,557) for the years ended March 31, 2019 and 2018, respectively.	**1,638,003**	**113,276,097**	1,566,453	108,328,057
Note receivable from FixStream Networks, Inc. The note is unsecured. The outstanding balance includes principal loan balances of $1,500,000 (INR 103,732,500), the principal loan balance accrues interest of 4.74% per annum and is payable upon repayment of loan. This note matures on July 26, 2019. Accumulated interest income on the loan was $119,604 (INR 8,271,215) and $48,504 (INR 3,354,294) for the years ended March 31, 2019 and 2018, respectively.	**1,619,604**	**112,003,715**	1,548,504	107,086,794
Note receivable from FixStream Networks, Inc. The note is unsecured. The outstanding balance includes principal loan balances of $1,500,000 (INR 103,732,500), the principal loan balance accrues interest of 4.36% per annum and is payable upon repayment of loan. This loan matures on October 4, 2019. Accumulated interest income on the loan was $97,473 (INR 6,740,745) and $32,073 (INR 2,218,008) for the years ended March 31, 2019 and 2018, respectively.	**1,597,473**	**110,473,245**	1,532,072	105,950,439
Note receivable from FixStream Networks, Inc. The note is unsecured. The outstanding balance includes principal loan balances of $1,500,000 (INR 103,732,500), the principal loan balance accrues interest of 4.86% per annum and is payable upon repayment of loan. This note matures on December 15, 2019. Accumulated interest income on the loan was $94,271 (INR 6,519,311) and $21,371 (INR 1,477,912) for the years ended March 31, 2019 and 2018, respectively.	**1,594,271**	**110,251,811**	1,521,370	105,210,342
Note receivable from FixStream Networks, Inc. The note is unsecured. The outstanding balance includes principal loan balances of $500,000 (INR 34,577,500), the principal loan balance accrues interest of 5.71% per annum and is payable upon repayment of loan. This note matures on April 6, 2020. Accumulated interest income on the loan was $28,159 (INR 1,947,336) for the year ended March 31, 2019.	**528,159**	**36,524,836**	-	-
Note receivable from FixStream Networks, Inc. The note is unsecured. The outstanding balance includes principal loan balances of $5,000,000 (INR 345,775,000), the principal loan balance accrues interest of 3.83% per annum and is payable upon repayment of loan. This note matures on July 3, 2021. Accumulated interest income on the loan was $142,707 (INR 9,868,903) for the year ended March 31, 2019.	**5,142,707**	**355,643,903**	-	-
Note receivable from FixStream Networks, Inc. The note is unsecured. The outstanding balance includes principal loan balances of $500,000 (INR 34,577,500), the principal loan balance accrues interest of 5.93% per annum and is payable upon repayment of loan. This note matures on July 27, 2023. Accumulated interest income on the loan was $20,146 (INR 1,393,197) for the year ended March 31, 2019.	**520,146**	**35,970,697**	-	-

Note receivable from FixStream Networks, Inc. The note is unsecured. The outstanding balance includes principal loan balances of $500,000 (INR 34,577,500), the principal loan balance accrues interest of 5.26% per annum and is payable upon repayment of loan. This note matures on September 21, 2019. Accumulated interest income on the loan was $13,835 (INR 956,759) for the year ended March 31, 2019.	**513,835**	**35,534,259**	-	-
Note receivable from FixStream Networks, Inc. The note is unsecured. The outstanding balance includes principal loan balances of $500,000 (INR 34,577,500), the principal loan balance accrues interest of 5.42% per annum and is payable upon repayment of loan. This note matures on November 3, 2019. Accumulated interest income on the loan was $11,828 (INR 817,965) for the year ended March 31, 2019.	**511,828**	**35,395,465**	-	-
Note receivable from FixStream Networks, Inc. The note is unsecured. The outstanding balance includes principal loan balances of $500,000 (INR 34,577,500), the principal loan balance accrues interest of 5.50% per annum and is payable upon repayment of loan. This note matures on November 27, 2019. Accumulated interest income on the loan was $9,418 (INR 651,302) for the year ended March 31, 2019.	**509,418**	**35,228,802**		
Note payable to Tech Mahindra (Americas) Inc. The note is unsecured. The outstanding balance includes principal loan balances of $500,000, the principal loan balance accrues interest of LIBOR plus 5.71% per annum and is payable upon repayment of loan. Interest expense on the loan was $3,586 for the year ended March 31, 2019.	**503,586**	**34,825,490**		
Note receivable from FixStream Networks, Inc. The note is unsecured. The outstanding balance includes principal loan balances of $500,000 (INR 34,577,500), the principal loan balance accrues interest of 5.12% per annum and is payable upon repayment of loan. This note matures on March 26, 2024. Accumulated interest income on the loan was $421 (INR 29,114) for the year ended March 31, 2019.	**500,421**	**34,606,614**		
Subtotal	20,151,302	1,393,563,290	10,943,001	756,763,234
Less: current portion	(12,500,000)	(864,437,500)	-	-
Less: interest portion	(1,151,301)	(79,618,221)	(443,001)	(30,635,734)
Long-term portion	6,500,000	449,507,568	10,500,000	726,127,499

12. LINE OF CREDIT

	2019		2018	
	$	**INR**	**$**	**INR**
Credit facility	**-**	**-**	**-**	**-**

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 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, 2019 and 2018 of $282,437 and $282,155, respectively. The balance of the outstanding line of credit at March 31, 2019 and 2018 was $0. The line is payable on demand by the Company. Interest expense was $0 and $0 for the year ended March 31, 2019 and 2018, respectively.

Credit Facility covenants and compliance

As of March 31, 2019 and 2018, the balance due on both facilities is $0, covenants in place are only applicable so long as the facilities remain unpaid.

13 EMPLOYEE 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 years ended March 31, 2019 and 2018.

The Plan's administrative expense which is paid by the Company was $3,104 and $2,242 for the years ended March 31, 2019 and 2018, respectively.

14 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 per share on the date of the grant and an option's maximum term is ten years. For all the stock options granted after September 30, 2014, the exercise price is a set price of $0.11 per share on the date of the grant and an option's maximum term is ten years. For all the stock options granted after February 28, 2018, the exercise price is a set price of $0.21 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. The Company has 6,135,000 shares of common stock authorized to be issued under the plan. As of March 31, 2019 and 2018, 4,024,270 and 3,582,281 respectively, shares have been granted and 2,430,252 and 1,981,843 shares have been vested, respectively.

A summary of stock options for the years ended March 31, 2019 and 2018 is presented below:

	2019 Shares	**2019 $**	**2019 INR**
Outstanding at beginning of period	3,582,281	0.15	0.13
Granted	1,421,000	0.21	0.20
Exercised	(14,229)	-	-
Forfeited or expired	(964,782)	0.17	0.15
Outstanding at end of period	4,024,270	0.15	0.14

A summary of stock options for the years ended March 31, 2019 and 2018 is presented below:

	2019 Shares	**2019 $**	**2019 INR**
Outstanding at beginning of period	3,209,686	0.13	8.99
Granted	1,159,960	0.20	13.83
Exercised	(11,667)	-	-
Forfeited or expired	(775,698)	0.15	10.37
Outstanding at end of period	3,582,281	0.14	9.68

As of March 31, 2019 and 2018, the aggregate intrinsic value of stock options outstanding was $1,581,575 and $1,474,087 respectively; the aggregate intrinsic value of stock options exercisable was $1,055,093 and $871,225, respectively.

14. STOCK-BASED COMPENSATION (CONTINUED)

2019	**2019**	**2018**	**2018**
$	**INR**	**$**	**INR**

The Weighted Average Exercise Price was calculated using the Black Scholes fair value based method for service based grants using the following assumptions:

Weighted average fair value per option granted during the period	$	0.54	$	37.34	$	0.54	37.34
Assumptions:							
Weighted average stock price volatility		0.00%		0.00%		0.00%	0.00%
Weighted average risk free rate of return		0.52%		0.52%		0.52%	0.52%
Weighted average expected term in years		6.25		6.25		6.25	6.25

The Company expects all granted shares to vest.

15. CONVERTIBLE-REDEEMABLE PREFERRED STOCK

	2019			2018	
Preferred stock of $0.54347 each	Number	$		Number	$
Issued and fully paid (*)	18,400,279	10,000,000		18,400,279	10,000,000

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) by the Series A Conversion Price, currently set at $0.54347.

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), 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. In the period ending March 31, 2019 no redemption of preferred stock was exercised.

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.

16. COMMON STOCK

	2019			2018	
Ordinary shares of $0.0001 each	Number	$		Number	$
Issued and fully paid	6,676,042	668		6,649,521	665

The Company has authorized 33,000,000 shares of Common Stock at $0.0001 par value and 6,676,042 and 6,649,521 were issued and outstanding at March 31, 2019 and 2018, respectively. The Company has no Common Stock at it's Treasury. All outstanding Common Stock are subject to the 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 it's 2013 Equity Incentive Plan, see Note 14.

No dividends were issued during the years ended March 31, 2019 and 2018.

17. COMMITMENTS AND CONTINGENCIES

Leases

The Company leases its office space under a non-cancelable operating lease with an effective date of July 1, 2017 through June 30, 2020. Total rental expense related to this lease was $243,851 (INR 16,863,516) and $197,108 (INR 13,631,004) for the years ended March 31, 2019 and 2018, respectively.

Future minimum lease payments for leases for each of the next two years at March 31, 2019 are as follows:

Years ended March 31,	$	INR
2020	**251,967**	17,424,778
2021	**84,943**	5,874,233
	336,910	23,299,011

Legal claims, proceedings and litigation

The Company is involved from time to time in claims, proceedings, and litigation. The outcome of legal proceedings and other contingencies are inherently unpredictable, subject to significant uncertainties. Based on current known facts and circumstances, the Company currently believe that any liabilities ultimately resulting from these ordinary course claims and proceedings will not individually or in aggregate, have a material adverse effect on the Company's financial position, results of operations or cash flows.

18. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through May 24, 2019, the date the financial statements were available to be issued. No significant events occurred subsequent to the balance sheet date but prior to May 24, 2019, that would have a material impact on the financial statements.

	2019 $	2019 INR	2018 $	2018 INR
Schedule I				
REVENUES				
Revenue from affiliated companies	**4,595,162**	**317,778,428**	2,786,040	192,668,596
Revenue from third parties	**559,398**	**38,685,169**	322,160	22,278,975
	5,154,560	**356,463,597**	3,108,200	214,947,571
Schedule II				
PERSONNEL EXPENSES				
Personnel cost	**4,983,441**	**344,629,862**	4,948,747	342,230,599
Contract services	**368,045**	**25,452,152**	332,567	22,998,671
Employee benefits	**335,861**	**23,226,467**	413,800	28,616,339
Payroll taxes	**326,857**	**22,603,796**	325,917	22,538,790
Employee related expenses	**280,269**	**19,382,003**	178,938	12,374,457
	6,294,473	**435,294,280**	6,199,969	428,758,856
Schedule III				
GENERAL AND ADMINISTRATIVE				
R&D expense	**1,403,955**	**97,090,508**	1,561,743	108,002,337
Sales and marketing	**692,965**	**47,921,995**	358,786	24,811,846
Rent	**243,851**	**16,863,516**	197,108	13,631,004
Travel	**218,586**	**15,116,315**	195,436	13,515,377
Professional fees	**98,390**	**6,804,160**	129,090	8,927,219
Office expenses	**73,331**	**5,071,205**	127,900	8,844,925
Miscellaneous expense	**33,410**	**2,310,470**	208,997	14,453,187
Insurance	**19,173**	**1,325,909**	23,168	1,602,183
Communications	**10,741**	**742,794**	6,767	467,972
Taxes - other	**5,632**	**389,481**	10,802	747,012
	2,800,034	**193,636,353**	2,819,797	195,003,062

FIXSTREAM INDIA PRIVATE LIMITED

Board of Directors
Mr. Abhinay Padhye Prabhakar
Mr. Suhas Nilkanth Phadke

Registered Office
Unit no.408/409/410/417, 4th Floor,
Sigma Tech park, Delta Tower,
Varthur Main Road, Ramagondanahalli,
Bengaluru Bangalore
Karnataka - 560066

Bankers
HDFC Bank

Auditors
Richa Khetawat

BOARD'S REPORT

Dear Members,

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, 2019.

Fixstream India Private Limited (formerly known as Quexa Systems Private Limited), ("Company") was incorporated on January 14, 2013 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.

Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in form MGT 9 has been given as ANNEXURE -I to this report.

BOARD MEETINGS:

The Board of Directors met 4 times during this financial year.

Sl. No	Date of Board Meeting
1.	April 24, 2018
2.	August 17, 2018
3.	November 19, 2018
4.	March 04, 2019

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.

ISSUE OF SHARES OR OTHER CONVERTIBLE SECURITIES – The Company has not issued any shares or convertible securities during the financial year under review.

EXPLANATION REGARDING QUALIFICATION, RESERVATION, ADVERSE REMARK OR DISCLAIMER IN AUDITORS REPORT

Statutory Auditors

Ms. Richa Khetawat, Chartered Accountant, was appointed as the statutory auditor of the Company by the Board of directors. Her tenure ends with the conclusion of ensuing annual general meeting of the Company. Therefore, the board recommends her re-appointment to the members at the ensuing annual general meeting to hold the office as a statutory auditor for a period of five years i.e. 2019-20 to 2023-2024. It may be noted that as per the Companies (Amendment) Act, 2017, effective from May 07, 2018, ratification of auditors at every annual general meeting is no longer required. Rotation of Auditor is not applicable to this company.

QUALIFICATIONS IN AUDITORS REPORT – There are no qualifications in Auditors Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The Company has duly complied with the provisions 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 have been given as ANNEXURE – II to this Report.

FINANCIAL SUMMARY/HIGHLIGHTS, OPERATIONS, STATE OF AFFAIRS

Particulars	**2018-2019**	2017-2018
Gross Income	**Rs. 9,77,43,549/-**	Rs. 9,71,84,448/-
Provision for Depreciation	**Rs. 4, 20,237/-**	Rs. 7,33,033/-
Net Profit Before Tax	**Rs. 1,33,11,645/-**	Rs. 1,17,40,613/-
Provision for Tax	**Rs. 37,01,610/-**	Rs. 33,63,530/-
Net Profit After Tax	**Rs. 96,10,035/-**	Rs. 83,77,082/-
Balance of Profit brought forward	**Rs. 2,52,89,411/-**	Rs. 1,69,47,354/-
Balance available for appropriation	**Rs. 3,49,89,377/-**	Rs. 2,52,89,411/-
Proposed Dividend on Equity Shares	**Nil**	Nil
Tax on proposed Dividend	**Nil**	Nil
Transfer to General Reserve	**Nil**	Nil
Surplus carried to Balance Sheet	**Rs. 3,49,89,377/-**	Rs. 2,52,89,411/-

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 31.03.2018 AND 18.04.2019 (DATE OF THE REPORT)

NIL

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 Rs. 9,69,46,008/- (Rupees Nine Crores Sixty Nine Lakhs Forty Six Thousand and Eight 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.

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 DIRECTORS:

The first directors of the Company were:

1. Pratik Kishor Potnis
2. Kishor Vasant Potnis

Thereafter, there were no appointment and resignation of the directors during the period under review.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS

There are no orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the requisite threshold limits that mandates CSR are not crossed by the Company during the period under review.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with all the Secretarial Standards as applicable to the Company.

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.

FAILURE TO IMPLEMENT ANY CORPORATE ACTION

The company has not failed to implement any corporate action during the period under review.

DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. The Company has not received any complaint during the year.

For Fixstream India Private Limited

Abhinay Padhye Prabhakar Director DIN: 06699864 No. 43-B, Skylark Greens, 7th Main, Varthur Road, Ramagondanahalli, Bangalore - 560066 Date: April 18, 2019 Place: Bengaluru	**Suhas Nilkanth Phadke** Director DIN: 07380656 No. A-2808, Shobha May Flower, Green Glen Layout, Bellandur Outer Ring Road, Bangalore - 560103 Date: April 18, 2019 Place: Bengaluru

INDEX OF ANNEXURES

Sl. No	Annexures	Content
1.	I	Extract of annual return in Form MGT-9
2.	II	Particulars of related party transactions in Form AOC-2

ANNEXURE – I

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31-03-2018

[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:

CIN	U72200KA2013PTC104459
Registration Date	14/01/2013
Name of the Company	Fixstream India Private Limited (Formerly Known as Quexa Systems Private Limited)
Category / Sub-Category of the Company	Non-Government, Private Company limited by shares
Address of the Registered office and contact details	Unit no. 408/409/410/417, 4th Floor, Sigma Tech park, Delta Tower, Varthur Main Road, Ramagondanahalli, Bengaluru 560066
Whether listed company	No
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 –

Sl 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. Promoters									NIL
(1) Indian									
a) Individual/ HUF									
b) Central Govt.									
c) State Govt(s).									
d) Bodies Corp.									
e) Banks/ FI									
f) Any Other									
Sub-total (A) (1)									
(2) Foreign									
a) NRIs – Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
b) Other – Individuals									
c) Bodies Corp.	NIL	1	1	0.01%	NIL	1	1	0.01%	
d) Banks / FI									
e) Any other									
Sub-total (A) (2)	NIL	17,006	17,006	99.99%	NIL	17,006	17,006	99.99%	
Total shareholding of	NIL	17,006	17,006	99.99%	NIL	17,006	17,006	99.99%	
Promoter (A) = (A) (1) + (A) (2)	NIL	17,007	17,007	100%	NIL	17,007	17,007	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	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
(i) Individual shareholders holding nominal share capital upto Rs.1 lakh									
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh									
(iii) Others (specify)									
Sub-total (C) (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

Sl. No	Shareholder's name	Shareholding at the beginning of the year			Shareholding 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	% change in shareholding during the year
1.	FixStream Inc. USA	17,006	99.99%	NIL	17,006	99.99%	NIL	NIL
2.	Sameer Padhye	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.

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				
	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 (other than Directors, Promoters and Holders of GDRs and ADRs) – Not Applicable

Sl. No		Shareholding at the beginning of the year		Cumulative shareholding during the year	
	For each of the Top 10 shareholders	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

Sl. No		Shareholding at the beginning of the year		Cumulative shareholding during the year	
	For each of the Directors and KMP	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:

Sl. No	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Abhinay Padhye	Suhas Nilkanth Phadke	
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	Rs. 73,30,900 NIL	Rs. 34,59,902 Nil	Rs.1,07,90,802
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)			
	Ceiling as per the Act	Not Applicable	Not Applicable	

B. REMUNERATION TO OTHER DIRECTORS: There are no other directors in the Company

Sl. 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					

D. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD: There are no other KMPs in the Company.

Sl. No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	**Company Secretary**	**CFO**	**Total**
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				

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: NIL

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 Fixstream India Private Limited Abhinay Padhye Prabhakar Director DIN: 06699864 No. 43-B, Skylark Greens, 7th Main, Varthur Road, Ramagondanahalli, Bangalore - 560066 Date: April 18, 2019 Place: Bengaluru	Suhas Nilkanth Phadke Director DIN: 07380656 No. A-2808, Shobha May Flower, Green Glen Layout, Bellandur Outer Ring Road, Bangalore - 560103 Date: April 18, 2019 Place: Bengaluru

ANNEXURE – II

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 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	

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	Software development 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	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, 2019, no advance amount was paid

For Fixstream India Private Limited

Abhinay Padhye Prabhakar
Director
DIN: 06699864

No. 43-B, Skylark Greens, 7th Main, Varthur Road, Ramagondanahalli, Bangalore - 560066

Date: April 18, 2019
Place: Bengaluru

Suhas Nilkanth Phadke
Director
DIN: 07380656

No. A-2808, Shobha May Flower, Green Glen Layout, Bellandur Outer Ring Road, Bangalore - 560103

Date: April 18, 2019
Place: Bengaluru

INDEPENDENT AUDITOR'S REPORT

To the Members of

FIXSTREAM INDIA PRIVATE LIMITED

Opinion

I have audited the financial statements of M/s. FIXSTREAM INDIA PRIVATE LIMITED (formerly known as M/s. Quexa Systems Private Limited) ("the company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'financial statements').

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 Companies Act, 2013 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, 2019, and the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

I conducted my audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. My responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to my audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, I am also responsible for expressing my opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on my audit 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 including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account;

   (d) In my opinion, the aforesaid financial statements comply with the IND AS 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 March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to my separate Report in "Annexure - A". My report expressed an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   (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 my opinion and to the best of my information and according to the explanations given to me:

      i. The Company does not have any pending litigations which would impact its financial position.

      ii. The Company does 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 Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, I give in the "Annexure – B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

RICHA KHETAWAT
Chartered Accountant
Membership No.: 416333

Place: Bengaluru
Date: April 19, 2019

Annexure – “A” to Independent Auditor’s Report

(Referred to in Paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ of my report of even date)

Report on the Internal Financial Controls under Clause (i) of the sub-section 3 of the Section 143 of the Companies Act, 2013 (“the Act”)

I have audited the internal financial controls over financial reporting of M/s. FIXSTREAM INDIA PRIVATE LIMITED (formerly known as Quexa Systems Private Limited) (“the Company”) as of March 31, 2019 in conjunction with my audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

My responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on my audit. I conducted my audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. My audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In my opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

RICHA KHETAWAT
Chartered Accountant
Membership No.: 416333

Place: Bengaluru
Date: April 19, 2019

Annexure – “B” to Independent Auditor’s Report

(Referred to in Paragraph 2 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 year and this revealed no material discrepancies.

(c) The Company does not hold any immovable properties; consequently, comment under this sub-clause does not arise.

ii. The Company does not hold any inventory; consequently, the comment on clause 3(ii) of the Order does not arise.

iii. The Company has not granted any loans, secured or unsecured to / from companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Consequently, comment on clause (iii) (a) and (b) does not arise.

iv. The Company has not taken any loans, investments, guarantees, and security as covered under section 185 and 186 of the Companies Act, 2013. Consequently, comment on clause 3(iv) does not arise.

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 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, employees’ state insurance, 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.

viii. The Company did not have any outstanding dues to any financial institution, banks, government or debenture holders during the year. Consequently, comment on clause 3(viii) of the Order does not arise.

ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instrument) and availed any term loan during the year. Consequently, comment on their application under clause 3(ix) of the Order does not arise.

x. 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 year, nor I have been informed of such case by the management.

xi. The provisions of Section 197 of the Companies Act, 2013 with respect to managerial remuneration does not apply to Private Limited Companies. Accordingly, paragraph 3(xi) of the Order is not applicable.

xii. As the Company is not a Nidhi Company. Consequently, comment on clause 3(xii) of the Order does not arise.

xiii. In my opinion and according to the information and explanations given to me, all transactions with the related parties as made in pursuance of contracts or arrangements referred to in Section 177 and 188 of the Act wherever applicable, have been disclosed in Financial Statements appropriately, as required by the applicable accounting standards.

xiv. As the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review, clause 3(xiv) of the Order is not applicable.

xv. As per the information and explanation given to me, the Company has not entered into any non-cash transactions with directors or persons connected with them. Consequently, comment on clause 3(xv) of the Order does not arise.

xvi. Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934, clause 3(xvi) of the Order is not applicable.

RICHA KHETAWAT
Chartered Accountant
Membership No.: 416333

Place: Bengaluru
Date: April 19, 2019

BALANCE SHEET AS AT MARCH 31, 2019

Details	Note No.	**March 31, 2019**	March 31, 2018
ASSETS			
Non-current assets			
(a) Property, plant and equipment	2	**734,558**	574,424
(b) Capital work-in-progress		**-**	-
(c) Investment property	3	**-**	-
(d) Other intangible assets	4	**-**	-
(e) Financial assets			
(i) Investments		**-**	-
(ii) Trade receivables	5	**-**	-
(iii) Loans	6	**-**	-
(iv) Other financial assets	7	**2,067,150**	2,067,150
(f) Deferred tax assets (Net)	33	**2,123,900**	1,960,110
(g) Other non-current assets	8	**-**	-
Total non-current assets		**4,925,608**	4,601,684
Current assets			
(a) Financial assets			
(i) Investments	9	**-**	-
(ii) Trade receivables	10	**30,940,046**	20,672,316
(iii) Cash and cash equivalents	11	**5,913,847**	4,095,416
(iv) Other balances with banks	12	**-**	-
(v) Loans	13	**-**	-
(vi) Other financial assets	14	**-**	-
(b) Current tax assets (net)	16	**-**	-
(c) Other current assets	15	**5,233,749**	5,641,279
Total current assets		**42,087,642**	30,409,011
Total assets		**47,013,250**	35,010,695
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	17	**170,070**	170,070
(b) Other equity	18	**35,994,706**	26,294,740
Equity attributable to owners of the company		**36,164,776**	26,464,810
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	**-**	-
(ii) Other financial liabilities	20	**-**	-
(b) Provisions	21	**6,865,629**	6,609,104
(c) Deferred tax liabilities (Net)	33	**-**	-
(d) Other non-current liabilities	22	**-**	-
Total non-current liabilities		**6,865,629**	6,609,104
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	**-**	-
(i) Trade payables	24	**1,972,453**	1,116,850
(ii) Other financial liabilities	25	**-**	-
(b) Other current liabilities	26	**1,318,925**	279,098
(c) Provisions	27	**587,777**	360,333
(d) Current tax liabilities (Net)	16	**103,690**	180,500
Total current liabilities		**3,982,845**	1,936,781
Total equity and liabilities		**47,013,250**	35,010,695
See accompanying notes forming part of the IND AS interim financial statements	1 to 40		

As per my report of even date

for and on behalf of the Board

FIXSTREAM INDIA PRIVATE LIMITED

RICHA KHETAWAT	**ABHINAY PADHYE**	**SUHAS PHADKE**
Chartered Accountant	Director	Director
Membership No: 416333	DIN: 06699864	DIN: 07380656
Place: Bengaluru	Place: Bengaluru	Place: Bengaluru
Date: April 19, 2019	Date: April 18, 2019	Date: April 18, 2019

FIXSTREAM INDIA PRIVATE LIMITED (Formerly known as Quexa Systems Private Limited)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

	Details	Note No.	**April 01, 2018 to March 31, 2019**	April 01, 2017 to March 31, 2018
I	Revenue from operations		**96,946,008**	97,184,448
II	Other income	28	**797,541**	-
III	**Total revenue (I +II)**		**97,743,549**	97,184,448
IV	**EXPENSES**			
	Employee benefits expense	29	**69,672,781**	72,212,387
	Cost of technical sub-contractors		**3,909,216**	3,404,848
	Finance costs	30	**-**	-
	Depreciation and amortisation expense	31	**420,237**	733,033
	Other expenses	32	**10,429,670**	9,093,567
	Total expenses		**84,431,904**	85,443,835
V	**Profit before Tax (III-IV)**		**13,311,645**	11,740,613
VI	**Tax expense**			
	Current tax	33	**3,900,100**	3,853,410
	MAT charge / (credit)		**-**	-
	Deferred tax	33	**(198,490)**	(489,880)
	Total tax expense		**3,701,610**	3,363,530
VII	**Profit after tax (V-VI)**		**9,610,035**	8,377,082
VIII	**Other comprehensive income**			
A	I. Items that will not be reclassified to profit or loss			
	(a) Remeasurements of the defined benefit liabilities (loss)/ gains - Employees gratuity		**124,630**	(48,345)
	(b) Equity instruments through other comprehensive income		**-**	-
	(c) Others - Deferred tax impact on remeasurement of defined benefit liabilities		**(34,700)**	13,320
	II. Income-tax relating to items that will not be reclassified to profit or loss		**-**	-
B	I. Items that will be reclassified to profit or loss			
	(a) Exchange differences in translating the financial statements of foreign operations		**-**	-
	(b) Debt instruments through other comprehensive income		**-**	-
	(c) Share of other comprehensive income of equity accounted investees		**-**	-
	(d) Others (specify nature)		**-**	-
	II. Income-tax relating to items that will be reclassified to profit or loss		**-**	-
	Total other comprehensive income (A+B)		**89,930**	(35,025)
IX	Total comprehensive income (VII + VIII)		**9,699,965**	8,342,058
	Earnings per Equity Share (Face Value of INR. 10/- each)			
	Basic	38	**565.06**	492.57
	Diluted	38	**565.06**	492.57
	See accompanying notes forming part of the IND AS interim financial statements	1 to 40		

As per my report of even date

for and on behalf of the Board

FIXSTREAM INDIA PRIVATE LIMITED

RICHA KHETAWAT	**ABHINAY PADHYE**	**SUHAS PHADKE**
Chartered Accountant	Director	Director
Membership No: 416333	DIN: 06699864	DIN: 07380656
Place: Bengaluru	Place: Bengaluru	Place: Bengaluru
Date: April 19, 2019	Date: April 18, 2019	Date: April 18, 2019

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

Details		April 01, 2018 to March 31, 2019		April 01, 2017 to March 31, 2018	
A.	**Cash Flow from operating activities**				
	Net profit before tax		**13,311,645**		11,740,613
	Less: Exceptional items		**-**		-
	Profit before Tax		**13,311,645**		11,740,613
	Adjustments for:				
	Depreciation and amortization expense	**420,237**		733,033	
	Interest income	**-**		-	
	Remeasurements of the defined benefit liabilities (loss)/ gains - Employees gratuity	**124,630**		(48,345)	
			544,867		684,688
	Operating profit before working capital changes		**13,856,512**		12,425,301
	Movement in working capital				
	Decrease / (increase) in trade receivables	**(10,267,730)**		(5,714,570)	
	Decrease / (increase) in other assets	**407,530**		(4,036,094)	
	Increase / (decrease) in trade payables	**855,603**		(3,434,516)	
	Increase / (decrease) in provisions	**483,969**		2,294,568	
	Increase / (decrease) in other liabilities	**1,039,827**		(930,948)	
			(7,480,801)		(11,821,560)
	Cash generated from operations		**6,375,711**		603,741
	Income-tax refund / (paid) - net		**(3,976,910)**		(3,672,910)
	Net cash flow from / (used in) operating activities (A)		**2,398,801**		(3,069,169)
B.	**Cash Flow from investing activities**				
	Purchase of property, plant and equipment and intangible assets	**(580,371)**		(386,491)	
	Proceeds from sale of property, plant and equipment	**-**		-	
	Purchase of current investments	**-**		-	
	Sale of current investments	**-**		-	
	Interest received	**-**		-	
	Net cash flow from / (used in) investing activities (B)		**(580,371)**		(386,491)
C.	**Cash Flow from financing activities**				
	Repayment of long-term borrowings	**-**		-	
	Short-term borrowings (net)	**-**		-	
	Repayment of short-term borrowings	**-**		-	
	Finance costs	**-**		-	
			-		-
	Net cash flow from / (used in) financing activities (C)		**-**		-
	Net increase / (decrease) in cash and cash equivalents (A+B+C)		**1,818,431**		(3,455,660)
	Cash and cash equivalents at the beginning of the year		**4,095,416**		7,551,076
	Cash and cash equivalents at the end of the year		**5,913,847**		4,095,416

As per my report of even date

for and on behalf of the Board

FIXSTREAM INDIA PRIVATE LIMITED

RICHA KHETAWAT	**ABHINAY PADHYE**	**SUHAS PHADKE**
Chartered Accountant	Director	Director
Membership No: 416333	DIN: 06699864	DIN: 07380656
Place: Bengaluru	Place: Bengaluru	Place: Bengaluru
Date: April 19, 2019	Date: April 18, 2019	Date: April 18, 2019

STATEMENTS OF CHANGES IN EQUITY

A. Equity Share Capital

In ₹

Balance as of April 01, 2018	Changes in equity share capital during the year	Balance as at March 31, 2019
170,070	-	170,070

In ₹

B. Other Equity

Details	Share Application Money pending Allotment	Reserves and Surplus						Hedging Reserve	Reserve for Equity Instruments through Other Comprehensive Income	Foreign Currency Translation Reserve	Total
		Capital reserve	Securities Premium Reserve	Share Option Outstanding Account	General Reserve	Statutory Reserve	Retained Earnings				
Balance as at April 01, 2018	-	-	1,005,329	-	-	-	25,289,412	-	-	-	26,294,741
Profit for the year			-				9,610,035				9,610,035
Other comprehensive income			-				89,930				89,930
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**9,699,965**	**-**	**-**	**-**	**9,699,966**
Additions during the year	-	-	-	-	-	-	-	-	-	-	-
Shares allotted	-	-	-	-	-	-	-	-	-	-	-
Transfer on allotment of Equity Shares	-	-	-	-	-	-	-	-	-	-	-
Amortised amount of stock compensation cost (net)	-	-	-	-	-	-	-	-	-	-	-
Share based payment	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-
Tax on dividend	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-
Balance as at the March 31, 2019	-	-	1,005,329	-	-	-	34,989,377	-	-	-	35,994,706

Details	Share Application Money pending Allotment	Reserves and Surplus						Hedging Reserve	Reserve for Equity Instruments through Other Comprehensive Income	Foreign Currency Translation Reserve	Total
		Capital reserve	Securities Premium Reserve	Share Option Outstanding Account	General Reserve	Statutory Reserve	Retained Earnings				
Balance as at April 01, 2017	-	-	1,005,329	-	-	-	16,947,354	-	-	-	17,952,683
Profit for the year			-				8,377,082				8,377,082
Other comprehensive income			-				(35,025)				(35,025)
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**8,342,058**	**-**	**-**	**-**	**8,342,058**
Additions during the year	-	-	-	-	-	-	-	-	-	-	-
Shares allotted	-	-	-	-	-	-	-	-	-	-	-
Transfer on allotment of Equity Shares	-	-	-	-	-	-	-	-	-	-	-
Amortised amount of stock compensation cost (net)	-	-	-	-	-	-	-	-	-	-	-
Share based payment	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-
Tax on dividend	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-
Balance as at the March 31, 2018	-	-	1,005,329	-	-	-	25,289,412	-	-	-	26,294,740

As per my report of even date

for and on behalf of the Board

FIXSTREAM INDIA PRIVATE LIMITED

RICHA KHETAWAT
Chartered Accountant
Membership No: 416333
Place: Bengaluru
Date: April 19, 2019

ABHINAY PADHYE
Director
DIN: 06699864
Place: Bengaluru
Date: April 18, 2019

SUHAS PHADKE
Director
DIN: 07380656
Place: Bengaluru
Date: April 18, 2019

NOTES TO ACCOUNTS

DETAILS ABOUT THE COMPANY

Registration and other details

FixStream India Private Limited (formerly known as Quexa Systems Private Limited) (the "Company" or "Fixstream India") 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.

The company is a subsidiary of M/s. FixStream Networks Inc., USA and sub-subsidiary of M/s. Tech Mahindra Limited, India a public limited company incorporated and domiciled in India and has its registered office at Bengaluru, Karnataka, India.

Management

The Company is managed by its Board of Directors, whose members are:

i. Abhinay Padhye, Director (DIN: 06699864)

ii. Suhas Phadke, Director (DIN: 07380656)

Business, location

The Company currently operates at Bengaluru, Karnataka, India.

1.0 SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis for preparation of Ind AS financial statements

The Ind AS financial statements have been prepared in accordance with Indian Accounting Standard (IND AS) notified under the Companies (Indian Accounting Standard) Rules, 2015 and the provisions specified under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015. 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.

These financial statements are presented in Indian Rupees ("INR") which is also the Company's functional currency. All amounts have been reported in Indian Rupees, except for share and per share data, unless otherwise stated.

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 Use of estimates

The preparation of the Ind AS financial statements in conformity with IND AS 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 year. 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 Expenditure

Expenses are accounted on an accrual basis and provision is made for all known losses and liabilities.

1.4 Revenue Recognition

Revenue is generally recognized when all significant contractual obligations have been satisfied and collection of the resulting receivable is reasonably assured. Revenue from rendering software services is recognised based on services rendered and billed to the clients as per the terms of specific contracts. Revenue from rendering services to the Holding Company is recognised based on 'cost plus' in accordance with the terms of contract entered into with the Holding Company. 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. 'Unearned revenues' represent billing in excess of revenue recognized. Advance payments received from customer (Holding Company) for which no services have been rendered are presented as 'Advance from customer'.

Effective from April 01, 2018, the Company has adopted Ind AS 115 "Revenue from Contract with Customers", based on the assessment over adoption of said standard on prevailing Master Service Agreement (contract) with Holding Company, there will be no change in the method of revenue recognition.

1.5 Property, plant and equipment

Property, plant and equipment (Fixed assets) are stated at cost of acquisition less accumulated depreciation and net of impairment if any. Direct costs an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, any direct attributable in bringing the assets to its working condition for intended use are capitalised as cost of acquisition. Estimated cost of dismantling and removing the item and restoring the premises on which it is located are capitalised if any. 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. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

Cost of property, plant and equipment not available for use as at each reporting date is disclosed under capital work in progress.

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 and peripherals 3 years

ii. Office equipments 5 years

iii. Furniture and fixtures * 5 years

iv. Leasehold improvements Lower of lease period or expected occupancy

* The useful lives of this asset is different from the useful lives as precribed under Schedule II of Company's Act, 2013

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 INR. 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.

The estimated useful life and residual values of the Property, Plant & Equipment and Intangible assets are reviewed at the end of each reporting period.

Any gain or loss arising on the disposal or retirement of an item of Property, Plant & Equipment and intangible assets is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Statement of profit and loss.

1.6 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 functional currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are restated into the functional currency using exchange rates prevailing on the date of Balance sheet. 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

Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are recognized in the statement of profit and loss.

1.7 Employee benefits

Gratuity: In accordance with the Payment of Gratuity Act, 1972, the Company accounts for its gratuity liability covering eligible employees as a defined benefit plan. 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 last drawn salary and the tenure of the employment. Liabilities with regard to the Gratuity plan are determined based on an actuarial valuation carried out by an independent actuary as at the Balance Sheet date using the Projected Unit Credit method. Actuarial gains and losses are recognised in full in other comprehensive income and accumulated in equity in the period in which they occur.

Provident fund: The eligible employees of the Company are entitled to receive the benefits of Provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary which are charged to the Statement of Profit and Loss on accrual basis. The provident fund contributions are paid to the Regional Provident Fund Commissioner by the Company. The Company has no further obligations for future provident fund.

Other long term employee benefits: The Company provides for compensated absences subject to Company's rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment or availment. The liability is accrued based on the number of days of unavailed leave at each Balance Sheet date. It is measured at the balance sheet date on the basis of an independent actuarial valuation using the Projected Unit Credit method. Actuarial gains and losses are recognised in full in the Statement of Profit and Loss in the period in which they occur.

1.8 Taxation

Tax expense comprises of current and deferred tax. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted as at the reporting date and applicable for the period. Current income tax is measured at the amount expected to be paid to / recovered from to the tax authorities in accordance with the Indian Income-tax Act, 1961. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the income taxes are recognised in other comprehensive income or directly in equity, respectively.

Advance taxes and provisions for current income taxes are presented in the statement of financial position after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying unit has a legally enforceable right and intends to settle the asset and liability on a net basis.

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

1.9 Earnings per share

Basic earnings per share is 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.

1.11 Recent accounting pronouncements

Ind AS 116 Leases: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. Ind AS 116 sets out the principles of recognition, measurement, presentation and disclosure of leases for both lessor and lessee. Either a full retrospective application or a modified retrospective applicalion is required for annual periods beginning on or after April 01, 2019. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value.

The Company is currently evaluating the requiremenls of the amendment and the impact on its financial stalements.

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

The effect on adoption of Ind AS 12 Appendix C would be insignificant in the standalone financial statements.

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 01, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

Ind AS 19 Employee Benefits: On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

• to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement;

• to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 01, 2019. The Company does not have any impact on account of this amendment.

Note 2: Property, plant and equipment

In ₹.

Description of asset	Gross Block				Accumulated Depreciation / Amortisation				Net Block	
	Cost as at April 01, 2018	Additions during the year	Deletions during the year	Balance as at March 31, 2019	As at April 01, 2018	For the year	Reversals	Balance as at March 31, 2019	As at April 01, 2018	As at March 31, 2019
Tangible assets										
Computers and peripherals	3,391,843	485,047	-	**3,876,890**	2,913,890	354,555	-	**3,268,445**	477,953	**608,445**
Furniture and fixtures	94,878	-	-	**94,878**	91,358	2,440	-	**93,798**	3,520	**1,080**
Office equipments	308,687	95,324	-	**404,011**	215,736	63,242	-	**278,978**	92,951	**125,033**
Taken on finance lease										
Computers and peripherals	-	-	-	**-**	-	-	-	**-**	-	**-**
Plant and equipments	-	-	-	**-**	-	-	-	**-**	-	**-**
Vehicles	-	-	-	**-**	-	-	-	**-**	-	**-**
Total	**3,795,408**	**580,371**	**-**	**4,375,779**	**3,220,984**	**420,237**	**-**	**3,641,221**	**574,424**	**734,558**
Previous Year	3,408,918	386,491	-	**3,795,408**	2,487,951	733,033	-	**3,220,984**	920,967	**574,424**

Note:

i) Numbers in Italics represents previous year disclosures.

NOTE 3: INVESTMENT PROPERTY

In ₹.

Details	As at March 31, 2019	As at March 31, 2018
I. Gross Block		
Opening balance	-	-
Additions / transfer during the year	-	-
Closing balance	-	-
II. Accumulated depreciation		
Opening balance	-	-
Amortisation expense for the year	-	-
Closing balance	-	-
Balance as at (I-II)	-	-

NOTE 4: OTHER INTANGIBLE ASSETS

In ₹.

Details	Intellectual property rights	Software (other than internally generated)	Total
I. Gross Block			
Balance as at April 1, 2017	-	40,699	40,699
Additions during the year	-	-	-
Disposals / adjustments	-	-	-
Balance as at April 1, 2018	-	40,699	40,699
Additions during the year	-	-	-
Disposals / adjustments	-	-	-
Balance as at March 31, 2019	-	**40,699**	**40,699**
II. Accumulated depreciation			
Balance as at April 1, 2017	-	40,699	40,699
Amortisation expense for the year	-	-	-
Disposals / adjustments	-	-	-
Balance as at April 1, 2018	-	40,699	40,699
Amortisation expense for the year	-	-	-
Disposals / adjustments	-	-	-
Balance as at March 31, 2019	-	**40,699**	**40,699**
Net Block as at March 31, 2019 (I - II)	-	-	-
Net Block as at March 31, 2018 (I - II)	-	-	-

NOTE 5: TRADE RECEIVABLES: NON-CURRENT

In ₹.

Details	**As at March 31, 2019**	As at March 31, 2018
Trade receivables outstanding for a period of more than 6 months:		
(a) Secured, considered good	**-**	-
(b) Unsecured, considered good	**-**	-
(c) Doubtful	**-**	-
Less: Allowance for credit losses	**-**	-
	-	-
Trade receivables:		
(a) Secured, considered good	**-**	-
(b) Unsecured, considered good	**-**	-
(c) Doubtful	**-**	-
Less: Allowance for doubtful debts	**-**	-
	-	-
Total	**-**	-

NOTE 6: LOANS: NON-CURRENT

In ₹.

Details	**As at March 31, 2019**	As at March 31, 2018
Loans to related parties		
- Secured, considered good	**-**	-
- Unsecured, considered good	**-**	-
- Doubtful	**-**	-
Less : Allowance for bad and doubtful loans	**-**	-
Total	**-**	-

NOTE 7: OTHER FINANCIAL ASSETS : NON-CURRENT

In ₹.

Details	**As at March 31, 2019**	As at March 31, 2018
Unbilled revenue	**-**	-
Interest receivable		
On bank deposits	**-**	-
Others	**-**	-
	-	-
Security deposits		
- Secured, considered good	**-**	-
- Unsecured, considered good	**2,067,150**	2,067,150
- Doubtful	**-**	-
Less : Allowance for doubtful deposits	**-**	-
	2,067,150	2,067,150
Lease receivable		
Considered Good	**-**	-
Fixed deposits / Margin money deposits having maturities of more than 12 months from the Balance Sheet date	**-**	-
Foreign currency derivative assets	**-**	-
Total	**2,067,150**	2,067,150

NOTE 8: OTHER NON-CURRENT ASSETS

In ₹.

Details	**As at March 31, 2019**	As at March 31, 2018
Balance with Government Authorities		
Considered good	-	-
Considered doubtful	-	-
Less: Provision	-	-
	-	-
Advances to related parties		
Considered good	-	-
Considered doubtful	-	-
Less: Provision	-	-
	-	-
Capital Advances		
Considered good	-	-
Considered doubtful	-	-
Less: Allowance on advances to suppliers	-	-
	-	-
Contractually re-imbursable expenses		
Considered good	-	-
Considered doubtful	-	-
Less: Provision	-	-
Total	-	-
Advance towards investments	-	-
Prepaid expenses	-	-
Advance income-tax (net of provisions)	-	-
Other Loans and Advances		
Considered good	-	-
Considered doubtful	-	-
Less: Allowance on other loans and advances	-	-
	-	-
Total	-	-

NOTE 9: INVESTMENTS

In ₹

Details	**As at March 31, 2019**	**As at March 31, 2018**
- **Current portion of long-term investment - unquoted**	-	-
Less: Provision for Diminution in value of Investment	-	-
	-	-
- **Investment in mutual funds - unquoted**	-	-
Total	-	-

Note 10: Trade receivables: Current

In ₹.

Details	As at March 31, 2019	As at March 31, 2018
- Trade receivables		
Over six months		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
Less: Allowance for doubtful debts	-	-
	-	-
- Others		
Secured, considered good	-	-
Unsecured, considered good	**30,940,046**	20,672,316
Doubtful	-	-
Less: Allowance for doubtful debts	-	-
	30,940,046	20,672,316
Finance receivables	-	-
Less: Allowance for credit losses	-	-
	-	-
Other receivables		
Operating lease receivable	-	-
Less: Allowance for credit losses	-	-
	-	-
Total	**30,940,046**	20,672,316

NOTE 11: CASH AND CASH EQUIVALENTS

In ₹.

Details	As at March 31, 2019	As at March 31, 2018
Cash-in-hand	**85**	16,603
Fund-in-transit	-	-
Balances with banks		
In current account	**5,913,762**	4,078,813
In deposit account	-	-
Total	**5,913,847**	4,095,416

NOTE 12: OTHER BALANCES WITH BANKS

In ₹.

Details	As at March 31, 2019	As at March 31, 2018
In deposit accounts	-	-
Earmarked balances with banks		
- Unclaimed dividend	-	-
- Balances held as margin money / security towards obtaining bank guarantees	-	-
- Balance held under escrow account	-	-
Total	-	-

NOTE 13: LOANS: CURRENT

In ₹.

Details	As at March 31, 2019	As at March 31, 2018
Loans to related parties		
- Secured, considered good	-	-
- Unsecured, considered good	-	-
- Doubtful	-	-
Less : Allowance for bad and doubtful loans	-	-
Total	-	-

NOTE 14: OTHER FINANCIAL ASSETS: CURRENT

In ₹.

Details	As at March 31, 2019	As at March 31, 2018
Interest receivable		
On bank deposits	-	-
Others	-	-
	-	-
Security deposits		
- Secured, considered good	-	-
- Unsecured, considered good	-	-
- Doubtful	-	-
Less : Allowance for bad and doubtful deposits	-	-
	-	-
Lease receivable		
Considered good	-	-
Considered doubtful	-	-
Less: Provision	-	-
	-	-
- Foreign currency derivative assets	-	-
Total	-	-

NOTE-15: OTHER CURRENT ASSETS

Details	As at March 31, 2019	In ₹. As at March 31, 2018
Unbilled revenue	-	-
Advances to Related Parties	-	-
Balance with Government Authorities #		
Considered good	**2,642,835**	2,913,260
Considered doubtful	-	-
Less: Provision	-	-
	2,642,835	2,913,260
Advances to employees		
Considered good	-	-
Considered doubtful	-	-
Less: Provision	-	-
	-	-
Contractually re-imbursable expenses		
Considered good	-	-
Considered doubtful	-	-
Less: Allowance for doubtful receivables	-	-
	-	-
Prepaid expenses	**2,559,549**	2,631,615
Others loans and advances		
Advance to vendors	**31,365**	96,403
Other loans and advances	-	-
	31,365	96,403
Considered good	**31,365**	96,403
Considered doubtful	-	-
Less: Allowance on other loans and advances	-	-
	31,365	96,403
Total	**5,233,749**	5,641,279

Balances with government authorities represents indirect taxes credits

NOTE-16: CURRENT TAX ASSET / (LIABILITIES) - NET

Details	As at March 31, 2019	In ₹. As at March 31, 2018
Advance income-taxes - net of provisions	**(103,690)**	(180,500)
Total	**(103,690)**	(180,500)

NOTE 17: EQUITY SHARE CAPITAL

Details	**March 31, 2019**		March 31, 2018	
	Number	**In ₹.**	Number	In ₹.
Authorised				
30,000 equity shares of ₹. 10/- each	**30,000**	**300,000**	30,000	300,000
Issued, Subscribed and Paid up				
17,007 equity shares of ₹. 10/- each	**17,007**	**170,070**	17,007	170,070
Reconciliation of number of Equity Shares and amount outstanding				
Shares outstanding at the beginning of the year	**17,007**	**170,070**	17,007	170,070
Shares issued during the year	**-**	**-**	-	-
Total	**17,007**	**170,070**	17,007	170,070
Less : Shares issued to ESOP Trust as Treasury Stock	**-**	**-**	-	-
Shares outstanding at the end of the year	**17,007**	**170,070**	17,007	170,070

Number of shares held by each shareholder holding more than 5 percent of the Equity Shares of the Company are as follows:

Name of the shareholder	**As at March 31, 2019**		As at March 31, 2019	
	No. of Shares held	**% of Holding**	No. of Shares held	% of Holding
FixStream Networks Inc., USA	**17,006**	**99.99%**	17,006	99.99%

i) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash - NIL (Previous Year - NIL)
ii) Aggregate number and class of shares allotted as fully paid up by way of bonus shares - NIL (Previous Year - NIL)
iii) Aggregate number and class of shares bought back - NIL (Previous Year - NIL)
iv) Each Equity Share entitles the holder to one vote and carries an equal right to dividend.

NOTE 18: OTHER EQUITY

In ₹.

Details		As at March 31, 2019	As at March 31, 2018
-	**Share application money**		
	Opening balance	-	-
	Add: Received during the year	-	-
	Less: Shares allotted	-	-
	Less: Refunded during the year	-	-
	Closing balance	-	-
-	**Capital reserve**		
	Opening balance	-	-
	Add: Additions on account of Amalgamation	-	-
	Closing balance	-	-
-	**Securities premium account**		
	Opening balance	**1,005,329**	1,005,329
	Add: Received on exercise of Stock options	-	-
	Add: Transfer from share option outstanding account on exercise of stock options	-	-
	Add: Adjustment on Account of Amalgamation	-	-
	Closing balance	**1,005,329**	1,005,329
-	**Share options outstanding account**		
	Opening balance	-	-
	Add: Amortised Amount of Stock Compensation Cost (net)	-	-
	Less: Transfer from share option outstanding account on exercise of stock options	-	-
	Less: Transfer to retained earnings	-	-
	Closing balance	-	-
-	**General Reserve**		
	Opening balance	-	-
	Less: Transfer to retained earnings	-	-
	Closing balance	-	-
-	**Retained Earnings**		
	Opening balance	**25,289,411**	16,947,354
	Add: Profit for the year	**9,610,035**	8,377,082
	Add: Other comprehensive income	**89,930**	(35,025)
	Less: Equity dividends (including Tax on Dividends)	-	-
	Add: Transfer from general reserve	-	-
	Add: Transfer from share options outstanding account	-	-
	Closing balance	**34,989,377**	25,289,411
-	**Hedging Reserve**		
	Opening Balance	-	-
	Add: Other comprehensive income (net)	-	-
	Closing balance	-	-
-	**Reserve for Equity Instruments through Other Comprehensive Income**		
	Opening Balance	-	-
	Add: Other Comprehensive Income	-	-
	Closing balance	-	-
Total		**35,994,706**	26,294,740

NOTE 19: BORROWINGS - NON-CURRENT

Details	As at March 31, 2019	In ₹. As at March 31, 2018
Measured at amortised cost		
Secured borrowings:		
From banks	-	-
(i) Cash credits / Loans repayable on demand etc.,	-	-
Finance lease obligations	-	-
From others	-	-
	-	-
Unsecured borrowings - at amortised Cost		
Bonds / Debentures		
1. Non-convertible bonds / debentures / preference shares	-	-
2. Other convertible bonds / debentures / preference Shares	-	-
Term loans		
1. From banks	-	-
2. From financial institutions and others	-	-
3. From government	-	-
4. From others	-	-
	-	-
Total	-	-

NOTE 20: OTHER FINANCIAL LIABILITIES: NON-CURRENT

Details	As at March 31, 2019	In ₹. As at March 31, 2018
Deposits received from dealers	-	-
Creditors for capital supplies / services	-	-
Contractual obligations	-	-
Foreign currency derivatives liabilities	-	-
Contingent consideration on acquisitions	-	-
Total	-	-

NOTE 21: PROVISIONS: NON-CURRENT

Details	As at March 31, 2019	In ₹. As at March 31, 2018
Provision for employee benefits		
- Gratuity	**5,643,344**	4,253,379
- Compensated absences	**1,222,285**	2,355,725
Total	**6,865,629**	6,609,104

NOTE - 22: OTHER NON-CURRENT LIABILITIES

Details	As at March 31, 2019	As at March 31, 2018
- Other deferred revenues	-	-
Total	-	-

NOTE - 23: CURRENT BORROWINGS

In ₹.

Details	As at March 31, 2019	As at March 31, 2018
Secured borrowings		
- From banks		
Working capital demand loans	-	-
Cash credits / packing credits	-	-
- From others	-	-
	-	-
Unsecured borrowings		
- From banks	-	-
- From others	-	-
	-	-
Total	-	-

NOTE 24: TRADE PAYABLES

In ₹.

Details	As at March 31, 2019	As at March 31, 2018
Trade payables other than accrued salaries and benefits#	**1,099,412**	719,071
Accrued salaries and benefits	**873,041**	397,779
Total	**1,972,453**	1,116,850

NOTE 25: OTHER FINANCIAL LIABILITIES

In ₹.

Details	As at March 31, 2019	As at March 31, 2018
Current maturities of long-term loans (secured)	-	-
Current maturities of long-term loans (unsecured)	-	-
- Current maturities of finance lease obligations	-	-
- Foreign currency derivative liabilities	-	-
- Capital creditors	-	-
- Interest payable on borrowings	-	-
- Unclaimed dividends	-	-
Short-term deposits	-	-
Contingent consideration on acquisitions	-	-
Total	-	-

#For disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006 refer Note 39.

NOTE 26: OTHER CURRENT LIABILITIES

In ₹.

Details	As at March 31, 2019	As at March 31, 2018
- Advances received from customers	-	-
- Unearned revenues	-	-
- Statutory remittances	1,253,826	228,006
- Others	65,099	51,092
Total	1,318,925	279,098
Other mentioned above contains;		
- contractual payables towards employees	49,105	34,170
- contractual payables towards directors	15,994	16,921

NOTE 27: PROVISIONS: CURRENT

In ₹.

Details	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits		
	348,572	69,082
	239,205	291,251
Other provisions		
- Provision for claims and warranties	-	-
- Provision for contingencies	-	-
- Provision for proposed final dividend	-	-
- Provision for tax on dividend	-	-
Total	587,777	360,333

NOTE 28: OTHER INCOME

In ₹.

Details	**for the year ended March 31, 2019**	for the year ended March 31, 2018
Interest income		
- On bank deposits	**-**	-
- On other financial assets carried at amortised cost	**-**	-
- On income-tax refund	**-**	-
Dividend income on current investments	**-**	-
Dividend income on non-current investment	**-**	-
Rental income		
- From investment property	**-**	-
- Others	**-**	-
Foreign exchange gain / (loss) - net	**746,503**	-
Gain / (loss) on investments carried at fair value through profit and loss	**-**	-
Provision for non-current investments no longer required	**-**	-
Sundry balances written back	**51,038**	-
Miscellaneous income	**-**	-
Total	**797,541**	-

NOTE 29: EMPLOYEE BENEFITS EXPENSE

In ₹.

Details	**for the year ended March 31, 2019**	for the year ended March 31, 2018
Salaries, allowances including bonus	**62,847,347**	66,842,481
Contribution to provident and other funds	**753,086**	772,226
Gratuity	**1,794,085**	1,536,628
Share based payments to employees	**-**	-
Staff welfare expenses	**4,278,263**	3,061,052
Total	**69,672,781**	72,212,387

NOTE 30: FINANCE COSTS

In ₹.

Details	**for the year ended March 31, 2019**	for the year ended March 31, 2018
Interest on short-term loan and cash credits	**-**	-
Cash discount	**-**	-
Others	**-**	-
Total	**-**	-

NOTE 31: DEPRECIATION AND AMORTISATION EXPENSE

In ₹.

Details	**for the year ended March 31, 2019**	for the year ended March 31, 2018
Depreciation / amortisation on property, plant and equipment and intangible assets	**420,237**	733,033
Depreciation on investment property	**-**	-
Total	**420,237**	733,033

NOTE 32: OTHER EXPENSES

In ₹.

Details	for the year ended March 31, 2019	for the year ended March 31, 2018
Power and fuel expenses	**420,517**	369,449
Rent	**2,745,007**	2,611,152
Rates and taxes	**127,744**	22,364
Communication expenses	**400,844**	646,672
Travelling expenses	**1,190,729**	512,347
Recruitment expenses	**588,000**	280,000
Training	**-**	-
Hire charges	**-**	-
Legal and professional charges	**1,659,700**	1,467,162
Remuneration to auditors'		
- for audit	**300,000**	300,000
- for taxation matters	**100,000**	100,000
	400,000	400,000
Repair and maintenance expenses		
- for building	**-**	-
- for machinery and computers	**161,669**	133,426
- Others	**45,472**	10,128
	207,141	143,554
Insurance charges	**35,730**	1,585
Web hosting, storing and subscription charges	**721,478**	412,597
Claims and warranties (net)	**-**	-
Advertisement, promotion and selling expenses	**-**	-
General office expenses	**1,195,270**	1,085,959
(Profit) / loss on sale of property, plant and equipment	**-**	-
Allowances for doubtful receivables and bad debts written off		
- Provided during the year	**-**	-
- Bad Debts written off	**-**	-
- Less: Reversed during the year	**-**	-
Allowances for Doubtful Advances, Deposits and Advances written off		
- Provided during the year	**-**	-
- Bad Debts written off	**-**	-
- Less: Reversed during the year	**-**	-
	-	-
Donation	**-**	-
Corporate social responsibility expenditure	**-**	-
Printing and stationery	**13,089**	9,588
Service tax input credit written off	**622,906**	-
Foreign exchange translation loss (net)	**-**	1,006,398
Miscellaneous expenses	**101,515**	124,741
Total	**10,429,670**	9,093,567

NOTE - 33: CURRENT TAX AND DEFERRED TAX

(a) Income-tax expense

In ₹

Details	Continuing operations		Discontinued operations		Total	
	For the year ended March 31, 2019	For the year ended March 31, 2018	**For the year ended March 31, 2019**	For the year ended March 31, 2018	**For the year ended March 31, 2019**	For the year ended March 31, 2018
Current Tax:						
Current income-tax charge	**3,900,100**	3,980,500	**-**	-	**3,900,100**	3,980,500
Adjustments in respect of prior years	**-**	(127,090)	**-**	-	**-**	(127,090)
Deferred Tax						
In respect of current year origination and reversal of temporary differences	**(163,790)**	(503,200)	**-**	-	**(163,790)**	(503,200)
Deferred Tax reclassified from equity to profit and loss	**-**	-	**-**	-	**-**	-
Adjustments due to changes in tax rates	**-**	-	**-**	-	**-**	-
Write down (reversal of previous write-downs) of deferred tax assets	**-**	-	**-**	-	**-**	-
Others	**-**	-	**-**	-	**-**	-
Total tax expense recognised in profit and loss account	**3,736,310**	**3,350,210**	**-**	**-**	**3,736,310**	**3,350,210**

(i) Movement of Deferred Tax

As at March 31, 2019

In ₹.

Details	**Opening Balance**	**Recognised in profit and Loss**	**Recognised in OCI**	**Acquired in Business Combination**	**Others**	**Closing Balance**
Tax effect of items constituting deferred tax liabilities						
Property, plant and equipment	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-
Investment property	-	-	-	-	-	-
	-	-	-	-	-	-
Tax effect of items constituting deferred tax assets						
Property, plant and equipment	39,824	10,476	-	-	-	50,300
Employee benefits	1,920,286	188,014	(34,700)	-	-	2,073,600
Equity-settled share based payments	-	-	-	-	-	-
Provisions	-	-	-	-	-	-
Carryforward tax loss	-	-	-	-	-	-
Other temporary differences (please specify)	-	-	-	-	-	-
	1,960,110	198,490	(34,700)	-	-	2,123,900
Net Tax Asset (Liabilities)	**1,960,110**	**198,490**	**(34,700)**	**-**	**-**	**2,123,900**

As at March 31, 2018

In ₹.

Details	**Opening Balance**	**Recognised in profit and Loss**	**Recognised in OCI**	**Acquired in Business Combination**	**Others**	**Closing Balance**
Tax effect of items constituting deferred tax liabilities						
Property, plant and equipment	(88,776)	88,776	-	-	-	-
Intangible assets	-	-	-	-	-	-
Investment property	-	-	-	-	-	-
	(88,776)	88,776	-	-	-	-
Tax effect of items constituting deferred tax assets						
Property, plant and equipment	-	39,824	-	-	-	39,824
Employee benefits	1,545,686	361,280	13,320	-	-	1,920,286
Equity-settled share based payments	-	-	-	-	-	-
Provisions	-	-	-	-	-	-
Carryforward tax loss	-	-	-	-	-	-
Other temporary differences (please specify)	-	-	-	-	-	-
	1,545,686	**401,104**	**13,320**	**-**	**-**	**1,960,110**
Net Tax Asset (Liabilities)	**1,456,910**	**489,880**	**13,320**	**-**	**-**	**1,960,110**

Note - 34: IND AS 19 - EMPLOYEE BENEFITS

(a) 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 for the year aggregating to ₹. 6,28,47,347/- (Previous Year: ₹. 6,68,42,481/-) have been accounted as an expenses and included in "Employee Benefit Expenses" in the Statement of Profit and Loss.

(b) Defined Contribution Plan

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 ₹. 7,53,086/- (Previous Year: ₹. 7,72,226/-) towards this scheme.

(c) Defined Benefit Plans:

Gratuity

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 Indian Accounting Standard 19 (Revised - Employee Benefits) amounting to ₹. 16,69,455/- (Previous Year: ₹. 15,84,973/-).

Defined benefit plans – as per actuarial valuation report

In ₹.

	Particulars	Gratuity	
		March 31, 2019	March 31, 2018
Ia.	**Expense recognised in the Statement of Profit and Loss for the year ended**		
1.	Current service cost	**1,469,900**	1,345,004
2.	Interest cost	**-**	-
Ib.	**Included in other Comprehensive Income**		
1.	Return on plan assets	**-**	-
2.	Actuarial (Gain)/Loss on account of :		
	- Financial Assumptions (Assumption Changes)	**128,207**	(184,131)
	- Experience Adjustments	**(252,837)**	232,476
I.	**Net Asset/(Liability) recognised in the Balance Sheet as at**		
1.	Present value of defined benefit obligation as at beginning of the year	**(5,991,916)**	(4,322,461)
2.	Fair value of plan assets as at	**-**	-
3.	Surplus/(Deficit)	**(5,991,916)**	(4,322,461)
4.	Current portion of the above	**(348,572)**	(69,082)
5.	Non current portion of the above	**(5,643,344)**	(4,253,379)
II.	**Change in the obligation during the year ended**		
1.	Present value of defined benefit obligation at the beginning of the year	**4,322,461**	2,737,488
2.	Expenses Recognised in Profit and Loss Account		
	- Current Service Cost	**1,469,900**	1,345,004
	- Past Service Cost	**-**	-
	- Interest Expense (Income)	**324,185**	191,624
3.	Recognised in Other Comprehensive Income		
	- Actuarial Gain (Loss) arising from:		
	i. Demographic Assumptions		
	ii. Financial Assumptions (Assumption Changes)	**128,207**	(184,131)
	iii. Experience Adjustments	**(252,837)**	232,476

In ₹.

Particulars	Gratuity	
	March 31, 2019	March 31, 2018
4. Benefit payments		
5. Present value of defined benefit obligation at the end of the year	**5,991,916**	4,322,461
III. Change in fair value of assets during the year ended		
1. Fair value of plan assets at the beginning of the year	**-**	-
2. Expenses Recognised in Profit and Loss Account	**-**	-
3. Recognised in Other Comprehensive Income	**-**	-
- Actual Return on plan assets in excess of the expected return	**-**	-
4. Contributions by employer (including benefit payments recoverable)	**-**	-
5. Benefit payments	**-**	-
6. Fair value of plan assets at the end of the year	**-**	-
IV. Actuarial assumptions		
1. Discount rate	**7.20%**	7.50%
2. Expected rate of return on plan assets	**7 years**	7 years
3. Attrition rate	**11.00%**	11.00%
V. Expense recognized in the statement of Profit and Loss		
1. Current service cost	**1,469,900**	1,136,514
2. Past service cost	**-**	208,490
3. Interest cost on defined benefit obligation	**324,185**	191,624
4. Interest income on plan assets	**-**	-
5. Expenses recognized in the statement of Profit and Loss (Refer Note - 29)	**1,794,085**	1,536,628
VI. Actuarial (gain) / loss recognized in Other Comprehensive Income		
1. Actuarial (gain) / loss on defined benefit obligation	**(124,630)**	48,345
2. Actuarial (gain) / loss on plan assets	**-**	-
3. Net (gain) / loss recognized in Other Comprehensive Income	**(124,630)**	48,345
VII. Disclosure related to indication of effect of the defined benefit plan on the entity's future cash flows		
Payout in the next		
1 year	**360,903**	71,626
1-2 years	**698,787**	325,387
2-3 years	**913,011**	715,884
3-4 years	**1,098,132**	971,443
4-5 years	**2,342,470**	1,187,607
5 and beyond	**8,166,174**	8,618,685
VIII. Sensitivity analysis		
Discount rate		
Discount rate as at	**7.20%**	7.50%
Effect on DBO due to 0.5% increase in discount rate	**(210,911)**	(171,725)
Effect on DBO due to 0.5% decrease in discount rate	**225,429**	184,131
Salary escalation rate		
Salary escalation rate as at	**10.00%**	10.00%
Effect on DBO due to 0.5% increase in salary escalation rate	**182,630**	157,621
Effect on DBO due to 0.5% decrease in salary escalation rate	**(179,167)**	(154,981)
Withdrawal rate		
Attrition rate as at	**11.00%**	11.00%
Effect on DBO due to 0.5% increase in withdrawal rate	**(410,164)**	(493,448)
Effect on DBO due to 0.5% decrease in withdrawal rate	**501,417**	626,602

NOTE - 35: IND AS 17 - LEASES

In ₹.

Particulars	**As at March 31, 2019**	As at March 31, 2018
Details of leasing arrangements		
As Lessee		
Operating Lease		
The Company has entered into operating lease arrangements for certain facilities and office premises. The leases are non-cancellable and are for a period of 5 years and may be renewed for a further period at the end of the leased period based on mutual agreement of the parties. The lease agreements provide for an increase in the lease payments by 5% every year.		
Future Non-Cancellable minimum lease commitments	**1,784,571**	4,516,236
not later than one year	**1,559,931**	2,731,664
later than one year and not later than five years	**224,640**	1,784,571
later than five years	**-**	-
Expenses recognised in the Statement of Profit and Loss	**2,745,007**	2,611,152
Liabilities in respect of Operating Leases		
Onerous Lease contracts		
Current	**1,559,931**	2,731,664
Non-Current	**224,640**	1,784,571

NOTE - 36: IND AS 108 - OPERATING SEGMENTS

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.

NOTE - 37: IND AS 24 - RELATED PARTY DISCLOSURE

Name of the parent Company	M/s. FixStream Networks Inc., USA (Holding Company)
Key management personnel	Mr. Abhinay Padhye, Director
	Mr. Suhas Phadke, Director

Details of transaction between the Company and its related parties are disclosed below:

In ₹.

Particulars	FixStream Networks Inc. USA		Key mgt. personnel	
	March 31, 2019	March 31, 2018	**March 31, 2019**	March 31, 2018
Unsecured loan taken / (repaid)	**-**	-	**-**	-
Software development services provided	**96,946,008**	97,184,448	**-**	-
Remuneration to directors'	**-**	-	**10,790,803**	9,890,144
Re-imbursement of expenses paid / (received)	**-**	-	**219,056**	474,139

Amount due to / from related parties as at Balance Sheet date

In ₹.

Particulars	FixStream Networks Inc. USA		Key mgt. personnel	
	March 31, 2019	March 31, 2018	**March 31, 2019**	March 31, 2018
Other current liabilities	**-**	-		-
Trade receivables	**30,940,046**	20,672,316		
Expense re-imbursements payable	**-**	-	**15,994**	16,921
Directors' remuneration payable	**-**	-	**435,666**	397,779

NOTE - 38: IND AS 33 - EARNINGS PER SHARE

In ₹.

Particulars	As at March 31, 2019	As at March 31, 2018
	Per Share	Per Share
Basic Earnings per share		
From continuing operations	**565.06**	492.57
From discontinuing operations	**-**	-
Total basic earnings per share	**565.06**	492.57
Diluted Earnings per share		
From continuing operations	**565.06**	492.57
From discontinuing operations	**-**	-
Total diluted earnings per share	**565.06**	492.57

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

In ₹.

Particulars	As at March 31, 2019	As at March 31, 2018
Profit / (loss) for the year attributable to owners of the Company	**9,610,035**	8,377,082
Less: Preference dividend and tax thereon	**-**	-
Profit / (loss) for the year used in the calculation of basic earnings per share	**9,610,035**	8,377,082
Profit for the year on discontinued operations used in the calculation of basic earnings per share from discontinued operations	**-**	-
Profits used in the calculation of basic earnings per share from continuing operations	**9,610,035**	8,377,082
Weighted average number of equity shares	**17,007**	17,007
Earnings per share from continuing operations - Basic	**565.06**	492.57

Diluted earnings per share

The diluted earnings per share has been computed by dividing the Net profit after tax available for Equity shareholders by the weighted average number of equity shares, after giving dilutive effect of the outstanding Warrants, Stock options and Convertible bonds for the respective years. Since, the effect of the conversion of Preference shares was anti-dilutive, it has been ignored.

In ₹.

Particulars	As at March 31, 2019	As at March 31, 2018
Profit / (loss) for the year used in the calculation of basic earnings per share	**9,610,035**	8,377,082
Add: Interest expense and exchange fluctuation on convertible bonds (net) - adjusted for attributable taxes	**-**	-
Profit / (loss) for the year used in the calculation of diluted earnings per share	**9,610,035**	8,377,082
Profit for the year on discontinued operations used in the calculation of diluted earnings per share from discontinued operations	**-**	-
Profits used in the calculation of diluted earnings per share from continuing operations	**9,610,035**	8,377,082

The weighted average number of ordinary shares for the purpose of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

In ₹.

Particulars	As at March 31, 2019	As at March 31, 2018
Weighted average number of equity shares used in the calculation of Basic EPS	**17,007**	17,007
Add: Effect of Warrants,	**-**	-
ESOPs	**-**	-
Convertible bonds	**-**	-
Others if any	**-**	-
Weighted average number of equity shares used in the calculation of Diluted EPS	**17,007**	17,007

NOTE - 39: IND AS 37 - PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS

In ₹.

Contingent liabilities (to the extent not provided for)	**As at March 31, 2019**	As at March 31, 2018
Contingent liabilities		
(a) Claims against the Company not acknowledged as debt	**-**	-
(b) Guarantees	**-**	-
(c) Other money for which the Company is contingently liable	**-**	-
Contingent liabilities incurred by the Group arising from its interests in a joint venture	**-**	-
Contingent liabilities incurred by the Group arising from its interests in associates	**-**	-
Group's share of associates' contingent liabilities	**-**	-
Group's share of joint ventures' contingent liabilities	**-**	-

In ₹.

Particulars	**As at March 31, 2019**	As at March 31, 2018
Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	**-**	-
(b) Uncalled liability on shares and other investments partly paid	**-**	-
(c) Other commitments (specify nature)	**-**	-

NOTE - 40: ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

In ₹.

Particulars		**March 31, 2019**	March 31, 2018
(i)	Principal amount remaining unpaid to MSME suppliers as on	**-**	-
(ii)	Interest due on unpaid principal amount to MSME suppliers as on	**-**	-
(iii)	The amount of interest paid along with the amounts of the payment made to the MSME suppliers beyond the appointed day	**-**	-
(iv)	The amount of interest due and payable for the year (without adding the interest under MSME Development Act)	**-**	-
(v)	The amount of interest accrued and remaining unpaid as on	**-**	-
(vi)	The amount of interest due and payable to be disallowed under Income Tax Act, 1961	**-**	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

In ₹.

Earnings in foreign exchange	**March 31, 2019**	March 31, 2018
Software Development Services	**96,946,008**	97,184,448
Royalty, know-how, professional and consultation fees	**-**	-

Imports

During the year, the company did not import any capital goods, components and spare parts.

Expenditure incurred in foreign currency (reported on accrual basis) - NIL (Previous Year: NIL)

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.

Confirmation of balances

No independent confirmation of balances have been received from suppliers and therefore, the amounts reported in the Balance Sheet are those which are reflected in the Company's books of accounts.

Previous year's figures

The previous year's figures have been re-grouped / re-classified, wherever necessary, to conform to the current year's presentation.

As per my report of even date

for and on behalf of the Board

FIXSTREAM INDIA PRIVATE LIMITED

RICHA KHETAWAT	**ABHINAY PADHYE**	**SUHAS PHADKE**
Chartered Accountant	Director	Director
Membership No: 416333	DIN: 06699864	DIN: 07380656
Place: Bengaluru	Place: Bengaluru	Place: Bengaluru
Date: April 19, 2019	Date: April 18, 2019	Date: April 18, 2019

MAHINDRA TECHNOLOGIES SERVICES INC

Board of Directors
Mr. Arvind Malhotra
Mr. Lakshmanan Chidambaram

Registered Office
101 W Big Beaver,
14th Floor,
Troy,
Michigan 48084

Bankers
Chase Bank

Auditors
Ram Associates

REPORT OF THE DIRECTORS

Your Directors present their Report together with the audited accounts of your Company for the year ended March 31, 2019.

Financial Results:

For the years ended March 31,	**2019 US $**	2018 US $
Income	**1,165**	39,021
Profit/(Loss) before tax	**1,165**	39,021
Profit/(Loss)after tax	**850**	49,371

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.

Arvind Malhotra
Director

Place: Michigan
Date: May 31, 2019

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, 2019 and March 31, 2018, and the related statements of income, retained earnings, and cash flows for the years ended March 31, 2019 and March 31, 2018, 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 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, 2019 and March 31, 2018, and the results of its operations and its cash flows for the years then ended March 31, 2019 and year ended March 31, 2018 in accordance with accounting principles generally accepted in the United States of America.

Ram Associates

Hamilton, NJ

April 18, 2019

Balance Sheets March 31,

		2019		2018
ASSETS				
Current assets:				
Cash	**$**	**1,099,381**	$	525,326
Accounts receivable		**3,652**		566,057
Other current assets		**20,056**		66,121
Total current assets		**1,123,089**		1,157,504
Deferred tax assets		**68,040**		68,040
TOTAL ASSETS	**$**	**1,191,129**	$	1,225,544
LIABILITIES AND STOCKHOLDER'S EQUITY				
Current liabilities:				
Accounts payable and accrued expenses	**$**	**17,514**	$	12,329
Advance from customers		**-**		40,450
Total current liabilities		**17,514**		52,779
Stockholder's equity:				
Common Stock - $10 per share par value - 1,000,000 shares authorized, 105,000 shares issued and outstanding		**1,050,000**		1,050,000
Retained earnings		**123,615**		122,765
Total stockholder's equity		**1,173,615**		1,172,765
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	**$**	**1,191,129**	$	1,225,544

Arvind Malhotra
Director

Statements of Income For The Years Ended March 31,

	2019	2018
Net revenue	**$ 536**	$ 902
Income/(loss) before other income /(expense)	**536**	902
Other income	**629**	38,119
Income/(loss) before income tax benefit/(expense)	**1,165**	39,021
Income tax	**(315)**	(6,537)
Income tax benefit/(expense)	**-**	16,887
Net income/(loss)	**$ 850**	$ 49,371

For MAHINDRA TECHNOLOGIES SERVICES INC.

Arvind Malhotra
Director

Lakshmanan Chidambaram
Director

Statements of changes in stockholder's equity/(deficiency) For The Years Ended March 31, 2019 and 2018

	Common stock						
	Shares		Amount		Retained earnings/ (deficit)		Total stockholder's equity/ (deficiency)
Balance at March 31, 2017	105,000	$	1,050,000	$	73,394	$	1,123,394
Net income	-		-		49,371		49,371
Balance at March 31, 2018	105,000	$	1,050,000	$	122,765	$	1,172,765
Net income		$	-		850		850
Balance at March 31, 2019	**105,000**	**$**	**1,050,000**	**$**	**123,615**	**$**	**1,173,615**

For MAHINDRA TECHNOLOGIES SERVICES INC.

Arvind Malhotra
Director

Lakshmanan Chidambaram
Director

Statements of Cash Flows For The Years Ended March 31,

		2019		2018
Cash flow from operating activities				
Net income/(loss)	**$**	**850**	$	49,371
Adjustments to reconcile net income/(loss) to net cash provided by/(used in) operating activities				
Deferred taxes		**-**		(16,887)
Changes in assets and liabilities				
(Increase) / Decrease in accounts receivable		**562,405**		(30,869)
(Increase) / Decrease in other current assets		**46,065**		(39,074)
(Increase) / Decrease in security deposit		**-**		4,324
Increase / (Decrease) in accounts payable and accrued expenses	**$**	**5,185**		(170,202)
Increase / (Decrease) in customer advance		**(40,450)**		40,450
Total adjustments		**573,205**		(212,258)
Net cash provided by /(used in) operating activities		**574,055**		(162,887)
Net increase /(decrease) in cash		**574,055**		(162,887)
Cash at the beginning of the year		**525,326**		688,213
Cash at the end of the year	**$**	**1,099,381**	$	525,326
Supplementary disclosures of cash flows information				
Cash paid during the years-				
Interest	**$**	**-**	$	-
Income tax		**-**		-

For MAHINDRA TECHNOLOGIES SERVICES INC.

Arvind Malhotra
Director

Lakshmanan Chidambaram
Director

Notes to Financial Statements March 31, 2019

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. Previous year’s numbers are regrouped wherever necessary.

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, 2019 were $ 324,000 and March 31, 2018 were $ 324,000.

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.

The Company has discontinued its operations and is in the process of being merged with Tech Mahindra (Americas) Inc. (‘TMA’), a related party.

Pursuant to agreement dated August 19, 2016, the Company incurs expenses on behalf of Tech Talenta Inc. Tech Talenta Inc. is 100% subsidiary of TMA. The Company charges a markup of 3% on the expenses. The markup is the recognized as revenue during the year.

As of March 31, 2019, and 2018, the Company had no unbilled accounts receivable.

Discontinued Operations

The Company has discontinued its business operations and is awaiting regulatory approval of its merger with Tech Mahindra (Americas) Inc.

The Company has transferred all its employees and customer contracts to Tech Talenta Inc, a 100% subsidiary of TMA.

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 one customer accounted for 100% and 100% of the Company's net sale for the years ended March 31, 2019 and 2018, respectively, and the accounts receivable from the same customer were 100% and 100% as of March 31, 2019 and 2018 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, 2019 and 2018 the Company did not own any property and equipment. The properties were disposed during the year ended March 31, 2017.

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 $ NIL and $ NIL for the years ended March, 31, 2019 and 2018, respectively.

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.

The Company had a receivable balance of $324,000 and $324,000 from the Promoter Group as of March 31, 2019 and 2018 respectively.

The Company was reimbursed $ 17,926 and $ 29,967 during the years ended March 31, 2019 and 2018 respectively, for the cost incurred on their behalf by Tech Talenta Inc, a related party.

The Company received a markup on the cost, incurred on behalf of Tech Talenta Inc., of $ 536 and $ 902 during the year March 31, 2019 and 2018 respectively.

As of March 31, 2019, and 2018, the Company had a payable balance of $ Nil and $ Nil, respectively, to the Tech Talenta Inc. The Company had a receivable balance of $ 3,652 and $566,057 from Tech Talenta Inc as of March 31, 2019 and 2018 respectively.

4) LITIGATION AND CONTIGENCIES

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 carryovers.

On December 22, 2017, the Tax Cuts and Jobs Act (TCJA) was signed into law resulting in a reduction to the Company's federal income tax rate from 35 percent to 21 percent, effective January 1, 2018. The Company's financial statements included a tax expense of $315

Income tax expense (benefit) was computed as follows:

	March 31, 2019	March 31, 2018
Provision for doubtful debts	**$ 68,040**	$ 68,040
Total deferred income taxes	**$ 68,040**	$ 68,040

Income tax expense (benefit) was computed as follows:

	March 31, 2019	March 31, 2018
Federal income tax	**$ 245**	$ 5,783
State income tax	**70**	754
Total income taxes, current provision	**$ 315**	$ 6,537
Deferred income taxes (benefit)	**-**	(16,887)
Total (benefit)/expense	**$ 315**	$ (10,350)

The Company's effective tax rate for the years ended March 31, 2019 and 2018 were 27.04% and (26.52)%, 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.

6) NEW ACCOUNTING PRONOUNCEMENTS

i) On November 17, 2016, the FASB issued ASU 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash. It is intended to reduce diversity in the presentation of restricted cash and restricted cash equivalents in the statement of cash flows. The new standard requires that restricted cash and restricted cash equivalents be included as components of total cash and cash equivalents as presented on the statement of cash flows. As a result, entities will no longer present transfers between cash and cash equivalents and restricted cash and restricted cash equivalents in the statement of cash flows. ASU 2016-18 is effective for annual periods beginning after December 15, 2017 including interim periods within those fiscal years. Earlier adoption is permitted.

ii) In January 2017, the FASB issued Accounting Standards Update No. 2017-01, clarifying the Definition of a Business, which clarifies and provides a more robust framework to use in determining when a set of assets and activities is a business. The amendments in this update should be applied prospectively on or after the effective date. This update is effective for annual periods beginning after December 15, 2017, and interim periods within those periods. Early adoption is permitted for acquisition or deconsolidation transactions occurring before the issuance date or effective date and only when the transactions have not been reported in issued or made available for issuance financial statements. The Company does not expect the adoption to have any significant impact on its Financial Statements.

iii) In January 2017, the FASB issued ASU No. 2017-04, simplifying the Test for Goodwill Impairment. Under the new standard, goodwill impairment would be measured as the amount by which a reporting unit's carrying value exceeds its fair value, not to exceed the carrying value of goodwill. This ASU eliminates existing guidance that requires an entity to determine goodwill impairment by calculating the implied fair value of goodwill by hypothetically assigning the fair value of a reporting unit to all of its assets and liabilities as if that reporting unit had been acquired in a business combination. This update is effective for annual periods beginning after December 15, 2019, and interim periods within those periods. Early adoption is permitted for interim or annual goodwill impairment test performed on testing dates after January 1, 2017.

7) LEASE COMMITMENTS

The Company has no operating lease commitments.

8) SUBSEQUENT EVENTS

For the year ended March 31, 2019, the Company has evaluated subsequent events for potential recognition and disclosure through April 18, 2019, the date the financial statements were available for issuance.

Other than the above, no reportable subsequent events have occurred through April 18, 2019 which would have a significant effect on the financial statements as of March 31, 2019 except as otherwise disclosed.

MAHINDRA ENGINEERING SERVICES (EUROPE) LIMITED

Directors
Arvind N Malhotra
Vikram N Nair

Company number - 04117035

Registered Office
Atrium Court
The Ring
Bracknell
Berkshire
RG12 1BW

Auditor
Keens Shay Keens MK LLP
Sovereign Court
230 Upper Fifth Street
Central Milton Keynes
MK9 2HR

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2019

The directors present the strategic report for the year ended 31 March 2019.

Fair review of the business

During the Year Ended March 31, 2019 the Profit Before Tax is GBP 155,095 (For Year 2017-18 Loss Before Tax was GBP 10,686) and the key results are as below.

Mahindra Engineering Services (Europe) Limited	
For the Twelve Months Period Ended March 31,2019	**Amt (GBP)**
Revenue from operations	Nil
Interest Income	172,015
Other Income	Nil
Total Revenue	**172,015**
Profit Before Tax	**155,095**

Preference Shares

During the year under review, the Company issued 22,967,240 cumulative redeemable Preference shares of GBP 1 each in two tranches aggregating to GBP 22,967,240 to Tech Mahindra Limited, India, the sole shareholder of the Company. These shares are redeemable at the end of 10 years from the date of issue. This amount is being utilised to meet the immediate financial needs of the Tech Mahindra Group Companies.

On behalf of the board

Mr Vikram N Nair
Director

Date: April 23, 2019

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2019

The directors present their annual report and financial statements for the year ended 31 March 2019.

Principal activities

The principal activity of the company was previously that of providing IT services to the Automotive Industry. On 1st April 2017 the company ceased to trade and the company is now a non-trading investment company.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr A N K Malhotra

Mr V N Nair

Results and dividends

The results for the year are set out in the income statement provided in the ensuing pages.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Auditor

Keens Shay Keens MK LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Vikram N Nair

Director

Date: April 23, 2019

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

The directors are responsible for preparing the annual 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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAHINDRA ENGINEERING SERVICES (EUROPE) LIMITED

Opinion

We have audited the financial statements of Mahindra Engineering Services (Europe) Limited (the 'company') for the year ended 31 March 2019 which comprise the income statement, the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

Elizabeth Newell BA(Hons) FCA (Senior Statutory Auditor)

for and on behalf of Keens Shay Keens MK LLP

Chartered Accountants
Statutory Auditor

Sovereign Court
230 Upper Fifth Street
Central Milton Keynes
MK9 2HR

INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £	2018 £
Administrative expenses		**20,961**	(45,897)
Other operating income		**-**	112
Operating profit/(loss)	4	**20,961**	(45,785)
Interest receivable and similar income	5	**172,014**	133,187
Interest payable and similar expenses	6	**(37,880)**	(98,088)
Profit/(loss) before taxation		**155,095**	(10,686)
Tax on profit/(loss)	7	**(21,142)**	(476)
Profit/(loss) for the financial year		**133,953**	(11,162)

The Income Statement has been prepared on the basis that all operations are continuing operations.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

	Notes	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Investments	9		**5,526,835**		-
Current assets					
Debtors	11	**10,619,788**		5,592,186	
Cash at bank and in hand		**9,260,040**		185,274	
		19,879,828		5,777,460	
Creditors: amounts falling due within one year	12	**(286,342)**		(3,758,332)	
Net current assets			**19,593,486**		2,019,128
Total assets less current liabilities			**25,120,321**		2,019,128
Creditors: amounts falling due after more than one year	13		**(22,967,240)**		
Net assets			**2,153,081**		2,019,128
Capital and reserves					
Called up share capital	15		**65,000**		65,000
Profit and loss reserves			**2,088,081**		1,954,128
Total equity			**2,153,081**		2,019,128

The financial statements were approved by the board of directors and authorised for issue on 23rd April, 2019 and are signed on its behalf by:

Vikram N Nair
Director

Company Registration No. 04117035

STATEMENT OF CHANGES IN EQUITY FORTHE YEAR ENDED 31 MARCH 2019

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 April 2017	65,000	1,965,290	2,030,290
Year ended 31 March 2018:			
Loss and total comprehensive income for the year	-	(11,162)	(11,162)
Balance at 31 March 2018	65,000	1,954,128	2,019,128
Year ended 31 March 2019:			
Profit and total comprehensive income for the year	-	133,953	133,953
Balance at 31 March 2019	65,000	2,088,081	2,153,081

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

1 ACCOUNTING POLICIES

Company information

Mahindra Engineering Services (Europe) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Atrium Court, The Ring, Bracknell, Berkshire, RG12 1BW.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 ‘Statement of Financial Position’: Reconciliation of the opening and closing number of shares;
- Section 7 ‘Statement of Cash Flows’: Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 ‘Basic Financial Instruments’ and Section 12 ‘Other Financial Instrument Issues’: Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 ‘Share based Payment’: Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 ‘Related Party Disclosures’: Compensation for key management personnel.

The company has taken advantage of the exemption under section 401 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Mahindra Engineering Services (Europe) Limited is a wholly owned subsidiary of Tech Mahindra Limited and the results of Mahindra Engineering Services (Europe) Limited are included in the consolidated financial statements of Tech Mahindra Limited which are available from Gateway Building, Apollo Bunder, Mumbai, Maharashtra 400001, India.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computer	33% on cost
Computer Software	33% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.4 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.5 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.6 Financial instruments

The company has elected to apply the provisions of Section 11 ‘Basic Financial Instruments’ and Section 12 ‘Other Financial Instruments Issues’ of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company’s statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

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 have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset’s original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.7 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.8 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

2 JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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 results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 TURNOVER AND OTHER REVENUE

	2019	2018
	£	£
Other significant revenue		
Interest income	**172,014**	133,187

4 OPERATING PROFIT/(LOSS)

	2019	2018
	£	£
Operating profit/(loss) for the year is stated after charging/(crediting):		
Exchange (gains)/losses	**(29,235)**	38,316
Fees payable to the company's auditor for the audit of the company's financial statements	**3,500**	3,500

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £29,235 (2018 £38,316).

5 INTEREST RECEIVABLE AND SIMILAR INCOME

	2019	2018
	£	£
Interest income		
Interest on bank deposits	**3,739**	27
Interest receivable from group companies	**168,275**	133,160
Total income	**172,014**	133,187

6 INTEREST PAYABLE AND SIMILAR EXPENSES

	2019	2018
	£	£
Interest payable to group undertakings	**37,880**	98,088

7 TAXATION

	2019	2018
	£	£
Current tax		
UK corporation tax on profits for the current period	**21,142**	476

The actual charge for the year can be reconciled to the expected charge/(credit) for the year based on the profit or loss and the standard rate of tax as follows:

	2019	2018
	£	£
Profit/(loss) before taxation	**155,095**	(10,686)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	**29,468**	(2,030)
Tax effect of expenses that are not deductible in determining taxable profit	**(178)**	-
Tax effect of utilisation of tax losses not previously recognised	**(8,148)**	-
Unutilised tax losses carried forward	**-**	2,030
Adjustments in respect of prior years	**-**	476
Taxation charge for the year	**21,142**	476

8 TANGIBLE FIXED ASSETS

	Computers	Computer Software	Total
	£	£	£
Cost			
At 1 April 2018 and 31 March 2019	34,634	18,958	53,592
Depreciation and impairment			
At 1 April 2018 and 31 March 2019	34,634	18,958	53,592
Carrying amount			
At 31 March 2019	-	-	-
At 31 March 2018	-	-	-

9 FIXED ASSET INVESTMENTS

	Notes	2019 £	2018 £
Investments in subsidiaries	10	**4,203,765**	-
Other investments		**1,323,070**	-
		5,526,835	-

Movements in fixed asset investments

	Shares in group undertakings £	Other £	Total £
Cost or valuation			
At 1 April 2018	-	-	-
Additions	4,203,765	1,323,070	5,526,835
At 31 March 2019	4,203,765	1,323,070	5,526,835
Carrying amount			
At 31 March 2019	4,203,765	1,323,070	5,526,835
At 31 March 2018	-	-	-

10 SUBSIDIARIES

Details of the company's subsidiaries at 31 March 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
TC Inter Informatics a.s	Czech Republic	Engineering services	Ordinary shares	100.00	
Inter-Informatics spol s r.o	Czech Republic	Engineering services	Ordinary shares	100.00	
K-Vision Limited	Japan	Construction services	Ordinary shares	100.00	
Inter-Informatics S.R.L	Czech Republic	Engineering services	Ordinary shares	100.00	

11 Joint Venture

Details of the company's joint venture at 31st March 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Trade IX Ltd.	Ireland	Trade finance services	Preference shares	9.70	

12 DEBTORS

	2019 £	2018 £
Amounts falling due within one year:		
Amounts owed by group undertakings	**10,619,525**	5,590,879
Other debtors	**263**	1,307
	10,619,788	5,592,186

13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Amounts owed to group undertakings	**-**	3,740,052
Corporation tax	**21,142**	-
Other creditors	**261,700**	14,614
Accruals and deferred income	**3,500**	3,666
	286,342	3,758,332

14 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Notes	2019	2018
		£	£
Other borrowings	14	**22,967,240**	-

15 LOANS AND OVERDRAFTS

	2019	2018
	£	£
Preference shares	**22,967,240**	-
Payable after one year	**22,967,240**	-

22,967,240 preference shares of £1 each were allotted to Tech Mahindra Limited at a price of £1.00 each for a total consideration of £22,967,240 with a redemption date of 25th October 2028.

16 SHARE CAPITAL

	2019	2018
	£	£
Ordinary share capital		
Issued and fully paid		
65,000 Ordinary of £1 each	**65,000**	65,000
	65,000	65,000

17 FINANCIAL COMMITMENTS, GUARANTEES AND CONTINGENT LIABILITIES

On 14 March 2019, the company acquired the entire share capital of K-Vision Limited for a total price of £343,396, of this amount £257,624 will be paid in equal instalments on 30 June 2019, 31 March 2020 and 31 December 2020.

After acquisition, the company made a capital infusion of £230,641 and has committed to making further capital infusion payments of £538,644.

18 CONTROLLING PARTY

The ultimate controlling party of Mahindra Engineering Services (Europe) Limited is Tech Mahindra Limited, which owns 100% of the issued share capital of the Company.

Tech Mahindra Limited prepares group accounts which include these accounts and which are publicly available from their registered office.

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FORTHE YEAR ENDED 31 MARCH 2019

	2019		2018	
	£	£	£	£
Other operating income				
Sundry income		-		112
Administrative expenses		**20,961**		(45,897)
Operating profit/(loss)		**20,961**		(45,785)
Investment revenues				
Interest receivable from group companies	**168,275**		133,160	
Bank interest received	**3,739**		27	
		172,014		133,187
Interest payable and similar expenses				
Interest payable to group companies		**(37,880)**		(98,088)
Profit/(loss) before taxation	-	**155,095**	-	(10,686)

SCHEDULE OFADMINISTRATIVE EXPENSES FORTHE YEAR ENDED 31 MARCH 2019

	2019	2018
	£	£
Administrative expenses		
Postage, courier and delivery charges	**1,695**	1,934
Legal and professional fees	**1,809**	63
Audit fees	**3,500**	3,500
Bank charges	**597**	386
Insurances (not premises)	**-**	562
Telecommunications	**673**	1,136
Profit or loss on foreign exchange	**(29,235)**	38,316
	(20,961)	45,897

LIGHTBRIDGE COMMUNICATIONS CORPORATION

Board of Directors

Mr. Manish Vyas
Mr Guru Prasad R Iyengar (Appointed on 02.07.2018)
Mr. Ashish Tikhe(Resigned on 02.07.2018)

Registered Office

F4965, Preston Park Boulevard,
Suite 500, Plano (Texas) 75093
United States of America

Bankers

Citi Bank

J P Morgan

Auditors

Grant Thornton India LLP

DIRECTORS' REPORT

TO THE SHAREHOLDERS

Your Directors present their Report together with the audited accounts of your Company for the year ended March 31, 2019.

Financial Results:

For the year ended March 31,	**2019 USD (in '000)**	2018 US D (in '000)
Income	**229,787**	249,245
Profit/(Loss) before tax	**(25,463)**	(12,348)
Profit/(Loss)after tax	**(24,877)**	(546)

Review of Operations:

During the year under review, the Company recorded an income of US$ 229.787 Mn Loss after tax was (US$ 24.877 Mn). The increase in loss was mainly due to making a one time provision for doubtful debts an adverse exchange rate movement. The Company continues to invest in strengthening its operations and administrative infrastructure to support anticipated growth in the coming years.

Dividends:

During the year under review, no dividend is recommended for the year ended 31st March, 2019.

Directors:

Mr. Manish Vyas, and Mr Guru Prasad R Iyengar (Appointed on 02.07.2018) are the members of the Board of Directors.

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.

Manish Vyas
Director

Place: Plano, Texas
Date : May 21, 2019

INDEPENDENT AUDITORS' REPORT

Board of Directors

Lightbridge Communications Corporation

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, 2019 and 2018, and the related consolidated statements of operations, comprehensive (loss) income, changes in shareholders' equity and cash flows for the years then ended and the related notes to the consolidated financial statements.

Management's Responsibility for the consolidated 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 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. We did not audit the financial information of the component, LCC Acquisition Holdings B.V. and of Leadcom Integrated Solutions International B.V. and its subsidiaries, which reflect total assets constituting $85.64 million and $91.30 million of consolidated total assets as of March 31, 2019 and 2018 respectively, and total revenues of $90.99 million and $87.91 million of consolidated total revenues for the year ended March 31, 2019 and 2018 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, is based solely on the report of the other auditors.

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, 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, 2019 and 2018 and the results of their operations and their cash flows for years then ended in accordance with accounting principles generally accepted in the United States of America.

Place: Mumbai, India

Date: May 21, 2019

CONSOLIDATED BALANCE SHEETS

(all amounts in thousands, except per share data)

	Notes		March 31, 2019		March 31, 2018
Assets					
Current assets					
Cash and cash equivalents		$	**14,491**	$	17,617
Restricted cash			**191**		510
Receivables, net of allowance for doubtful accounts of $14,774 and $3,248	3		**43,189**		56,161
Unbilled receivables, net			**35,870**		34,356
Prepaid expenses and other current assets			**22,564**		20,645
Due from related parties			**22,584**		37,993
Deferred income taxes	8		**4,468**		1,460
Total current assets		$	**143,357**	$	168,742
Non-current assets					
Property and equipment, net	4		**10,051**		13,312
Deferred income tax assets	8		**2,033**		2,307
Goodwill	5		**3,443**		3,443
Other intangibles, net	5		**15,226**		19,699
Investments in affiliates	12		**—**		—
Other assets			**954**		2,544
Total assets		$	**175,064**	$	210,047
Liabilities and shareholders' equity					
Current liabilities					
Lines of credit	6	$	**119,480**	$	115,151
Note payable	6		**—**		10,955
Accounts payable			**9,842**		9,631
Accrued expenses			**17,357**		18,209
Accrued employee compensation and benefits			**11,531**		12,868
Deferred revenue			**2,962**		2,415
Income taxes payable			**4,820**		5,512
Accrued restructuring, current	7		**—**		4,313
Deferred tax liabilities	8		**936**		1,755
Other current liabilities	9		**1,970**		4,976
Total current liabilities			**168,898**		185,785
Notes payable, net of current portion	6		**79**		205
Obligations under capital leases			**1,021**		478
Accrued restructuring, non current	7		**46**		161
Deferred income tax liabilities	8		**4,551**		5,655
Other liabilities			**6,405**		5,337
Total liabilities			**181,000**		197,621
Shareholders' equity					
Class A common stock; $0.5 and $0.0001 par value at March 31, 2019 and March 31, 2018, respectively; 6,000 shares and 30,000,000 shares authorized at March 31, 2019 and March 31, 2018, respectively; 5,063 and 25,312,965 issued and outstanding at March 31, 2019 and March 31, 2018, respectively			**3**		3
Additional paid-in capital			**265,077**		265,077
Accumulated deficit			**(281,978)**		(257,101)
Accumulated other comprehensive income			**10,941**		4,426
Non-controlling Interest			**21**		21
Total shareholders' equity			**(5,936)**		12,426
Total liabilities and shareholders' equity		$	**175,064**	$	210,047

The accompanying notes are an integral part of these consolidated statements.

CONSOLIDATED STATEMENTS OF OPERATIONS

(all amounts in thousands)

	Notes		For the year ended March 31, 2019		For the year ended March 31, 2018
Revenues		$	**229,787**	$	249,245
Cost of revenues			**193,522**		214,291
Gross profit			**36,265**		34,954
Operating expenses					
Sales and marketing			**3,626**		4,113
General and administrative			**32,413**		29,171
Restructuring charge	7		**601**		2,165
Depreciation and amortization	4 & 5		**10,013**		12,983
Total operating expenses			**46,653**		48,432
Loss before other income (expense) and income taxes			**(10,388)**		(13,478)
Other income (expense)					
Interest income			**139**		129
Interest expense			**(4,746)**		(5,321)
Others			**(10,467)**		6,322
Total other income (expense), net			**(15,075)**		1,130
Loss before income taxes			**(25,463)**		(12,348)
Income taxes	8		**(586)**		(11,802)
Net loss			**(24,877)**		(546)
Profit attributable to non-controlling interest			**0.06**		0.06
Net loss attributable to shareholders of Lightbridge Communications Corporation		$	**(24,877)**	$	(546)

The accompanying notes are an integral part of these consolidated statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME

(all amounts in thousands)

		For the year ended March 31, 2019		For the year ended March 31, 2018
Net loss	$	**(24,877)**	$	(546)
Other comprehensive (loss) / income :				
Change in fair value of interest rate swap		**(936)**		760
Change in foreign currency translation reserve		**7,451**		(9,948)
Comprehensive loss	$	**(18,362)**	$	(9,734)

The accompanying notes are an integral part of these consolidated statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(all amounts in thousands)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Cash flows from operating activities		
Net loss	$ **(24,877)**	$ (546)
Adjustments:		
Depreciation and amortization	**10,013**	12,983
Deferred income taxes	**(4,228)**	(1,583)
Guarantee fees	**422**	414
Restructuring charge	**601**	2,165
Profit on sale of subsidiary	**—**	(1,334)
Loss on disposal of fixed assets	**278**	334
Changes in operating assets and liabilities:		
Restricted cash	**319**	3,165
Trade, unbilled and other receivables	**11,458**	980
Accounts payable and accrued expenses	**(641)**	(14,549)
Other current assets and liabilities	**5,381**	(35,445)
Other non-current assets and liabilities	**3,085**	619
Net cash generated from / (used in) operating activities	**1,812**	(32,797)
Cash flows from Investing Activities		
Purchase of property and equipment	**(7,129)**	(7,112)
Proceeds from sale of property and equipment	**5,463**	1,011
Proceeds from sale of subsidiary	**—**	4,000
Additional payment on acquisition of Leadcom Group	**—**	(449)
Short-term bank deposits	**(44)**	(24)
Net cash used in investing activities	**(1,710)**	(2,574)
Cash flows from financing activities		
Repayment of Tech Mahindra (Americas) notes	**(10,955)**	(13,000)
Net borrowings on lines of credit	**4,329**	11,436
Issuance of notes payable	**25**	936
Repayment on notes payable	**(151)**	(825)
Net cash used in financing activities	**(6,752)**	(1,453)
Effect of exchange rate changes on cash and cash equivalents	**3,525**	1,927
Net decrease in cash and cash equivalents	**(3,125)**	(34,897)
Cash and cash equivalents, beginning of the period	**17,617**	52,514
Cash and cash equivalents, end of the period	$ **14,491**	$ 17,617
Supplemental Disclosures:		
Cash paid during the period for:		
Interest	$ **3,878**	$ 3,907
Income taxes	**5,437**	9,322
Cash received during the period for:		
Interest	$ **139**	$ 1,534
Supplemental Disclosures of Non-Cash Investing and Financing Activities:		
Fixed asset additions under capital lease (disclosed on payment basis)	$ **2,220**	$ 850

The accompanying notes are an integral part of these consolidated statements.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(all amounts in thousands)

Years ended March 31, 2019 and 2018	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Other Comprehensive Income (Loss)	Total
Balances at March 31, 2017	$ 3	$ 265,077	$ (256,555)	$ 13,614	22,139
Other comprehensive income / (loss)	—	—	—	(9,188)	(9,188)
Net income (loss)	—	—	(546)	—	(546)
Less: Non-controlling interest	—	—	0.06	—	0.06
Balances at March 31, 2018	**$ 3**	**$ 265,077**	**$ (257,101)**	**$ 4,426**	**$ 12,405**
Other comprehensive income / (loss)	—	—	—	6,515	6,515
Net income (loss)	—	—	(24,877)	—	(24,877)
Less: Non-controlling interest	—	—	0.06	—	0.06
Balances at March 31, 2019	**$ 3**	**$ 265,077**	**$ (281,978)**	**$ 10,941**	**$ (5,957)**

The accompanying notes are an integral part of these consolidated statements.

NOTES TO CONSOLIDATED 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 McLean, Virginia. Unless the context indicates otherwise, the term "Company" refers herein to LCC and its subsidiaries.

Effective January 1, 2015, LCC is a wholly owned subsidiary of Tech Mahindra (Americas), Inc., which is a wholly owned subsidiary of Tech Mahindra Limited ("Tech Mahindra").

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 uses 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 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. 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.

Liquidity

As of March 31, 2019, the Company had an accumulated deficit of approximately $282.0 million and the Company incurred a net loss of approximately $ 24.9 million for the year ended March 31, 2019. The Company had cash inflow from operations of approximately $ 1.81 million for the year ended March 31, 2019. As of March 31, 2019, the Company has approximately $ 119.5 million of short-term borrowings, the most significant of which are $ 77.1 million from Citibank N.A scheduled to mature in December 2020 with renewals at agreed intervals and $31.3 million on a line-of-credit facility with JP Morgan Chase Bank scheduled to mature in December 2019. The borrowings under these facilities are guaranteed by Tech Mahindra. See Note 6, Borrowings. Management has prepared projections and believes that cash flows from operations, existing cash on hand, available cash under existing 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 and the accrual of restructuring charges. Actual results could differ from these estimates.

Cash and Cash Equivalents and Restricted Cash

Cash and 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, 2019 and March 31, 2018, the Company had $14.1 million and $16.64 million of cash in foreign bank accounts, respectively.

Concentration of Credit Risk

Financial instruments that potentially expose the Company to concentration of credit risk consist primarily of trade receivables, cash and cash equivalents 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 of America at March 31, 2019 and March 31, 2018:

	March 31,	
	2019	2018
	(In thousands)	
Europe	$ **4,550**	$ 6,134
Middle East/Africa	**12,199**	14,925
Americas	**10,700**	11,850
Other	**12,307**	9,715

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 63% and 63% of its revenues from ten customers for the year ended March 31, 2019 and 2018, respectively. The Company has approximately 57% and 68% of its accounts receivable from ten customers as of March 31, 2019 and 2018, respectively. Individually, one of these top ten customers comprised 16% and 18% of total revenue for the year ended March 31, 2019 and 2018 respectively. Individually, one of these top ten customers of the Company had net receivable balance at 12% and 20% of total receivables as of March 31, 2019 and 2018, 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. As at March 31, 2019, the Company has $52,036 [2018: $666,413] as balances in excess of the federally insured amounts.

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, notes payable, 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.

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, Fair Value Measurements and Disclosures, 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, valuations of these products do 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. The Company's interest rate swaps are valued using level 2 inputs.
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.

Computer and electronics	3 years
Software	3 years
Machinery and 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 360, Property Plant and Equipment. 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, Intangibles - Goodwill and Other (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 March 31. 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.

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 March 31, 2019 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 year ended March 31, 2019 and March 31, 2018.

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 revenue are consulting, integration, operations and solutions.

The Company ensures that the following four criteria are met prior to recognizing revenue:

a. persuasive evidence of an arrangement exists;

b. delivery has occurred or services have been rendered;

c. the seller's price to the buyer is fixed or determinable; and

d. collectability is reasonably assured.

The Company recognizes revenues from fixed-price contracts using the percentage-of-completion method and proportional performance method based on nature and terms of the contract with customers. Under proportional performance method, revenue from services is recognized in accounting periods in which the services are rendered, by reference to completion of the specific transaction, assessed on the basis of the actual service provided as a proportion of the total services to be provided. Depending on the nature of the contract, revenue is recognized on the basis of the proportion of the contract term completed or the specific services provided to date.

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 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 year ended March 31, 2019 and March 31, 2018, the Company did not record any interest or penalties related to uncertain tax positions.

As a subsidiary of Tech Mahindra (Americas), Inc., with whom the Company files consolidated federal and state returns, the Company calculates the provision for income taxes by using a "benefits-for-loss" method. Under this method, the Company and its subsidiaries are assumed to file a separate return with the tax authority, thereby reporting the taxable income or loss and paying the applicable tax to or receiving the appropriate refund from Tech Mahindra (Americas), Inc. as if the Company and all of its subsidiaries were separate taxpayers, except that the net operating losses (or other current or deferred tax attributes) are characterized as realized (or realizable) by the Company and its subsidiaries when those tax attributes are realized by the consolidated group even if the Company and its subsidiaries would not otherwise have realized the attributes on a stand-alone basis. The Company's intercompany tax-related receivable from Tech Mahindra (Americas), Inc. are $32.4 million and $43.4 million at March 31, 2019 and March 31, 2018, respectively.

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.

The Tax Cuts and Jobs Act of 2017 was signed into law on December 22, 2017, reducing the statutory corporate federal income tax rate from 35% to 21%, effective January 1, 2018. The impact of the rate change on deferred tax assets and liabilities existing at the date of the enactment for the Company and its US based subsidiaries was considered in earnings during the year ended March 31, 2018.

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 income (loss) with accumulated effects presented as a component of accumulated other comprehensive income (loss) 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. For the year ended March 31, 2019 and March 31, 2018, these balances generated a foreign exchange loss of $9.5 million and gain of $8.8 million, respectively. These amounts are included in other income (expense) 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).

Derivative Instruments

The Company records derivatives at fair value. The designation of a derivative instrument as a hedge and its ability to meet the hedge accounting criteria determine how the Company reflects the change in fair value of the derivative instrument within its consolidated financial statements. A derivative qualifies for hedge accounting if, at inception, the Company expects that the derivative will be highly effective in offsetting the underlying hedged cash flows and the Company fulfills the hedge documentation standards at the time it enters into the derivative contract.

The Company designates a hedge as a cash flow hedge based on the exposure it is hedging. For the effective portion of qualifying cash flow hedges, the Company records changes in fair value in other comprehensive income/(loss) ("OCI"). The Company reviews the effectiveness of its hedging instruments quarterly. The Company manages its exposure to the interest fluctuation risk by monitoring available financing alternatives, as well as through development and application of credit granting policies. As a matter of policy, the Company only enters into transactions that it believes will be highly effective at offsetting the underlying risk, and the Company does not use derivatives for trading or speculative purposes.

Factoring of Accounts Receivable

The Company is party to accounts receivable factoring agreements with financial institutions in Europe, Middle East and Africa jurisdiction 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 6, Borrowings).

NOTE 3—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.

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 is sold to HSBC with recourse at 90% of their face value, less interest of EONIA plus 1.5% and a commission of 0.45%. Transfers of accounts receivable were approximately 1.0 million and 0.7 million Euros (approximately $1.2 million and $0.9 million) as of March 31, 2019 and March 31, 2018, respectively, which is included within lines of credit in the consolidated balance sheets. As of March 31, 2019 and March 31, 2018, the Company had unutilized limit of 1.0 million and 1.3 million Euros (approximately $1.2 million and $1.6 million), respectively, available under the HSBC 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 1.5 million Euros. Under the terms of the Belfius Agreement, accounts receivable is sold to Belfius with recourse at 85% of their face value less interest of EURIBOR + 1.6% and a commission of 1.2% of invoice value plus 750 Euros per year. Transfers of accounts receivable were approximately 0.4 million Euros and 0.5 million Euros (approximately $0.5 million and $0.6 million) as of March 31, 2019 and March 31, 2018 respectively, which is included within lines of credit in the consolidated balance sheets. As of March 31, 2019 and March 31, 2018, the Company had unutilized limits of 1.1 million and 1.0 million Euros (approximately $1.2 million and $1.2 million), respectively, available under the Belfius Agreement.

The Company is party to a factoring agreement (the “Satander” (Nokia) Agreement”) with Satander whereby the Company’s German subsidiary may sell its eligible accounts receivable to Satander on a revolving basis with no upper limits. Under the terms of the Satander Agreement, accounts receivable is sold to Satander without recourse at 100% of their face value subject to customer concentration, less interest of 2.56% per annum. Transfers of accounts receivable were approximately NIL million Euros and NIL million Euros ($NIL million and $NIL million) as of March 31, 2019 and March 31, 2018, respectively.

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 0.5 million Euros (1.0 million Euros in March 2018). Under the terms of the Bankinter Agreement, accounts receivable is sold to Bankinter without recourse at 100% of their face value less interest of EURIBOR plus 3% and a commission of 0.50% (EURIBOR at 12 months plus 4.5% and a commission of 3,937 Euros per year). Transfers of accounts receivable were 10,000 Euros and NIL million Euros (US$ 11,219 and US$ NIL), as of March 31, 2019 and March 31, 2018, respectively. As of March 31, 2019 and March 31, 2018, the Company had unutilized limits of 0.5 million and 1.0 million Euros (approximately $0.5 million and $1.2 million), respectively, available under the Bankinter Agreement.

The Company is party to a factoring agreement (the “Telefonica Agreement”) with Telefonica UK Ltd. (“Telefonica”) whereby the Company’s UK subsidiary may sell its eligible accounts receivable to Telefonica on a revolving basis and up to 2.5 million GBP. Under the terms of the Telefonica Agreement, accounts receivable is sold to Telefonica without recourse at 100% of their face value less interest of LIBOR plus 2% and a commission of 0.5% up to 90 Days which shall not be returnable with supplementary fee of 0.03% per each 5 days over 90 days and which shall also not be returnable. Transfers of accounts receivable were approximately 1.0 million GBP and 1.3 million GBP (approximately $1.3 million and $1.8 million) as of March 31, 2019 and 2018, respectively. As of March 31, 2019 and March 31, 2018, the Company had unutilized limits of 1.5 million GBP and 1.2 million GBP (approximately $2 million and $1.7 million), respectively, available under the Telefonica Agreement.

NOTE 4—PROPERTY AND EQUIPMENT

At March 31, 2019 and 2018, property and equipment consisted of the following:

	March 31,	
	2019	2018
	(In thousands)	
Computer, software and electronics	$ **7,704**	$ 18,077
Machinery and equipment	**17,871**	21,038
Furniture and office equipment	**3,314**	6,735
Office building	**2,374**	2,607
Leasehold improvements	**3,795**	3,926
Vehicles	**5,623**	6,927
Property and equipment	**40,681**	59,310
Less: accumulated depreciation and amortization	**(30,630)**	(45,998)
Property and equipment, net	$ **10,051**	$ 13,312

Property and equipment including vehicles under capital lease amount to $5.3 million and $6.4 million as of March 31, 2019 and 2018 respectively. Accumulated depreciation for property and equipment under capital lease amounted to $2.7 million and $4.9 million as of March 31, 2019 and 2018 respectively.

Depreciation and amortization expense related to property and equipment for the year ended March 31, 2019 and 2018 was $5.5 million and $8.2 million, respectively.

NOTE 5—GOODWILL AND INTANGIBLE ASSETS

As of March 31, 2019 and 2018 intangible assets consisted of the following:

	March 31,	
	2019	2018
	(In thousands)	
Goodwill	$ **3,443**	$ 3,443
Other intangible assets:		
Customer relationships	**33,769**	33,835
Backlog	**9,626**	9,626
Trade names	**6,689**	6,689
Patents	**48**	48
Others	**261**	205
Total other intangible assets	**50,393**	50,403
Less: Accumulated amortization		
Customer relationships	**(22,194)**	(19,493)
Backlog	**(9,345)**	(8,225)
Trade names	**(3,416)**	(2,793)
Patents	**(48)**	(48)
Others	**(164)**	(145)
Accumulated amortization	**(35,167)**	(30,704)
Other intangible assets, net	$ **15,226**	$ 19,699

The Company reviews its definite-lived intangible assets for impairment, in accordance with ASC 350 — Intangibles — Goodwill and Other. The result of this review identified no impairment of the intangible assets as of March 31, 2019 and 2018.

Amortization expense related to intangibles was $4.5 million and $4.8 million for the year ended March 31, 2019 and 2018, respectively. The weighted average amortization period is 12 years for customer relationships; 10 years for patents; 10 years for trade names; 1.5 years for backlog and 2 years for others.

The following summarizes expected amortization expense for each of the five succeeding years (In thousands):

March 31, 2020	3,719
March 31, 2021	3,183
March 31, 2022	3,173
March 31, 2023	2,316
March 31, 2024	2,149
Thereafter	686
	$ 15,226

NOTE 6—BORROWINGS

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 loan has been extended from time to time with most recent extension till December 2020. The facility accrued interest at a rate of LIBOR plus 0.75%, which was reduced to LIBOR plus 0.65% from December 2017. The facility is an unsecured facility.

In April 2016, the Company entered into an agreement with Citibank for additional credit facility, which allowed borrowing up to $30.0 million until April 15, 2018. An amendment was signed on March 21, 2018 to facilitate a 8.6 million Euro line of credit within aforementioned $30 million line of credit ($29 million funded line and $1 million non-funded line). The agreement was further extended till April 2020. The facility accrued interest at a rate of LIBOR plus 0.95% till December 2017 and at a rate of LIBOR plus 0.80% post December 2017. Tech Mahindra serves as a guarantor for the facilities.

As of March 31, 2019, $66.9 million and $10.2 million were drawn against the Citibank facility. Total interest expense on the said facility was $1.99 million and $1.43 million for the year ended March 31, 2019 and 2018, respectively.

In March 2015, the Company received a $40.0 million line of credit from JPMorgan Chase Bank, N.A. ("JPMorgan") under which it could have borrowings until February 29, 2016. The line of credit was increased to $48.0 million in September, 2015. The maturity was extended from time to time with most recent extension till December 2019. 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, 2019, $31.3 million was drawn against the JPMorgan facility. Total interest expense on the facility was $0.94 million and $0.67 million for the year ended March 31, 2019 and 2018, respectively.

Tech Mahindra (Americas) Notes

The Company entered into a loan agreement with Tech Mahindra (Americas), Inc. (TMA Note 1), on July 14, 2015 under which it can have borrowings up to $10.0 million. The facility accrues interest at a rate of 2.85% per annum with an original maturity date of July 15, 2016. The agreement was amended to extend the end date to January 15, 2018.

In 2015, $10 million was drawn against this line of credit and the same was fully repaid in April 2017.

On November 20, 2015, the Company entered into a loan agreement with Tech Mahindra (Americas), Inc. (TMA Note 2) under which it can have borrowings up to $10.0 million. The facility accrues interest at a rate of 1.75% per annum with an original maturity date of May 19, 2016; the agreement was extended from time to time with most recent extension till November 19, 2018 and a revised interest rate of 4.25% per annum.

As of March 31, 2018, $10.0 million was drawn against the TMA Note 2 facility and the same was fully repaid during the year ended March 31, 2019. Total interest expense on the facility was $0.3 million and $0.3 million for the year ended March 31, 2019 and 2018, respectively.

The aggregate maturities (inclusive of interest accrued and due) of all borrowings as of March 31, 2019 are as follows (In thousands):

2019	$	119,480
2020		58
2021		15
2022		6
	$	119,559

As of March 31, 2019 and 2018, the total outstanding borrowings, as discussed above, are as follows:

		2019		2018
		(In thousands)		
Citibank line of credit, including accrued interest	$	**77,075**	$	70,807
JP Morgan line of credit, including accrued interest		**31,318**		31,317
Accounts receivable (factoring arrangements) (See Note 3)		**1,654**		1,472
Tech Mahindra (Americas) Notes, including accrued interest		**-**		10,955
Other credit facilities		**9,512**		11,760
	$	**119,559**	$	126,311

The Company entered into multiple interest rate swaps agreements with JP Morgan and Citibank to reduce exposure to interest rate fluctuations on its variable rate debt. Upon proper qualifications, these contracts are accounted for as cash flow hedges under current accounting standards. All derivative financial instruments are reported at fair value within the consolidated balance sheets. Changes in the fair value of derivative instruments designated as cash flow hedges approximated loss of $0.9 million and gain of $0.8 million for the year ended March 31, 2019 and 2018, respectively and are recorded in accumulated other comprehensive income/(loss), a component of shareholder's equity, to the extent they are deemed effective. Based on the criteria established by current accounting standards, all of the Company's cash flow hedge contracts are deemed to be highly effective.

The Company's interest rate swap arrangements as of March 31, 2019 were as follows:

Banking Institution		**Notional Amount**	**Variable Rate Received**	**Fixed Rate Paid**	**Contract Commencement Date**	**Contract Maturity Date**
JP Morgan	$	20,000,000	3 - months LIBOR	1.804%	31-Mar-18	31-Dec-19
Citibank	$	40,000,000	3 - months LIBOR	1.224%	31-Mar-18	31-Dec-20

In July 2014, towards consideration for the Company's purchase of Leadcom, the Company was obliged to pay the remaining $9.2 million of the purchase price to the seller in equal monthly installments of $0.4 million between 2015 and 2017. As of March 2017, $0.4 million of this obligation was outstanding, which was paid during the year ended March 31, 2018.

NOTE 7—RESTRUCTURING CHARGE

The Company's restructuring activities are undertaken as necessary to execute management's strategy and streamline operations, consolidate and ultimately achieve net cost reductions. During the year ended March 31, 2019 and 2018 the Company implemented an integration and restructuring plan encompassing various entities within the Americas, Europe, and Middle East regions. It recorded restructuring charges totaling $0.6 million and $2.1 million as a result of staff reductions, excess office space leased out and one-time settlement cost during the year ended March 31, 2019 and March 31, 2018 respectively.

The Company had made a provision of 11.5 million Euros ($12.3 million) during year ended March 31, 2017, which represents payment obligation to Ziggo Services B.V. and Ziggo B.V., for releasing LCC Network Services B.V (LCC Netherlands) from the contractual obligation defined under the Network Build Contract (dated April 1, 2016) entered between the Company, Ziggo Services B.V. and Ziggo B.V. The Company had made payment of first two tranches of 4.0 million Euros each during the year ended March 31, 2018 and balance 3.5 million Euros has been paid during year ended March 31, 2019.

A reconciliation of the amount towards restructuring activities for the years ended March 31, 2019 and March 31, 2018 is as follows:

	Severance	One time settlement	Others	Total
Accrued restructuring as of March 31, 2017	$ 184	$ 12,296	$ 110	$ 12,590
Restructuring charge	2,009	—	156	2,165
Payments/adjustments against the provision:				
Payments for excess office space, net of sublease income	—	—	(266)	(266)
Payments for severance	(2,041)	—	—	(2,041)
One time Settlement	—	(9,289)	—	(9,289)
Others	$ 9	$ 1,306	$ —	$ 1,315
Accrued Restructuring as of March 31, 2018	161	4,313	—	4,474
Restructuring charge	601	—	—	601
Payments/adjustments against the provision:				
Payments for severance	(716)	—	—	(716)
One time settlement	—	(3,927)	—	(3,927)
Others	—	(386)	—	(386)
Accrued Restructuring as of March 31, 2019	46	—	—	46

At March 31, 2019 and 2018, the accrued restructuring charge was classified as follows:

	March 31,	
	2019	2018
	(In thousands)	
Accrued restructuring, current	$ **---**	$ 4,313
Accrued restructuring, noncurrent	**46**	161
	$ **46**	$ 4,474

Management expects to finance its restructuring programs through cash generated from its ongoing operations or through cash available under its existing credit facilities, subject to the applicable covenants. Management does not expect the execution of these programs to have an adverse effect on its liquidity position.

NOTE 8—INCOME TAXES

As a result of Tech Mahindra acquisition of the Company in January 2015, the Company filed its final consolidated federal income tax return which includes all of its US Subsidiaries for year ended December 31, 2014. The Company with all of its US Subsidiaries became part of the group consolidated federal income tax return of Tech Mahindra (Americas), Inc. starting with period ended March 31, 2015.

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. 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 March 31, 2015 to March 31, 2018. In addition, the Company is currently open to audit under the statute of limitations in various foreign jurisdictions for the tax years between 2009 and 2018.

The provision/(benefits) for income taxes for the year ended March 31, 2019 and March 31, 2018 consisted of the following:

	2019	2018
	(In thousands)	
Current:		
Federal	$ **(308)**	$ (2,872)
State and local	**31**	58
Foreign	**3,752**	8,733
	3,475	5,919
Deferred:		
Federal	**84**	(16,127)
State and local	**-**	-
Foreign	**(4,145)**	(1,594)
	(4,061)	(17,721)
Total	$ **(586)**	$ (11,802)

Deferred income taxes, net includes the following components as of March 31, 2019 and March 31, 2018:

	2019	2018
	(In thousands)	
Gross deferred tax assets*	$ **53,437**	$ 58,568
Less: valuation allowance	**(30,894)**	(38,676)
Deferred tax assets, net of valuation allowance	**22,543**	19,892
Gross deferred tax liabilities	**(5,487)**	(7,410)
Net deferred tax (liabilities)/ assets	$ **17,056**	$ 12,482

* includes receivable of $ 16.04 million ($ 16.12 million as at March 31, 2018) from Tech Mahindra (Americas), Inc. using a “benefit-for-loss” method based on consolidated tax return filed by Tech Mahindra (Americas), Inc.

The Company believes that the net deferred tax assets are realisable based on the Company’s financial results for the year ended March 31, 2019 and March 31, 2018, projected future taxable income and tax planning strategies. The Company’s deferred tax assets primarily constitute deferred tax assets of $29.9 million and $28.7 million on net operating losses, as at March 31, 2019 and March 31, 2018, respectively. The Company’s deferred tax liabilities are primarily related to intangible assets recorded on the acquisition of Leadcom.

Pursuant to Section 382 of the Internal Revenue Code, the Company underwent an ownership change for tax purposes (i.e., a more than 50% change in stock ownership in aggregated 5% shareholding) as a result of the acquisition by Tech Mahindra (Americas), Inc.

The Company has U.S. operating loss carry-forwards of $64.43 million as of March 31, 2018 which expire beginning in 2029. Entire amount of $64.43 million will be utilised under Sec 382 limitation. The Company also has $93.6 million of foreign net operating loss carryforwards, some of which can be carried forward indefinitely, subject to certain restrictions.

Foreign income tax expense is generated on 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 unlikely that any portion of the deferred tax assets will be realized. Based on the Company’s financial results for the year ended March 31, 2019 and March 31, 2018, projected future taxable income and tax planning strategies, the Company decreased its valuation allowance on deferred tax assets on foreign and domestic net operating loss carry-forwards and other deferred tax assets by $7.78 million during the year ended March 31, 2019.

As a subsidiary of Tech Mahindra (Americas), Inc., with whom the Company files consolidated federal and state returns, the Company calculates the provision for income taxes by using a “benefits-for-loss” method. The Company’s intercompany tax-related receivable from Tech Mahindra (Americas), Inc. are $32.4 million (including $16.04 million towards deferred tax) and $43.4 million (including $16.12 million towards deferred tax) at March 31, 2019 and March 31, 2018, respectively.

NOTE 9 - OTHER CURRENT LIABILITIES

At March 31, 2019 and 2018, other current liabilities consisted of the following:

	March 31,	
	2019	2018
	(In thousands)	
Capital lease liability, current portion	$ **1,463**	$ 1,070
Other	**507**	3,906
Other current liabilities	$ **1,970**	$ 4,976

NOTE 10—HEALTH AND RETIREMENT PLANS

April 2018 to March 2019

Defined contribution plan

The Company's foreign subsidiaries participate in separate defined contribution retirement plans for which the Group made contributions on their behalf amounting to $1.94 million and $2.46 million for the year ended March 31, 2019 and 2018, respectively

Defined benefit plan

The amount recognized in the consolidated statements of operations related to gratuity plans were approximately $2.4 million and $4.1 million for the year ended March 31, 2019 and March 31, 2018, respectively.

The following table sets out the unfunded status of the Gratuity Scheme.

(In thousands)

	Year ended March 31, 2019	Year ended March 31, 2018
Change in the benefit obligation		
Projected Benefit Obligation ("PBO") at the beginning of the year	**5,395**	5,037
Service cost	**1,767**	2,831
Interest cost	**211**	165
On account of sale of subsidiary	**---**	(488)
Actuarial loss/(gain)	**425**	1,142
Benefits paid	**(1,126)**	(3,286)
Exchange loss/(gain)	**(40)**	(6)
PBO at the end of the year	**6,632**	5,395

The expected benefit payments during the next 10 years are given below:

(In thousands)

Financial Year	**As at**
Expected benefit payments	**March 31, 2019**
2019-20	916
2020-21	695
2021-22	816
2022-23	916
2023-24	993
2024-29	5,794

The assumptions used to determine net benefit cost were as follows:

	Year ended March 31,2019	Year ended March 31, 2018
Discount rate (p.a.)	**5.6%**	5.3%
Rate of increase in compensation levels	**2.0%**	2.0%

The Group evaluates these assumptions annually based on its long-term plans of growth and industry standards. The discount rates are based on market yields at the end of the reporting period on government bonds.

The Company's US group health benefits are self-insured for claims up to $0.3 million, per participant per plan year (individual stop loss) under the Tech Mahindra stop loss policy. It carries aggregate reinsurance capped at approximately $49.9 million for the entire Tech Mahindra population, 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 11—RELATED PARTY TRANSACTIONS

During the year ended March 31, 2019 and 2018, the Company had the following related party transactions with the below mentioned related parties.

1. **List of related parties and relationships (where there are transactions):**

Ultimate Holding Company
Tech Mahindra Limited

Holding Company
Tech Mahindra Americas, Inc.

Fellow subsidiaries
Tech Mahindra De Mexico S De Rl De Cv
Tech Mahindra Gmbh
Fixstream Networks Inc.
Tech Mahindra (Nigeria) Limited
Tech Mahindra (Shanghai) Co. Ltd.

2. **Related party transactions**

(In thousands)

Nature of Transaction	**Name of related party**	**March 31,**	
		2019	2018
Revenue from Services	Tech Mahindra (Nigeria) Limited	**-**	15
	Tech Mahindra Americas, Inc.	**9,223**	8,258
	Tech Mahindra De Mexico S De Rl De Cv	**1,054**	1,150
	Tech Mahindra Limited	**6,470**	6,013
Subcontractor expenses	Tech Mahindra (Shanghai) Co. Ltd	**-**	125
	Tech Mahindra Americas, Inc.	**-**	180
	Fixstream Networks Inc.	**-**	36
	Tech Mahindra Limited	**2,903**	7,147
Rent Expense	Tech Mahindra De Mexico S De Rl De Cv	**232**	125
	Tech Mahindra Limited	**128**	131
Rent Income	Tech Mahindra Limited	**13**	18
Interest Expenses	Tech Mahindra Americas, Inc.	**315**	293
Reimbursement for Services	Tech Mahindra Americas, Inc.	**1,061**	1,598
	Tech Mahindra De Mexico S De Rl De Cv	**14**	12
	Tech Mahindra GmbH	**19**	327
	Tech Mahindra Limited	**3,358**	922
Taxes	Tech Mahindra Americas, Inc.	**308**	18,998
	Tech Mahindra Limited	**158**	1,895
	Tech Mahindra DE Mexico S DE RL DE CV	**15**	-
	Tech Mahindra GmbH	**3**	-

3. **Balances with related parties (as at year-end)**

(In thousands)

Nature of Balance	Name of related party	March 31, 2019	2018
Accounts Payable	Tech Mahindra (Shanghai) Co. Ltd	**-**	125
	Tech Mahindra Americas, Inc.	**4,620**	2,957
	Tech Mahindra De Mexico S De Rl De Cv	**98**	132
	Tech Mahindra GmbH	**-**	153
	Tech Mahindra Limited	**10,316**	7,757
Accounts Receivable	Tech Mahindra (Nigeria) Limited	**14**	15
	Tech Mahindra Americas, Inc.	**34,108**	46,731
	Tech Mahindra De Mexico S De Rl De Cv	**251**	258
	Tech Mahindra GmbH	**-**	124
	Tech Mahindra Limited	**3,245**	1,989
Loan Payable	Tech Mahindra Americas, Inc.	**-**	10,955

NOTE 12—INVESTMENTS IN OTHER ENTITIES

In July 2014, the Company acquired a 49% interest in SARL Djazatech (“Djazatech”), an Algerian based holding company, holding a 100% interest in the shares of “LCC UK Algerie”, an Algeria based operating telecommunications service 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.

Any additional consideration is contingent upon the achievement of certain gross margin targets throughout four earn out periods, ending on December 31, 2014, 2015, 2016, and June 30, 2017.

As of March 31, 2019 and 2018 based on management projections, the likelihood of meeting the gross margin targets were not more likely than not, therefore, no contingent liability nor additional investment is reflected in the Company’s consolidated balance sheets as of March 31, 2019 or March 31, 2018.

The Company accounts for this investment under the equity method and recognizes its 49% share of Djazatech’s profits and losses. The Company has created provision towards this investment during the year ended March 31, 2018. Further, the Company’s share of losses of this associate exceeds its interest in the associate; hence, the Company has discontinued recognising its share of further losses.

NOTE 13—COMMITMENTS AND CONTINGENCIES

Operating Leases

The Company leases office facilities, warehouses, vehicles and certain equipment under non-cancellable operating leases expiring on various dates over the next ten 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 on 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-cancellable operating leases, excluding executory costs as of March 31, 2019 are as follows:

	Rental Payable	Rental Receivables Under Subleases
	(In thousands)	
2020	$ 3,918	$ 708
2021	1,527	559
2022	1,246	578
2023	1,189	654
2024	1,190	677
Thereafter	3,910	2,300
	$ 12,980	$ 5,476

Rent expense under operating leases was $7.7 million and $10.9 million for the year ended March 31, 2019 and 2018, 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 on April 1, 2019 are as follows:

	Minimum Lease Payments (In thousands)
2020	$ 1,739
2021	723
2022	336
Thereafter	-
	2,798
Less: Amount representing interest	(314)
	$ 2,484

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.

As per ASC 450 “Contingencies”, loss contingencies towards Income tax liability that may arise in respect of matters in appeal as at March 31, 2019 and 2018 is $2.8 million and $ 1.3 million respectively. Guarantees outstanding as at March 31, 2019 and 2018 are $0.2 million and $ 0.5 million respectively.

NOTE 14—SUBSEQUENT EVENTS

The Company evaluated its financial statements for subsequent events through May 21, 2019, the date the financial statements were available to be issued. The Company is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

SOFGEN HOLDINGS LIMITED

Board of Directors

Mr. Vikram Narayanan Nair
Mr. Alexander Dembitz
Mr. Vivek Satish Agarwal

Registered Office

Arch. Makariou III, 229
Meliza Court, 4th floor P.C.
3105 Limassol (Cyprus)

Bankers

UBS Switzerland AG

Auditors

Deloitte Haskins& Sells LLP

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF
SOFGEN HOLDING LIMITED

Report on the special purpose condensed consolidated financial statements

Opinion

We have audited the accompanying special purpose condensed consolidated financial statements of SOFGEN HOLDING LIMITED (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, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and selected explanatory notes (hereinafter referred to as the special purpose condensed consolidated financial statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose condensed consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the special purpose condensed consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Act (SAs).

Our responsibilities under those standards are further described in the Auditor's Responsibility for the Audit of the special purpose condensed consolidated financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the special purpose condensed consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the special purpose condensed consolidated financial statements.

Responsibilities of the Management and Those Charged with Governance for the special purpose condensed consolidated financial statements

The Holding Company's Board of Directors is responsible for the preparation of these special purpose condensed consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 (the Act) as applicable.

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; 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 special purpose condensed consolidated 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 special purpose condensed consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the special purpose condensed consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unlessmanagement either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the audit of the special purpose condensed consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the special purpose condensed consolidated financial statements as a whole are free from material misstatement whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose condensed consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose condensed consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit 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 internal financial control of the Group.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the special purpose condensed consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the special purpose condensed consolidated financial statements of which we are the independent auditors.

Materiality is the magnitude of misstatements in the special purpose condensed consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the special purpose condensed consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the special purpose condensed consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the special purpose condensed consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Restriction on Use

These special purpose condensed consolidated financial statements have been prepared by the Company solely to enable its holding company, Tech Mahindra Limited to prepare consolidated financial statements. Accordingly, our report is meant for the purpose mentioned above and is not meant to report on Sofgen Holdings Limited as a group and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)

Hemant M. Joshi
(Partner)
(Membership No: 38019)

Place: Pune
Date: May 21, 2019

CONDENSED CONSOLIDATED BALANCE SHEET AS AT YEAR ENDED

USD. in Million

	Note No.	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	3	**0**	0
(b) Capital Work-in-Progress		**-**	-
(c) Investment Property		**-**	-
(d) Goodwill	4	**2**	2
(e) Other Intangible Assets	5	**-**	0
(f) Financial Assets			
(i) Investments	6	**0**	0
(ii) Trade Receivables		**-**	-
(iii) Loans		**-**	-
(iv) Other Financial Assets	7	**0**	0
(g) Advance Income Taxes (Net of provisions)		**0**	0
(h) Deferred Tax Assets (Net)		**0**	0
(i) Other Non-Current Assets	8	**0**	1
Total Non - Current Assets		**2**	3
Current Assets			
(a) Inventories		**-**	-
(b) Financial Assets			
(i) Investments		**-**	-
(ii) Trade Receivables	9	**12**	11
(iii) Cash and Cash Equivalents	10	**5**	5
(iv) Other Balances with Banks		**-**	-
(v) Other Financial Assets	11	**1**	5
(c) Other Current Assets	12	**2**	0
Total Current Assets		**20**	21
Total Assets		**22**	24
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	13	**2**	2
(b) Other Equity	14	**(9)**	(11)
Equity Attributable to Owners of the Company		**(7)**	(9)
Non controlling Interest		**-**	-
Total Equity		**(7)**	(9)
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	**-**	0
(ii) Other Financial Liabilities		**-**	-
(b) Provisions	16	**1**	1
(c) Deferred tax liabilities (Net)		**-**	-
(d) Other Non-Current Liabilities		**-**	-
Total Non - Current Liabilities		**1**	1
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	**14**	15
(ii) Trade Payables		**11**	9
(iii) Other Financial Liabilities	18	**1**	2
(b) Other Current Liabilities	19	**1**	6
(c) Provisions	20	**1**	0
(d) Current Tax Liabilities (Net of advance income taxes)		**0**	0
Total Current Liabilities		**28**	32
Total Equity and Liabilities and Suspense Account		**22**	24

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

For Deloitte Haskins and Sells LLP
Chartered Accountants

Hemant M. Joshi
Partner

Vikram Narayanan Nair
Director

Pune, India
Date: May 21, 2019

CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED

USD. in Million

		Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
I	Revenue from Operations		**38**	46
II	Other Income	21	**9**	0
III	**Total Revenue (I +II)**		**47**	46
IV	**EXPENSES**			
	Employee Benefit Expenses	22	**28**	31
	Subcontracting Expenses		**9**	10
	Finance Costs	23	**0**	1
	Depreciation and Amortisation Expense	24	**0**	0
	Other Expenses	25	**7**	9
	Total Expenses		**44**	51
V	**Share in Profit / (Loss) of Associates**		**-**	-
VI	**Profit before Tax (III-IV+V)**		**3**	(5)
VII	**Income Tax Expense**			
	Current Tax		**0**	(0)
	Earlier Years Excess Provision Written Back		**(0)**	-
	Deferred Tax		**(0)**	(0)
	Total Tax Expense		**(0)**	(0)
VIII	**Profit after tax (VI-VII)**		**3**	(5)
	Profit for the year attributable to:			
	Owners of the Company		**3**	(5)
	Non Controlling Interests		**-**	-
IX	**Other Comprehensive Income**			
A	I. Items that will not be reclassified to Profit or Loss			
	(a) Remeasurements of the Defined Benefit Liabilities - (loss)		**-**	0
	(b) Equity Instruments through Other Comprehensive Income - (loss)		**-**	(0)
	II. Income Tax relating to items that will not be reclassified to Profit or Loss		**-**	-
B	I. Items that will be reclassified to Profit or Loss			
	(a) Exchange differences in translating the Financial Statements of Foreign Operations - gain/(loss) (net)		**(1)**	(0)
	(b) Effective portion of gains on Designated Portion of Hedging Instruments in a Cash Flow Hedge (net)		**-**	-
	II. Income Tax relating to items that will be reclassified to Profit or Loss		**-**	-
	Total Other Comprehensive Income / (Loss) (A+B)		**(1)**	(0)
X	**Total Comprehensive Income (VIII+IX)**		**2**	(5)
	Total Comprehensive Income for the year attributable to:			
	Owners of the Company		**2**	(5)
	Non Controlling Interests		**-**	-
	See accompanying notes forming part of the financial statements			

For Deloitte Haskins and Sells LLP
Chartered Accountants

Hemant M. Joshi
Partner
Pune, India
Date: May 21, 2019

For Sofgen Holdings Limited

Alexander L. Dembitz
Director

Vikram Narayanan Nair
Director

Date: May 21, 2019

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED

USD. in Million

	For the year ended	
	March 31, 2019	March 31, 2018
A **Cash Flow from Operating Activities**		
Profit before Income Tax	**3**	(5)
Adjustments for :		
Depreciation and Amortisation Expense	**0**	0
Allowances / (Reversal) for Doubtful Receivables / Advances and Deposits and Bad Debts written off (net)	**2**	1
Finance Costs	**0**	1
Unrealised Exchange (Gain) / Loss (net)	**(1)**	-
Interest Income	**(0)**	-
Profit on sale of subsidiary	**(6)**	-
Operating Profit before working capital changes	**(2)**	(3)
Changes in working capital		
Trade Receivables and Unbilled receivables	**3**	3
Other financial assets and other assets	**(1)**	2
Trade Payables	**1**	0
Other finanicial liabilities, Other Liabilities and Provisions	**(4)**	2
	(1)	7
Cash generated from operating activities before taxes	**(3)**	4
Income taxes paid, net	**(1)**	(0)
Net cash generated from operating activities (A)	**(4)**	4
B **Cash Flow from Investing Activities**		
Purchase of Property, Plant and Equipment, Intangible Assets and Investment property	**(0)**	(0)
Proceeds from Sale of Property, Plant and Equipment, Intangible Assets and Investment property	**0**	-
Purchase of Mutual Funds, Debentures and Other Investments		-
Proceeds on Maturity of Treasury Bonds and Bills	**-**	0
Proceeds from sale of investment	**4**	1
Interest Income Received	**0**	-
Net cash (used in) investing activities (B)	**4**	1
C **Cash Flow from Financing Activities**		
Repayment of Loan from Related parties	**-**	(9)
Proceeds of loan from Related parties	**-**	16
Repayment of Long-Term Borrowings	**-**	(9)
Finance Costs paid	**(0)**	(1)
Net cash (used in) financing activities (C)	**(0)**	(3)
Net (Increase / Decrease) in cash and cash equivalents during the year (D=A+B+C)	**0**	2
Effect of exchange rate changes on cash and cash equivalents (E)	**-**	-
Cash and Cash Equivalents at the beginning of the year (F)	**5**	3
Cash and Cash Equivalents at the end of the year (G=D+E+F) (refer note 15)	**5**	5

For Deloitte Haskins and Sells LLP
Chartered Accountants

Hemant M. Joshi
Partner
Pune, India
Date: May 21, 2019

For Sofgen Holdings Limited

Alexander L. Dembitz
Director

Vikram Narayanan Nair
Director

Date: May 21, 2019

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

A. Equity Share Capital

USD. in Million

Balance as of April 1, 2018	Changes in equity share capital during the year ended	Balance as at March 31, 2019
2	-	2

B. Other Equity

Particulars	**Reserves & Surplus**				**Items of Other comprehensive Income**		**Owners Equity**		
	Securities Premium	**General Reserve**	**Other Reserve**	**Retained Earnings**	**Equity Instruments through Other Comprehensive Income**	**Foreign Currency Translation Reserve**	**Non Controlling Interest**		**Total**
Balance as at April 1, 2018	11	1	0	(21)	(0)	(2)	(11)	-	(11)
Profit for the year ended	-	-	-	3	-	-	3	-	3
Other Comprehensive Income (net of tax)	-	-	-	-	0	(1)	(1)	-	(1)
Total Comprehensive income	-	-	-	3	0	(1)	2	-	2
Others	-	-	-			-	-	-	-
Balance as at March 31, 2019	**11**	**1**	**0**	**(18)**	**-**	**(3)**	**(9)**	**-**	**(9)**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

1. Corporate Information:

The Company SOFGEN Holdings Ltd (the ''Company'') was incorporated in Cyprus on 27 May 2008 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at 229, Arch. Makarios III Ave. Meliza Court, 4th floor, 3105, Limassol, Cyprus

The financial statements for the year ended March 31, 2019 were approved by the Board of Directors and authorized for issue on May 21, 2019.

2. Significant accounting policies:

2.1 Statement of Compliance:

The consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.

2.2 Basis for preparation of financial statements:

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purpose in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102 Share-based Payment, leasing transactions that are within the scope of Ind AS 17 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 Inventories or value in use in Ind AS 36 Impairment of assets.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

2.3 Basis of Consolidation:

The Consolidated Financial Statements comprise the financial statements of Sofgen Holdings Limited and its subsidiaries (the Company and its subsidiaries constitute “the Group”). The Company consolidates all entities which are controlled by it.

The Company establishes control when; it has power over the entity, is exposed or has rights to variable returns from its involvement with the entity and has ability to affect the entity’s returns by using its power over the entity. The results of subsidiaries acquired, or sold, during the year are consolidated from the effective date of acquisition and up to the effective date of disposal, as appropriate.

The financial statements of the Group companies are consolidated on a line-by-line basis and intra-group balances, transactions including unrealized gain / loss from such transactions and cash flows are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group. Non-controlling interests which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the company, are excluded.

Changes in the Company's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the company's interests and the non-controlling interests are adjusted to reflect changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controllinginterests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

2.4 Business Combinations:

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of acquisition date fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange for control of the acquiree. Acquisition related costs are generally recognized in profit or loss as incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries.

When the consideration transferred by the Company in a business combination includes assets or liabilities resulting from a contingent arrangement, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with IND AS 109 Financial Instruments or IND AS 37 Provisions, Contingent Liabilities and Contingent Assets, with the corresponding gain or loss being recognized in profit or loss.

Business combinations arising from transfers of interests in entities that are under the common control are accounted at historical cost. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in shareholders' equity.

Goodwill and intangible assets

Goodwill represents the cost of acquired business as established at the date of acquisition of the business in excess of the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities less accumulated impairment losses, if any. Goodwill is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

Intangible assets purchased including acquired in business combination, are measured at cost or fair value as of the date of acquisition, as applicable, less accumulated amortization and accumulated impairment, if any.

2.5 Use of Estimates:

The preparation of financial statements requires the management of the Group 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.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised.

Critical accounting estimates

i) **Revenue Recognition**

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

ii) Income taxes

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. The policy for the same has been explained under Note 2.18

iii) Property, plant and equipment

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed at the end of each reporting period. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The policy for the same has been explained under Note 2.6.

iv) Impairment of Investments

The Group reviews its carrying value of investments in subsidiaries and other entities at cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

v) Provisions

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 a reliable estimate can be made. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. The policy for the same has been explained under Note 2.20.

vi) Business combinations and intangible assets

Business combinations are accounted for using Ind AS 103. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets and their estimated useful life. These valuations are conducted by independent valuation experts.

vii) Impairment of Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash-generating unit or groups of cash-generating units which are benefitting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes. Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

2.6 Property, Plant & Equipment and Intangible assets:

Property, Plant & Equipment 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.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on Property, Plant & Equipment including assets taken on lease, other than freehold land is charged based on straight line method on an estimated useful life 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	3 years
Furniture and Fixtures	5 years
Leasehold Improvements	5 yeas
Office Equipment	5 years

The estimated useful lives and residual values of the Property, Plant & Equipment and intangible assets are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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/lease period, whichever is lower.

An item of Property, Plant & Equipment and intangibles asset is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property, Plant & Equipment and intangible assets are determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the profit or loss.

2.7 Investment Property:

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost model in accordance with Ind AS 16 Property, Plant and Equipment.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

2.8 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

i Finance lease:

Where the Group, as a lessor, leases assets under finance lease, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is based on constant rate of return on the outstanding net investment.

Assets taken on finance lease are initially recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance cost and reduction of outstanding liability. Finance costs are recognized as an expense in the statement of profit or loss over the period of lease, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with Group’s general policy on borrowing costs.

ii 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 a straight line basis over the lease term.

iii Sale and Lease back transaction :

In case of a sale and leaseback transaction resulting in a finance lease, any excess or deficiency of sales proceeds over the carrying amount is deferred and amortized over the lease term in proportion to the depreciation of the leased asset.

Profit or Loss on Sale and Lease back arrangements resulting in finance leases are recognized, in case the transaction is established at fair value, else the excess over the fair value is deferred and amortized over the period for which the asset is expected to be used

2.9 Impairment of Assets:

i) Financial assets

The Group assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

ii) Non-financial assets

a) Property, Plant & Equipment and Other Intangible assets

Property, Plant and Equipment and Other intangible assets with finite life are evaluated for recoverability when there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets.

In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs. If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the profit or loss.

b) Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Group's cash generating units (CGU) or groups of CGU's expected to benefit from the synergies arising from the business combination.

A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU.

Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognized in net profit in the statement of profit and loss and is not reversed in the subsequent period.

2.10 Inventories:

Work in Progress:

Work in progress is evaluated based on the using the proportionate completion method of accounting, unless work completed cannot be reasonably estimated

2.11 Revenue recognition:

Revenue from software services and business process outsourcing services include revenue earned from services rendered on 'time and material' basis, time bound fixed price engagements and system integration projects.

Revenue recognition is based on the terms and conditions as per the contracts entered into / understanding with the customers. All revenues from services, as rendered, are recognised when persuasive evidence of an arrangement exists, the sale price is fixed or determinable and collectability is reasonably assured and are reported net of sales incentives, discounts based on the terms of the contract and applicable indirect taxes.

The Group also performs time bound fixed price engagements, under which revenue is recognized using the proportionate completion method of accounting, unless 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 estimates and can be reasonably estimated.

The cumulative impact of any revision in estimates of the percentage of work completed is reflected in the period in which the change becomes known.

Revenue from maintenance contracts is recognized over the period of the contract in accordance with its terms.

Revenue is net of volume discounts/price incentives which are estimated and accounted for based on the terms of the contracts and excludes applicable indirect taxes.

Amounts received or billed in advance of services performed are recorded as advances from customers/unearned revenue.

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.

Liquidated damages and penalties are accounted as per the contract terms wherever there is a delayed delivery attributable to the Group and when there is a reasonable certainty with which the same can be estimated.

Revenues from the sale of software and hardware products are recognized upon delivery / deemed delivery, which is when title passes to the customer, along with risk and rewards.

Reimbursement / recoveries from customers are separately identified as contractual receivables when no significant uncertainty as to measurability or collectability exists.

The Group recognizes unearned finance income as financing revenue over the lease term using the effective interest rate method.

Dividend income is recognized when the Group's right to receive dividend is established. Interest income is recognized using effective interest rate method.

2.12 Government grants:

Government grants are recognised when there is reasonable assurance that the Group will comply with the conditions attached to them and the grants will be received.

Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue in the consolidated financial statements and transferred to profit or loss on a systematic and rational basis over the useful life of the related assets.

Grants related to revenue are accounted for as other income in the period in which the related costs which Government intend to compensate are accounted for to the extent there is no uncertainty in receiving the same. Incentives which are in the nature of subsidies given by the Government which are based on the performance of the Group are recognised in the year of performance / eligibility in accordance with the related scheme.

Government grants in the form of non-monetary assets, given at a concessional rate, are accounted for at their fair value.

2.13 Foreign currency transactions:

The functional currency of the group is USD.

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the dates of Balance Sheet. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are recognized in the profit or loss.

2.14 Foreign Operations:

For the purpose of these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising on translation are recognized in other comprehensive income and accumulated in equity.

When a subsidiary is disposed off, in full, the relevant amount is transferred to net profit in the statement of profit and loss. However when a change in the parent's ownership does not result in loss of control of a subsidiary, such changes are recorded through equity.

2.15 Financial Instruments:

Financial assets and liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized in profit or loss.

i) Non-derivative financial instruments:

Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value

Financial asset not measured at amortized cost is carried at fair value through profit or loss (FVTPL) on initial recognition, unless the company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investment in equity instruments which are not held for trading.

The Group, on initial application of IND AS 109 has made an irrevocable election to present in other comprehensive income subsequent changes in fair value of equity instruments not held for trading.

Financial asset at FVTPL are measured at fair values at the end of each reporting period, with any gains or losses arising on remeasurement recognized in profit or loss.

Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest rate method or at FVTPL. Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognized in a business combination, or is held for trading or it is designated as FVTPL. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit and loss.

For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

ii) Financial Guarantee contracts

Financial guarantee contracts issued by the Company are initially measured at fair value and subsequently measured at the higher of the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and the amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 18 Revenue.

iii) Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

The Company derecognizes financial liabilities when, and only when, the Company's obligation are discharged, cancelled or have expired.

2.16 Employee Benefits:

a) Gratuity

The Group accounts for its gratuity liability, a defined retirement benefit plan covering eligible 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. Liabilities with regard to a Gratuity plan are determined based on the actuarial valuation carried out by an independent actuary as at the Balance Sheet date using the Projected Unit Credit method. Certain overseas subsidiaries of the Company also provide for retirement benefit plans in accordance with the local laws.

Actuarial gains and losses are recognised in full in other comprehensive income and accumulated in equity in the period in which they occur. (Refer note 53 below). Past service cost is recognized in profit or loss in the period of a plan amendment.

b) Provident fund:

The eligible employees are entitled to receive the benefits of Provident fund, a defined contribution plan, in which both employees and the company make monthly contributions at a specified percentage of the covered employees' salary which are charged to the Statement of Profit and Loss on accrual basis.

c) Superannuation and ESIC:

Superannuation fund and employees' state insurance scheme (ESI), which are defined contribution schemes, are charged to the Statement of Profit and Loss on accrual basis.

d) Compensated absences:

The Group provides for the compensated absences subject to certain Group's rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment or availment. The liability is provided based on the number of days of unavailed leave at each Balance Sheet date on the basis of an independent actuarial valuation using the Projected Unit Credit method, whereas provision for encashment of unavailed leave on retirement is made on actual basis for foreign subsidiaries.

The liability which is not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised based on actuarial valuation as at the Balance Sheet date.

Actuarial gains and losses are recognised in full in the Statement of Profit and Loss in the period in which they occur.

The Group also offers a short term benefit in the form of encashment of unavailed accumulated compensated absence above certain limit for all of its employees and same is being provided for in the books at actual cost.

e) 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 in the statement of profit and loss during the period when the employee renders the service.

2.17 Borrowing costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to the Statement of Profit and Loss.

2.18 Taxation:

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.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the income taxes are recognised in other comprehensive income or directly in equity, respectively.

Advance taxes and provisions for current income taxes are presented in the statement of financial position after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

Deferred income taxes

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax asset are recognized to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

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

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when it relates to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

Deferred tax liability (DTL) is not recognized on the accumulated undistributed profits of the subsidiary company in the consolidated financial statements of the company, if it is determined that such accumulated undistributed profits will not be distributed in the foreseeable future. When it is probable that the accumulated undistributed profits will be distributed in the foreseeable future, then DTL on accumulated undistributed profits of the subsidiary company is recognized in the consolidated statement of profit and loss of the company.

In cases, where the DDT paid by subsidiary on distribution of its accumulated undistributed profits is not allowed as a set off against the Company’s own DDT liability, then the amount of such DDT is recognized in the consolidated statement of profit and loss.

The Group recognizes interest levied and penalties related to income tax assessments in interest expenses.

2.19 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 period 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.

2.20 Provision, Contingent Liabilities and Contingent Assets:

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. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance costs.

Contingent liabilities and Contingent assets are not recognized in the financial statements.

2.21 New Accounting Standards, Amendments to Existing Standards, Annual Improvements and Interpretations

Ind AS - 116 - Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company will adopt Ind AS 116, effective annual reporting period beginning April 1, 2019. The Company will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the Company will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. In accordance with the standard, the Company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

On transition, the Company will be using the practical expedient provided the standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application.

With effect from April 01, 2019, the Company will recognise new assets and liabilities for its operating leases of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to a) amortization change for the right-to-use asset, and b) interest accrued on lease liability.

Previously, the Company recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

As a lessor, sublease shall be classified an operating lease if the head lease is classified as a short term lease. In all other cases the sublease shall be classified as a finance lease.

The Company is in process of evaluating the effect of this on the financial statements.

Ind AS 12 Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company has evaluated the effect of this on the financial statements and the impact is not material.

Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company has evaluated the effect of this on the financial statements and the impact is not material.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company has evaluated the effect of this on the financial statements and the impact is not material.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The said amendment is not applicable to the Company.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The said amendment is not applicable to the Company.

Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The said amendment is not applicable to the Company.

Note 3 : Property, Plant and Equipment

Particulars	Gross Block					Accumulated Depreciation					Net Block
	Balance at the beginning of period	Additions during the year	Deletions during the year	Foreign Currency Translation	Balance as at the end of the period	Balance at the beginning of period	Depreciation for the year	On deletion	Foreign Currency Translation	Balance as at the end of the period	As at March 31, 2019
Computers	1	0	0	(0)	1	1	0	0	(0)	1	0
	1	-	-	-	1	1	-	-	-	1	-
Plant and Equipment	-	0	-	-	0	-	0	-	0	0	0
	-	-	-	-	-	-	-	-	-	-	-
Furniture and Fixtures	0	-	0	(0)	0	0	0	0	(0)	0	0
	-	-	-	-	-	-	-	-	-	-	0
Office Equipments	0	0	0	(0)	0	0	0	0	(0)	0	(0)
	-	-	-	-	-	-	-	-	-	-	(0)
Leasehold Improvements	0	-	-	(0)	0	0	0	-	(0)	0	(0)
	-	-	-	-	0	-	-	-	-	-	0
Total	1	0	0	(0)	1	1	0	0	(0)	1	0
Previous year total	1	-	-	-	1	1	-	-	-	1	0

Note 4 : Goodwill

USD. in Million

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	**2**	2
Addition/ Acquisition	**-**	-
Effect of foreign currency exchange differences (net) and other adjustments	**-**	-
Closing Balance	**2**	2

Note 5 : Other Intangible Assets

USD. in Million

Description of Assets	**Total**
Software (other than internally generated)	
I. Gross carrying value	
As at April 1, 2017	1
Additions during the year	0
Deletions during the year	0
Effect of foreign currency exchange differences	0
As at March 31, 2018	1
Acquisitions during the year	-
Additions during the year	-
Disposals / Adjustments	-
Effect of foreign currency exchange differences	-
Balance as at March 31, 2019	1
II. Accumulated depreciation	
Balance as at April 1, 2017	1
Amortisation expense for the year	0
Effect of foreign currency exchange differences	0
Balance as at March 31, 2018	1
Amortisation expense for the year	-
Effect of foreign currency exchange differences	-
Balance as at March 31, 2019	1
Net Block as at March 31, 2019 (I - II)	-
Net Block as at March 31, 2018 (I - II)	-

Note 6: Non-Current Investments:

			Year Ended March 31, 2019				
Sr No	**Quoted / Unquoted**	**Name of the Company**	**Type of Share Capital**	**Total Investment**	**Provision Amount**	**Net**	**Market value - incase of quoted investment**
1	Unquoted	Securities and Exchange Commission, Manila	Certificate of Deposit	0	-	0	
				Total Amount		0	-

Note 7 : Other Financial Assets : Non Current

USD. in Million

Particulars	As at March 31, 2019	As at March 31, 2018
(Unsecured, considered good unless otherwise stated)		
Security Deposits		
- Unsecured, considered good	**0**	0
- Credit Impaired	**0**	0
Less : Allowance for expected credit loss	**0**	0
Total	**0**	0

Note 8 : Other Non-Current Assets

USD. in Million

Particulars	As at March 31, 2019	As at March 31, 2018
(Unsecured)		
- Considered good		
Prepaid Expenses (including rentals for leasehold land)	**-**	1
Balance with Government Authorities	**0**	0
Total	**0**	1

Note 9 : Trade Receivables : Current

USD. in Million

Particulars	As at March 31, 2019	As at March 31, 2018
- Trade receivables (Unsecured)		
Considered good	**12**	11
Doubtful	**1**	1
	13	12
Less: Allowance for expected credit loss	**(1)**	(1)
Total	**12**	11

Note 10 : Cash and Cash Equivalents

USD. in Million

Particulars	As at March 31, 2019	As at March 31, 2018
Cash in hand	**0**	0
Balances with banks		
In Current Account	**5**	5
In Deposit Account (original maturities less than three months)	**0**	0
Total	**5**	5

Note 11 : Other Financial Assets : Current

USD. in Million

Particulars	As at March 31, 2019	As at March 31, 2018
(Unsecured, considered good unless otherwise stated)		
Unbilled Revenue	**1**	5
Interest Receivable on bank deposits	**0**	-
Total	**1**	5

Note 12 : Other Current Assets

USD. in Million

Particulars	As at March 31, 2019	March 31, 2018
(Unsecured)		
Considered good		
Advance to employees	**0**	0
Prepaid Expenses (including rentals for leasehold land)	**0**	-
Contract Assets	**2**	-
Balance with Government Authorities	**0**	-
Others Advances	**0**	0
Total	**2**	0

Note 13 : Equity Share Capital

Particulars	USD. in Million	USD. in Million
Issued, Subscribed and Paid up Share Capital	2	2
Total	**2**	**2**

Note 14 : Other Equity

Particulars	As at March 31, 2019	March 31, 2018
- Securities Premium Account		
Opening Balance	**11**	11
Add:		
Transfer on allotment of Equity Shares	**-**	-
Transfer from share option outstanding account on exercise of stock options	**-**	-
Others	**-**	-
Less:		
Contractual Obligation for Buyback	**-**	-
Closing Balance	**11**	11
- Statutory Reserve		
Opening Balance	**0**	0
Add:		
Transfer from retained earning	**-**	-
Closing Balance	**0**	0
- General Reserve		
Opening Balance	**1**	1
Transfer from/to Retained Earnings	**-**	-
Add: Additions on account of Amalgamation	**-**	-
Closing Balance	**1**	1
- Retained Earnings, as previously reported		
Opening balance	**(21)**	(16)
Add:		
Profit for the year	**3**	(5)
Closing Balance	**(18)**	(21)
- Equity Instruments through Other Comprehensive Income		
Opening Balance	**(0)**	0
Add:		
Movement during the year (net)	**0**	(0)
Closing Balance	**-**	(0)
-Foreign Currency Translation Reserve		
Opening Balance	**(2)**	(2)
Add:		
Movement during the year	**(1)**	(0)
Closing Balance	**(3)**	(2)
Total	**(9)**	(11)

Note -15: Borrowings-Non Current

USD in Million

Particulars	**As at**	
	31-Mar-19	31-Mar-18
Unsecured Borrowings - at amortised Cost		
Loans From Group Companies (Inter-corporate Deposits)	**-**	0
Total Unsecured Borrowings	**-**	0
Total Borrowings	**-**	0

Note 16 : Provisions : Non Current

USD. in Million

Particulars	**As at**	
	March 31, 2019	March 31, 2018
Provision for employee benefits		
Gratuity	**-**	0
Compensated absences and Long service awards	**1**	-
Other Provisions	**-**	1
Total	**1**	1

Note 17 : Borrowings : Current

USD. in Million

Particulars	**As at**	
	March 31, 2019	March 31, 2018
Unsecured Borrowings		
From Related Parties	**14**	15
Total	**14**	15

Note 18: Other Financial Liabilities : Current

USD. in Million

Particulars	**As at**	
	March 31, 2019	March 31, 2018
Accrued Salaries and Benefits	**1**	2
-Contingent consideration on acquisitions	**-**	-
Total	**1**	2

Note 19 : Other Current Liabilities

USD. in Million

Particulars	**As at**	
	March 31, 2019	March 31, 2018
Advances received from customers	**-**	0
Unearned Revenue	**1**	2
Statutory Dues	**0**	0
Advances from Related Party	**-**	4
Total	**1**	6

Note 20 : Provisions : Current

USD. in Million

Particulars	**As at**	
	March 31, 2019	March 31, 2018
Provision for employee benefits		
Compensated absences and Long service awards	**1**	0
b. Employee redundancy provision		
Total	**1**	0

Note 21 : Other Income

USD. in Million

Particulars	For the Year Ended	
	March 31, 2019	March 31, 2018
Interest Income		
- On Bank deposits	0	0
- On Other financial assets carried at amortised cost	-	0
Profit on sale of subsidiary	6	-
Foreign Exchange Gain / Loss (net)	0	0
Sundry Balances Written Back	-	0
Miscellaneous Income	3	-
Total	9	0

Note 22 : Employee Benefit Expenses

USD. in Million

Particulars	For the Year Ended	
	March 31, 2019	March 31, 2018
Salaries and wages	26	29
Contribution to provident and other funds	2	2
Gratuity	-	0
Staff welfare expenses	0	0
Total	28	31

Note 23 : Finance Costs

USD. in Million

Particulars	For the Year Ended	
	March 31, 2019	March 31, 2018
Interest on Short Term Loans and Cash Credits	0	0
Interest on loans from related parties	0	1
Other Interest expense	0	0
Total	0	1

Note 24 : Depreciation and Amortisation Expense

USD. in Million

Particulars	For the Year Ended	
	March 31, 2019	March 31, 2018
Depreciation / Amortisation on Property, Plant and Equipment and Intangible assets	0	0
Total	0	0

Note 25 : Other Expenses

USD. in Million

Particulars	For the year ended March 31, 2019	March 31, 2018
Power and Fuel Expenses	**0**	0
Rent	**1**	1
Rates and Taxes	**0**	0
Communication Expenses	**0**	0
Travelling Expenses	**2**	2
Recruitment Expenses	**0**	0
Training	**0**	0
Hire Charges	**-**	0
Legal and Other Professional fees	**1**	1
Repair and Maintenance Expenses		
- Buildings (including leased premises)	**0**	0
- Machinery and Computers	**0**	0
- Others	**0**	0
	0	0
Insurance Charges	**1**	1
Software, Hardware and Project Specific Expenses	**0**	1
Advertisement, Promotion & Selling Expenses	**0**	1
General Office Expenses	**0**	1
Net (gain)/loss on disposal of Property, Plant and Equipment and Intangible Assets	**-**	(0)
Allowance for Doubtful Receivables and Bad Debts written off (net)		
-Provided during the period	**1**	2
-Bad Debts written off	**0**	0
-Less: Reversed during the period	**-**	1
	1	1
Allowance for Doubtful Advances, Deposits and Advances written off (net)		
-Provided during the period	**0**	-
-Advances written off	**1**	-
	1	-
Donation	**0**	0
Corporate Social Responsibility Expenditure	**-**	0
Miscellaneous Expenses	**0**	0
Total	**7**	9

26. Particulars of Consolidation

The consolidated financial statements present the consolidated accounts of the Group, which consists of financial statements of Sofgen and its subsidiaries:

Name of Company	**Country of Incorporation**	**Extent of Holding**	
		As at March 31, 2019	As at March 31, 2018
Sofgen Holdings Limited and its following subsidiaries :	Cyprus		
• Sofgen SA	Switzerland	**100%**	100%
• Sofgen Consulting AG	Switzerland	**100%**	100%
• Sofgen Africa Limited	Kenya	**100%**	100%
• Sofgen Services Pte. Ltd.	Singapore	**100%**	100%
• Sofgen SDN. BHD.[Refer Note 27]	Malaysia	**-**	100%
• Sofgen Ireland Limited [refer note 27]	Ireland	**-**	100%
• Sofgen West Africa Limited [Refer Note 27]	Ghana	**-**	100%
• Sofgen Limited. [Refer Note 27]	Cyprus	**-**	-
• Sofgen Americas Inc [Refer Note 27]	U.S.A.	**-**	100%
• Sofgen Services Limited [Refer Note 27]	Cyprus	**-**	100%
• Sofgen (UK) Limited [Refer Note 27]	U.K.	**-**	100%
• Sofgen India Private Limited [Refer Note 27]	India	**-**	100%

27. Disinvestments in / Liquidations of subsidiaries:

During the year ended March 31, 2019, in the following entities of the Group have applied for liquidation and the same are under process of liquidation or liquidated.

- Sofgen SDN. BHD
- Sofgen Ireland Limited
- Sofgen West Africa Limited (Liquidated w.e.f August 17, 2018)
- Sofgen Limited (Liquidated w.e.f May 16, 2018)

The following entities were merged during the year:

- Sofgen Americas Inc (merged with Tech Mahindra Americas w.e.f June 1, 2018)
- Sofgen Services Limited (merged with Sofgen Holdings Limited w.e.f November 1, 2018)
- Sofgen (UK) Limited (merged with Tech Mahindra UK w.e.f December 1, 2018)
- Sofgen India Private Limited (merged with Tech Mahindra Limited w.e.f April 1, 2018)

28. Company Assessment Provision/Diminution:

The Company's management assesses the operations of the entities, including the future projections, to identify the indications of diminution, other than temporary, in the value of investment recorded in the books of accounts and accordingly no additional provision is required to be made other than amounts provided for in the books of accounts.

29. Contingent Liabilities

Bank Guarantees/corporate guarantees outstanding as at March 31, 2019: USD 0.15 Million (March 31, 2018: USD 0.25 Million)

30. Goodwill

Following is the summary of changes in carrying amount of goodwill:

USD in Million

Particulars	Year ended	
	March 31, 2019	March 31, 2018
Balance at the beginning of the year	**2.41**	2.41
Addition during the year	**-**	-
On acquisition during the year	**-**	-
Deletion during the year	**-**	-
Impairment of Goodwill	**-**	-
Foreign currency exchange gain / (loss)	**-**	-
Balance at the end of the year	**2.41**	2.41

The Group tests goodwill annually for impairment. The goodwill of the Group is on account of investment in subsidiaries. Allocation of goodwill by segments is as follows:

USD in Million

Particulars	As At March 31, 2019	As At March 31, 2018
IT Business	**2.41**	2.41
Total	**2.41**	2.41

Allocation of goodwill to cash-generating units:

Goodwill has been allocated for impairment testing purposes to their underlying / segmental classification. The recoverable amount is determined based on a value in use calculation that uses cash flow projections based on financial budgets approved by the management covering a year and over at an applicable discount rate.

Budgeted Projections are based on the same expected gross margins throughout. The cash flows beyond five-year period have been extrapolated using a steady growth rate. The management believe that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount.

The key assumptions used are as follows:

Budgeted Projections: The values assigned to the assumption reflect past experience and are consistent with the mangement's plans for focusing operations in these markets. The management believe that the planned market share growth per year for the next five years is reasonably achievable.

Budgeted gross margins: Average gross margins achieved in the period immediately before the budget margin period, increased for expected efficiency improvements.This reflects past experience, except for efficiency improvements. The management expect efficiency improvements of 3 - 5% per year to be reasonably achievable.

Price inflation: The values assigned to the key assumption are consistent with external sources of information.

31. Details of employee benefits as required by IND AS-19 - Employee Benefits are as under:

a) Defined Contribution Plan

Amount recognized as an expense in the Statement of Profit and Loss for the year ended March 31, 2019 in respect of defined contribution plan is USD 1.65 Million (year ended March 31, 2018: USD 1.75 Million).

b) Defined Benefit Plan

The defined benefit plan comprises of gratuity which pertains to Sofgen India Private Limited. The entity was merged with Tech Mahindra Limited w.e.f April 1, 2018, as a result the opening balances of obligation and plan asset were transferred to Tech Mahindra Limited.

The movement of present value of defined obligation is as follows:

USD in Million

Particulars	March 31 2019	March 31 2018
Projected benefit obligation, at the beginning of year	**0.13**	0.10
Service cost	-	0.04
Interest cost	-	0.01
Remeasurements of the net defined benefit liability (asset)#*	-	(0.02)
Exchange Gain/(loss)	-	0.00
Benefits paid	-	0.00
Liability transferred on Amalgamation to Tech Mahindra Limited	**(0.13)**	-
Projected benefit obligation, at the end of year	-	0.13

The composition of funded plan of Sofgen as at March 31, 2018 is as follows:

USD in Million

Particulars	March 31, 2019	March 31, 2018
Opening fair value of plan assets	**0.09**	0.06
Fair value of plan assets on acquisition	-	-
Expected return on plan assets	-	0.01
Contributions	-	0.04
Benefits paid	-	0.00
Remeasurement – (return)/loss on plan assets excluding amount included in net interest income	-	(0.01)
Asset transferred on Amalgamation Tech Mahindra Limited	**(0.09)**	-
Closing fair value of plan assets at year end	-	0.09

USD in Million

Particulars	March 31, 2019	March 31, 2018
Actuarial (gain)/loss – experience	-	(0.01)
Actuarial (gain)/loss – demographic assumptions	-	-
Actuarial (gain)/loss – financial assumptions	-	(0.01)
Total Remeasurements	-	0.02

USD in Million

Particulars	March 31, 2019	March 31, 2018
Service cost	-	0.04
Past Service Cost (Plan Amendments)	-	-
Interest cost	-	0.00
Interest Income on Plan Assets	-	0.00
Expense recognized in the Statement of Profit and Loss	-	0.04
Actuarial (Gain)/Loss recognized in OCI	**March 31, 2019**	March 31, 2018
Actuarial (Gain)/Loss arising during period	-	(0.02)
Remeasurement – (return)/loss on plan assets excluding amount included in net interest income	-	0.01
Total	-	0.01

Principal Actuarial Assumptions (Funded)	March 31, 2019	March 31, 2018
Discount Rate	-	7.70%
Expected rate of increase in compensation	-	12%
Withdrawal Rate	-	5%

- The discount rate is based on the prevailing market yields of Indian Government Bonds as at the balance sheet date for the estimated terms of the obligations.
- The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Disclosure related to indication of effect of the defined benefit plan on the entity's future cash flows:

Expected benefit payments for the year ending:

USD in Million

Year ending	**As on March 31, 2019**
March 31, 2020	-
March 31, 2021	-
March 31, 2022	-
March 31, 2023	-
March 31, 2024 to March 31, 2028	-

Sensitivity analysis: A quantitative sensitivity analysis for significant assumption as at March 31 2019 is as shown below:

Effect on DBO on account of 0.5 % change in the assumed rates:						
DBO Rates Types	**Discount Rate**		**Salary Escalation Rate**		**Withdrawal Rate**	
Year						
March 31, 2019	-	-	-	-	-	-
March 31, 2018	0.11	0.13	0.13	0.11	-	-

The sensitivity results above determine their individual impact on Plan's end of year Defined Benefit Obligation. In reality, the Plan is subject to multiple external experience items which may move the defined Benefit Obligation in similar or opposite directions, while the Plan's sensitivity to such changes can vary over time.

32. Financial Instruments and Risk Review

Financial Risk Management Framework

The Group is exposed primarily to fluctuations in foreign currency exchange rates, credit risk, liquidity risk, which may adversely affect the fair value of its financial instruments. The Group assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Group.

Credit Risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, loans, derivative financial instruments, cash and cash equivalents, other balances with banks and other financial assets. None of the financial instruments of the Group results in material concentration of credit risk.

Credit risk on cash and cash equivalents is limited as the Group generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was USD 17.47 Million and USD 21.26 Million as of March 31, 2019 and March 31, 2018 respectively, being the total of the carrying amount of trade receivables, investments, cash and cash equivalents, other balances with banks, loans and other financial assets.

In addition, the Group is exposed to credit risk in relation to financial guarantees given to banks provided by the Group. The Group's maximum exposure in this respect is the maximum amount the Group would have to pay if the guarantee is called on. Refer Note 29 above.

Trade receivables

Ind AS requires expected credit losses to be measured through a loss allowance. The Group assesses at each date of statements of financial position whether a financial asset or a group of financial assets is impaired. The Group recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusts for forward-looking information. Group's exposure to customers is diversified and no single customer contributes to more than 10% of outstanding accounts receivable and unbilled revenue as of March 31, 2019 and March 31, 2018. The concentration of credit risk is limited because the customer base is large and unrelated.

Before accepting any new customer, the Group uses an external/internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed on periodic basis.

The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. Movement in the expected credit loss allowance:

USD in Million

Particulars	**As at March 31, 2019**	As at March 31, 2018
Balance at the beginning of the year	1.48	0.48
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	0	1
Balance at the end of the year	**1.48**	1.48

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes.The Group's exposure to market risk is primarily because of foreign currency exchange rate risk.

a) Foreign Currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the countries and economic environment in which the Group operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar, Euro, Singapore Dollar, Great Britain Pound, Swiss Franc and Kenyan Shillings against the respective functional currencies of Sofgen Holding Limited.

The carrying value and fair value of financial instruments by categories as of March 31, 2019 is as follows:

USD in Million

Particulars	Fair value through P&L	Fair value through OCI	Derivative instruments in hedging relationship	Amortised cost	Total carrying value	Total Fair Value
Assets:						
Cash and cash equivalents	-	-	-	5.07	5.07	5.07
Other balances with banks	-	-	-	-	-	-
Trade receivables	-	-	-	11.70	11.70	11.70
Investments(Other than subsidiaries and associates)	0.03	-	-	-	0.03	0.03
Loans	-	-	-	-	-	-
Other financial assets	-	-	-	0.67	0.67	0.67
Total	**0.03**	**-**	**-**	**17.44**	**17.47**	**17.47**
Liabilities:						
Trade and other payables	-	-	-	10.98	10.98	10.98
Borrowings	-	-	-	14.41	14.41	14.41
Other financial liabilities	-	-	-	0.97	0.97	0.07
Total	**-**	**-**	**-**	**26.36**	**26.36**	**26.36**

The carrying value and fair value of financial instruments by categories as of March 31, 2018 is as follows:

USD in Million

Particulars	Fair value through P&L	Fair value through OCI	Derivative instruments in hedging relationship	Amortized cost	Total carrying value	Total Fair Value
Assets:						
Cash and cash equivalents	-	-	-	4.99	4.99	4.99
Other balances with banks	-	-	-	-	-	-
Trade receivables	-	-	-	10.95	10.95	10.95
Investments(Other than subsidiaries and associates)	0.03	-	-	-	0.03	0.03
Other financial assets	-	-	-	5.29	5.29	5.29
Total	**0.03**	**-**	**-**	**21.23**	**21.26**	**21.26**
Liabilities:						
Trade and other payables	-	-	-	9.35	9.35	9.35
Borrowings	-	-	-	15.08	15.08	15.08
Other financial liabilities	-	-	-	1.77	1.77	1.77
Total	**-**	-	-	**26.20**	**26.20**	**26.20**

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2019:

USD in Million

Particulars	Less than 1 year	1-3 years	3-5 years	Total
Non Derivative Financial Liabilities				
Finance lease obligation	-	-	-	-
Other borrowings	14.41	-	-	14.41
Trade Payables	10.98	-	-	10.98
Financial Liabilities	0.97	-	-	0.97
Other financial liabilities	-	-	-	-
Total	26.36	-	-	26.36
Derivative Financial Liabilities	-	-	-	-
Total	26.36	-	-	26.36

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2018:

USD in Million

Particulars	Less than 1 year	1-3 years	3-5 years	Total
Non Derivative Financial Liabilities				
Finance lease obligation	-	-	-	-
Other borrowings	15.08	-	-	15.08
Trade Payables	9.35	-	-	9.35
Financial Liabilities	1.77	-	-	1.77
Other financial liabilities	-	-	-	-
Total	**26.20**	**-**	**-**	**26.20**
Derivative Financial Liabilities	-	-	-	-
Total	**26.20**	**-**	**-**	**26.20**

Fair value Disclosure:

Financial assets that are not measured at fair value on a recurring basis (but fair value disclosures are required):

USD in Million

Particulars	As at March 31, 2019			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets:				
Mutual fund units	-	-	-	-
Equity Shares	-	-	-	-
Treasury Bonds and bills	0.03	-	-	0.03
Non-convertible debentures	-	-	-	-
Derivative financial assets	-	-	-	-
Total	**0.03**	**-**	**-**	**0.03**
Financial Liabilities:				
Derivative financial Liabilities	-	-	-	-
Total	**-**	**-**	**-**	**-**

USD in Million

Particulars	As at March 31, 2018			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets:				
Mutual fund units	-	-	-	-
Equity Shares	0.00	-	-	0.00
Treasury Bonds and bills	0.03	-	-	0.03
Non-convertible debentures	-	-	-	-
Derivative financial assets	-	-	-	-
Total	**0.03**	**-**	**-**	**0.03**
Financial Liabilities:				
Derivative financial Liabilities	-	-	-	-
Total	**-**	**-**	**-**	**-**

Interest Rate Sensitivity Analysis

If interest rates had been 0.25 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended March 31, 2019 would decrease/increase by USD 0.04 Million (March 31, 2018: decrease/increase by USD 0.04 Million). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

d) Liquidity Risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The amounts included above for financial guarantee contracts are the maximum amounts the Group could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Group considers that it is more likely than not that such an amount will not be payable under the arrangement.

33. Current Tax and Deferred Tax

The income tax expense for the year ended can be reconciled to the accounting profit as follows:

USD in Million

Particulars	**Year ended**	
	March 31, 2019	March 31, 2018
Profit before income taxes	**3**	(5)
Enacted tax rates	**10%**	27%
Income tax expense calculated at tax rate	**0**	(0)
Effect of income that is exempt from tax	**0**	0
Effect of expenses that are not deductible in determining taxable profit	**(0)**	0
Effect of differential overseas tax rates	**0**	0
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	**1**	0
Others	**(1)**	0
Income tax expense recognized in profit or loss	**(0)**	**(0)**

Current tax expense for the year ended March 31, 2019 is net of reversal of provision of USD 0 Million (year ended March 31, 2018: USD (0) Million) pertaining to earlier periods written back, no longer required.

Deferred Tax:

The breakup of Deferred Tax Assets presented in the Balance Sheet is as follows:

USD in Million

Particulars	**As at March 31, 2019**	As at March 31, 2018
Employee Benefits	**0**	-
Property, Plant and Equipment	**(0)**	-
Provisions	**0**	-
Deferred tax on undistributed profits	**-**	-
Effective portion of hedging Instruments	**-**	-
Other Items	**0**	0
Total	**0**	0

The breakup of Deferred Tax Liability presented in the Balance Sheet is as follows:

USD in Million

Particulars	**As at March 31, 2019**	As at March 31, 2018
Other Items	**-**	0
Total	**-**	0

The tax effect of significant timing differences that has resulted in deferred tax assets given below:

USD in Million

	For year ended March 31, 2019					
Particulars	**Opening balance**	**Addition on acquisition**	**Recognised in Profit and loss**	**Recognised in OCI**	**Others***	**Closing balance**
Employee Benefits	-	-	0	-	-	0
Property, Plant and Equipment	-	-	(0)	-	-	(0)
Provisions	-	-	0	-	-	0
Deferred tax on undistributed profits	-	-	-	-	-	-
Effective portion of hedging Instruments	-	-	-	-	-	-
Other Items	0	-	0	-	-	0
Net Deferred Tax Assets	0	-	0	-	-	0

The tax effect of significant timing differences that has resulted in deferred tax liabilities given below:

USD in Million

	For year ended March 31, 2019					
Particulars	**Opening balance**	**Addition on acquisition**	**Recognised in Profit and loss**	**Recognised in OCI**	**Others***	**Closing balance**
Other Items	0	-	-	-	(0)	-
Net Deferred Tax Liabilities	**0**	**-**	**-**	**-**	**(0)**	**-**

The tax effect of significant timing differences that has resulted in deferred tax assets are given below:

USD in Million

	For year ended March 31, 2018					
Particulars	**Opening balance**	**Addition on acquisition**	**Recognised in Profit and loss**	**Recognised in OCI**	**Others***	**Closing balance**
Employee Benefits	-	-	-	-	-	-
Property, Plant and Equipment	-	-	-	-	-	-
Provisions	-	-	-	-	-	-
Deferred tax on undistributed profits	-	-	-	-	-	-
Effective portion of hedging Instruments	-	-	-	-	-	-
Other Items	0	0	0	-	-	0
Net Deferred Tax Assets	0	0	0	-	-	0

*includes exchange (gain)/ loss

USD in Million

	For year ended March 31, 2018					
Particulars	**Opening balance**	**Addition on acquisition**	**Recognised in Profit and loss**	**Recognised in OCI**	**Others***	**Closing balance**
Other Items	0	-	-	-	-	0
Net Deferred Tax Liabilities	**0**	**-**	**-**	**-**	**-**	**0**

Deferred income tax liabilities have not been recognized on temporary differences amounting to USD NIL Million and USD NIL Millions of March 31, 2019 and March 31, 2018, respectively, associated with investments in subsidiaries and branches, as it is probable that the temporary differences will not reverse in the near future.

34 As required under Indian Accounting Standard 24 “Related Party Disclosures” (Ind AS – 24), following are the details of transactions during the year ended March 31, 2019 and outstanding balances as of that date with the related parties of the Group as defined in Ind AS – 24.

a) List of Related Parties and Relationships

Name of Related Party	Relation
Mahindra & Mahindra Limited	Promoter/Enterprise having significant influence.
Mahindra-BT Investment Company (Mauritius) Limited	Promoter Group Company/Enterprise having significant influence.
Mahindra Holding Limited	Promoter Group Company /Enterprise having significant influence.
Tech Mahindra Limited	Holding Company
Leadcom Integrated Solutions (L.I.S.) Ltd	Fellow Subsidiary Company
Tech Mahindra Singapore Pte Ltd	Fellow Subsidiary Company
Tech Mahindra Gmbh	Fellow Subsidiary Company
Mahindra Engineering Services UK Limited	Fellow Subsidiary Company
Tech Mahindra ICT Services Sdn Bhd	Fellow Subsidiary Company
Alexander L. Dembitz# Vikram Nair**	Key Management Personnel

Designated Key Management Personnel w.e.f. June 3, 2008.

** Designated Key Management Personnel w.e.f. March 13, 2015.

b) Related Party Transactions for the year ended March 31, 2019

Nature of Transactions	**Name of the party**	**For the year ended**	
		March 31, 2019	March 31, 2018
Revenue	Tech Mahindra Limited	**4.31**	6.22
	Leadcom Integrated Solutions (L.I.S.) Ltd	**0.61**	0.63
	Tech Mahindra Americas	**0.68**	-
Sub-contracting cost	Tech Mahindra Limited	**0.59**	0.93
Interest Expenses	Mahindra Engineering Services (Europe) Limited	**0.20**	0.15
	Tech Mahindra ICT Services Sdn Bhd	**0.04**	0.11
	Tech Mahindra Singapore Pte Ltd	**0.03**	0.24
	Tech Mahindra GmbH	**0.21**	0.32
Loan Taken	Tech Mahindra GmbH	**-**	13.00
	Mahindra Engineering Services (Europe) Limited	**-**	-
	Tech Mahindra ICT Services Sdn Bhd	**-**	1.41
	Tech Mahindra Singapore Pte Ltd	**-**	1.17
Advance Received	Tech Mahindra (Americas) Inc	**-**	4.31
Loan Repaid	Tech Mahindra GmbH	**-**	6.92

			USD in Million
Balance as on	**Name of the party**	**March 31, 2019**	March 31, 2018
Trade Payables	Tech Mahindra Limited	**9.67**	4.00
Trade Receivables	Tech Mahindra Limited	**5.68**	0.96
	Leadcom Integrated Solutions (L.I.S.) Ltd	**1.25**	-
	Tech Mahindra Americas	**0.07**	-
	Tech Mahindra De. Mexico S.DE.R.L.DE.C.V	**-**	0.10
Unbilled Revenue Receivable	Tech Mahindra Limited	**0.18**	-
	Leadcom Integrated Solutions (L.I.S.) Ltd	**-**	0.64
Loan taken	Mahindra Engineering Services (Europe) Limited	**6.01**	6.42
	Tech Mahindra GmbH	**5.82**	6.08

			USD in Million
Balance as on	**Name of the party**	**March 31, 2019**	March 31, 2018
	Tech Mahindra ICT Services Sdn Bhd	**1.40**	**1.41**
	Tech Mahindra Singapore Pte Lte	**1.11**	**1.17**
Other Payable	Tech Mahindra (Americas) Inc	**-**	**4.31**

35 Ind AS 108 establishes standards for the way that companies report information about their operating segments and related disclosures, as applicable about products and services, geographic areas, and major customers.

Based on the "management approach" as defined in Ind AS 108, the management evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments. Accordingly, information has been presented both along business segments and geographic segments.

Geographical information on revenue and business segment revenue information is collated based on individual customers invoiced or in relation to which the revenue is otherwise recognized.

Information on reportable segments for the year ended March 31, 2019 given below:

A. Revenues as per geographies

USD in Million

Geography	For the year ended	
	March 31, 2019	March 31, 2018
Americas	**1**	5
Europe region	**13**	13
Rest of world	**24**	28
Total	**38**	46

36 Disclosure for IND AS 115

a) Significant changes in the contract assets balances on fixed price development contracts during the period ended March 31, 2019

USD in Million

Contract assets:	**Amount**
Balances as of April 1, 2018	-
Add: Revenue recognised during the reporting period	2.09
Less: Invoiced during the period	-
Add/Less: Translation loss/(gain)	-
Add/Less: Others (please specify)	-
Balances as of March 31, 2019	2.09

b) Significant changes in the contract liabilities balances during the period ended March 31 2019

Contract liabilities:	**Advances from Customers**	**Unearned revenue**	**Total**
Balances as of April 1, 2018	-	1.86	1.86
Less: Revenue recognized during the reporting period	-	(2.33)	(2.33)
Add: Invoiced during the period but, not recognized as revenues	-	1.29	1.29
Add/Less: Translation loss/(gain)	-	-	-
Add/Less: Others (please specify)	-	-	-
Balances as of March 31, 2019	-	0.82	0.82

c) Remaining performance obligations:-

The following table includes revenue to be recognised in future related to performance obligations that are unsatisfied (or partially satisfied) as at 31st March 2019:-

For POC Contracts						USD in Million
Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Beyond Year 5
Services						
IT	4.45	-	-	-	-	-
Total	**4.45**	**-**	**-**	**-**	**-**	**-**

The following table provides information in respect of amount of revenue recognised in the statement of profit and loss with the contracted price showing separately each of the adjustments made to the contract price:

Contract Price	Amount (including ICP)	Amount (Excluding ICP)
Contracted transaction for period ended March 31, 2019	37.74	32.14
Less: Adjustment for volume discount	-	-
Less: Adjustment for cash discount	-	-
Less: Adjustment for upfront discount	-	-
Less - Adjustment for penalties / liquidated damages	-	-
Revenue recognized in the statement of profit and loss for the period ended March 31, 2019	37.74	32.14

The consolidated financial statements are presented in USD and all values are rounded to the nearest Million, except where otherwise indicated.

For and on behalf of the Board of Directors

Alexander L. Dembitz

Director

Vikram Narayan Nair

Director

May 21, 2019

TECH MAHINDRA DRC SARLU

Board of Directors
Mr. Sriram Veeravalli Sevellimedu
Mr. Ayan Chatterjee
Mr. Sourabh Banerji

Registered Office
Immeuble Le Prestige, 1er Étage,
4239 Avenue Tombalbaye Commune de la Gombe,
Kinshasa, Rép. Dém. du Congo

Bankers
Citibank DRC

Auditors
GPO Partners SPRL

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER 2018

The directors submit their report together with the audited financial statements for the year ended 31st December 2018, which disclose the state of affairs of the company.

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. Sourabh Banerji Director (Indian)

Mr. Sriram Veeravalli Sevellimedu Director (Indian)

Mr. Ayan Chatterjee Director (Indian)

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.

Auditors

In accordance with Section 357(2) of the Companies and Allied Matters Act (CAP C20) 2004, Messrs. GPO Partners SPRL will be reappointed to continue in office as Auditors to the Company having indicated their willingness to do so.

By order of the Board

Ayan Chatterjee

Director

Date: July 3, 2019

Place: Kinshasa

DEMOCRATIC REPUBLIC OF CONGO

MINISTRIES OF FINANCE AND THE BUDGET

GENERAL DIRECTION OF TAXES

TAX OFFICE OF: ______________________________

STANDARD FINANCIAL STATEMENTS OF THE

OHADA ACCOUNTING SYSTEM (SYSCOHADA)

TAX YEAR ENDING ON 12/31/2018

COMPANY NAME

COMPANY NAME: **SOCIETE TECH MAHINDRA LIMITED**
(or full name of operator)

USUAL NAME : **SOCIETE TECH MAHINDRA LIMITED**

Complete Address : **KINSHASA BOULEVARD**

N°3642, CONGO FUTUR BLDG., COMMUNE DE LA GOMBE

Taxpayer Identification N°

STANDARD SYSTEM

Documents submitted

Identification and information Sheet	X
Balance Sheet	X
Income Statement	X
Financial Table of Resources and uses	X
Attached report	X
Additional Statements	X
Number of pages submitted per copy...................... Number of copies submitted. 07....................................	

Réserved for the General Direction of Taxes

Date submitted
Name of the DGI Agent receiving the declarations Agent’s Signature and Departmental Stamp

CONDITIONS OF RECEIVABILITY

Companies using the forms:

- Use only standard forms
- Fill in each page legibly without shifting lines
- Do not create any extra lines
- Avoid any additional comments on the forms, attach a separate sheet for explanations
- Use only the codes indicated in the tables
- Use only black and white forms

Companies producing the financial statements with a computer tool :

- Reproduce verbatim the content of the standard printed forms
- Submit a tax declaration including: the identification and information sheet together with all financial statements corresponding to the accounting system
- Do not create any new lines
- Use only the codes indicated in the tables
- Use only black and white forms.

Corporate Name : **SOCIETE TECH MAHINDRA LIMITED**

Address : Kinshasa Blvd of June 30, Congo Futur Bldg Usual Name : SA BVD. DU 30 JUIN

Taxpayer Identification N° : ________________ Tax year ending on: 12/31/2018 Duration (in months) : 12

DIRECTORS ([1])

Family Name	First Name	Position	Taxpayer Identity N°	Address (BP, city, country)

([1]) Administrators = Chairman and Executive Officer, Managing Director, General Administrator, Manager, Others.

SHAREHOLDERS OR MAIN ASSOCIATES (by decreasing order of capital subscribed to)

Family Name	First Name	Nationality		Capital	
				Amount (millions FCFa)	%
Tech Mahindra Ltd.		Indian		90,500,000	100%
			TOTAL	90,500,000	100%

BOARD MEMBERS

Family Name	First Name	Job Position	Address (BP, city, country)
Banerji	Sourabh	Director	India
Chatterjee	Ayan	Director	India
Sevellimedu	Sriram	Director	India

AFFILIATED COMPANIES AND PARTICIPATIONS

Designation	Nationality		Capital	
			Amount (millions FCFa)	%
		TOTAL		

TABLE OF CODES

1 - Code for legal form ([1])			3 - Code of the country of the headquarters			
Société Anonyme (SA) à participation publique	0	0	UEMOA countries ([2])	(REGION)		
Société Anonyme (SA)	0	1	CEMAC countries ([3])	(REGION)		
Private Limited Company (SARL)	0	2	Other OHADA countries ([4])	(REGION)		
Limited Partnership (SCS)	0	3	Other African countries		2	1
Partnership (SNC)	0	4	Switzerland		2	2
Joint Venture Company (SP)	0	5	France		2	3
			Other European Union countriesEuropéenne		3	9
Groupement d'Intérêt Economique (GIE)	0	6	U.S.A.		4	0
Association	0	7	Canada		4	1
Other legal form (to be specified)	0	8	Other American countries		4	9
2 - Tax Regime Code			Asian countries		5	0
Actual Standard		1	Other countries		9	9
Actual Simplified		2				
Summary Statement		3				
Lump sum tax payment		4	(Monetary Zone= Cfa Franc Zone)			

([1]) Replace the first 0 by 1 if the company benefits from a priority agreement

([2]) Benin = 01 ; Burkina = 02 ; Côte d'Ivoire = 03 ; Guinea Bissau = 04 ; Mali = 05 ; Niger = 06 ; Senegal = 07 ; Togo = 08

([3]) Cameroon = 09 ; Central African Republic = 10 ; Congo = 11 ; Gabon = 12 ; Equatorial Guinea = 13 ; Chad = 14

([4]) Comores = 15 ; Guinea Conakry = 16

4 - ECONOMIC ACTIVITY CODE

Food Agriculture
001 001 Cereal crop
001 002 Growing of tubers and plantains
001 003 Growing vegetables
001 004 Growing seasoning plants
001 005 Fruit growing
001 006 Growing other food products

Industrial Agriculture and Exports
002 001 Growing sugar cane
002 002 Growing oil mill peanuts
002 003 Growing ground nuts for eating
002 004 Growing tobacco
002 005 Growing cotton
002 006 Growing wheat
002 007 Growing cocoa
002 008 Growing coffee
002 009 Growing bananas for export
002 010 Growing pineapple for export
002 011 Other industrial food crops

Livestock Raising and Hunting
003 001 Raising Cattle
003 002 Raising sheep, goats, horses
003 003 Raising chickens
003 004 Other livestock
003 005 Hunting

Tree Plantations, Logging
004 001 Tree plantations
004 002 Logging

Fishing and Aquaculture
005 001 Fishing
005 002 Other fisheries and aquaculture

Extractive Industries
006 001 Extraction of Hydrocarbons
006 002 Extraction of other products

Production of Meat and Fish
007 001 Production of meat and meat products
007 002 Production of fish and fish products

Grain Processing and Manufacturing of Starchy Products
008 000 Grain processing and manufacturing of starchy products

Transformation of coffee and cocoa
009 001 Transformation of coffee
009 002 Transformation of cocoa

Oilseed Industry
010 001 Crude oils and meals
010 002 Other fats

Bakeries, cake shops and Pasta food
011 001 Production of bread, biscuits and pastry
011 002 Production of pasta

Dairy Industries
012 000 Dairy Industries

Fruit and vegetable processing and manufacturing of other food products
013 001 Sugar manufacturing
013 002 Manufacturing of products based on fruits and vegetables
013 003 Manufacturing of other food products

Beverage Industry
014 001 Breweries and Malting Plants
014 002 Manufacturing of other alcoholic beverages
014 003 Production of Non-alcoholic and alcoholic beverages and mineral water

Tobacco Industry
015 000 Tobacco industry

Textile and clothing Industries
016 001 Textile Industries
016 002 Clothing Industries

Leather and footwear Industries
017 001Manufacture of leather and leather articles
017 002 Footwear manufacturing

Wood Industries
018 001 Sawing, planing and impregnation of wood
018 002 Wood panel manufacturing
018 003 Manufacture of assembled wood articles

Paper and cardboard Industries publishing and printing
019 001 Paper and cardboard Industries
019 002 Publishing, printing and reproduction

Oil Refining
020 000 Oil refining

Chemical Industry
021 001 Basic chemical industries
021 002 Manufacture of soaps, detergents and cleaning products
021 003 Manufacture of agro-chemical products
021 004 Pharmaceutical Industries
021 005 Manufacture of other chemical products

Rubber and Plastic Industries
022 001 Natural Rubber manufacturingFabrication du caoutchouc naturel
022 002 Rubber Industries
022 003 Manufacture of plastics

Manufacture of other non-mineral products, metal and construction materials
023 001 Glass Industries
023 002 Manufacture of mineral products for construction
023 003 Manufacture of other mineral and non-metallic products

Métallurgy and Metal working
024 001 Métallurgy
024 002 Metalworking

Manufacture of machines, equipment and electric appliances
025 001 Manufacture of machines and equipment
025 002 Manufacture of office machines
025 003 Manufacture of electrical appliances

Manufacture of audio-visual and communication equipment and apparatuses; Manufacture of medical and optical instruments and watchmaking
026 001 Manufacture of audiovisual and communication equipment and appliances
026 002 Manufacture of medical and optical instruments and watchworking

Manufacture of Transportation equipment
027 001 Manufacture of Road vehicules
027 002 Manufacture of other transport machines and equipment

Various Industries
028 001 Furniture manufacturing
028 002 Miscellaneous Industries

Production and distribution of water, electricity and gas
029 001 Production, transportation and distribution of electricity
029 002 Water collection, purification and distribution
029 003 Production and distribution of gas

Construction
030 001 Site Preparation and construction, of buildings or civil engineering works
030 002 Installation and finishing work

Trade
031 001 Sale of vehicles, accessories and fuel
031 002 Trade in unprocessed agricultural products and live animals
031 003 Other businesses

Repairs
032 001 Automobile maintenance and repair
032 002 Repair of personal household property

Hotels, Restaurants
033 001 Hotels
033 002 Bars and restaurants

Transport and Communication
034 001 Rail Transport
034 002 Road Transport with a driver
034 003 Water Transportation
034 004 Air Transport
034 005 Ancillary and auxiliary Services of transportation

Postal and telecommunication services
035 001 Postal
035 002 Télécommunications
Financial ActivitiesActivités financières
036 001 Financial Intermediation Services
036 002 Insurance (except Social Security)
036 003 Financial and insurance auxiliary services

Real Estate Activities
037 001 Rental of Real Estate
037 002 Other real estate services

Business Services
038 001 Rentals without operators
038 002 Computer Activities
038 003 Services rendered mainly to companies

Public Administration
039 001 General Administration, economic and social services
039 002 Services of public prerogative
039 003 Obligatory Social Security

Education
040 000 Education
Health and Social Work

Activities for people's health
041 002 Veterinarian activities
041 003 Social work

Community, social and personal Services
042 001 Sewerage, roads and wastewater and waste products management
042 002 Associative Activities
042 003 Recreational and cultural activities and all sports activities
042 004 Personal Services
042 005 Domestic Services

Financial Intermediation Services measured indirectly
043 000 Financial intermediation Services measured indirectly

Territorial Correction
044 000 Territorial Correction

FICHE D'IDENTIFICATION ET RENSEIGNEMENTS DIVERS

Company Name: **SOCIETE TECH MAHINDRA LIMITED**

Address : BP Kinshasa Bvd. DU 30, JUIN N° 3642

Usual Name: ____________________

Taxpayer Identification **N°** ______________

Fiscal year closed on : 12/31/2018

Duration (in months) : **12**

ZA ACCOUNTING YEAR : From **1/1/2018** To **12/31/2018**

ZB Exact date accounts closed : **12/31/2018**

ZC Preceding Fiscal Year closed on:: **12/31/2017** Duration of the preceding fiscal year in months : **12**

ZD **KG** (Registrar) **9.355/M** (N° Trade Register) — Business Repertory N°

ZE ………… (Social Security N°) — N° Importer Code — .... (Main Activity Code)

ZF **TECH MAHINDRA DRC SARLU COMPANY** (Company Name) — .... (Sigle)

ZG Telephone N° — Fax N° — …. (Code) — ….. (Postal Box) — ….. (City)

ZH **KINSHASA BVD DU 30 JUIN N°3642 ,IMM CONGO FUTUR COMMUNE DE LA GOMBE**

Complete Geographic Address (Building, street, neighborhood, city, country)

ZI **Management, Advice and Supply of Telecommunication Systems**

Specific designation of the main activity carried out by the company — % capac. prod. Used

Name, address and position of person to contact if additional information is needed.

....

Name of professional accountant employed by the company or
Name, address and telephone N° of Accounting Firm or Professional inscribed in the NATIONAL ORDER
OF CERTIFIED PUBLIC AND ACCREDITED ACCOUNTANTS who prepared the financial statements.

Names and addresses of the Auditor or Auditors

☐ Not subject to tax ☐ No, (refused) ☐ Yes with reservations ☐ Yes without reservatic

Certified Financial Statements (tick the box)

☐ Not subject to tax ☐ No ☐ Yes

Financial Reports approved by the General Assembly (tick the box)

Ayan Chattterjee

Name of signatory of Financial Statements

Title of the Signatory of Financial Statements

20 May, 2019

Date of signature

Signature

Company bank account:	
Bank:	Account Number
Citibank DRC.	100041103

Dénomination sociale de l'entreprise : **SOCIETE TECH MAHINDRA LIMITED**

Address : BP Kinshasa Bvd. DU 30, JUIN N° **3**642 Usual Name: ____________________

Taxpayer Identification **N°** ______________ Fiscal year closed on : 12/31/2018 Duration (in months) : **12**

				Contrôle de l'entreprise (cocher la case)	
ZK	Forme juridique (1) :	O 3	ZQ	Entreprise sous contrôle public	☐
ZL	Régime fiscal (1) :	1	ZR	Entreprise sous contrôle privé national	X
ZM	Pays du siège social (1) :	1 1	ZS	Entreprise sous contrôle privé étranger	☐
ZN	Nombre d'établissements dans le pays :	O 1			
ZO	Nombre d'établissements hors du pays pour lesquels une comptabilité distincte est tenue :	O O			
ZP	Première année d'exercice dans le pays :	2 O 1 2			

ACTIVITE DE L'ENTREPRISE

Designation of Activity (2)	**Activity Code (1)**	**Turnover HT (CA HT) (3) or Added Value (VA)**	**% of activity in turnover CA HT or VA**
Management, Advice and Supply of a Telecommunications System		102,951,509	100
ACCESSORY PRODUCTS			
Miscellaneous		102,951,509	100
	TOTAL		

(1) Refer to the table of codes.
(2) List specifically the activities in decreasing order of turnover (C.A. HT, or value added (V. A.).
(3)Delete as appropriate (preferably use V.A.).

STANDARD BALANCE SHEET SYSTEM
PAGE 1/4

BILAN

Company Name: **SOCIETE TECH MAHINDRA LIMITED**

Address : BP Kinshasa Bvd. DU 30, JUIN N° **3**642

Usual Name: ______________________

Taxpayer Identification **N°** ________________

Fiscal year closed on : 12/31/2018

Duration (in months) : **12**

Ref.	ASSETS	Year N			Year N - 1
		Gross	**Amort/Prov**	**Net**	**Net**
	FIXED ASSETS (1)				
AA	**Fixed Charges**				
AX	Cost of Setting up the company				
AY	Charges to be distributed				
AC	Redemption Premiums on Bonds				
AD	**Intangible Assets**				
AE	Research and Development Expenses				
AF	Patents, Licenses, Software				
AG	Intangible value of the business				
AH	Other immobilisations				
AI	**Tangible Assets**				
AJ	Land Parcels				
AK	Buildings				
AL	Installations and Furnishings				
AM	Equipment				
AN	Transportation Equipment				**46**
AP	Advances and partial payments towards assets				
AQ	**Permanent Financial Investments**				
AR	Shares of participation				
AS	Other financial investments	**1,946,399,844**		**1,946,399,844**	**57,349,345**
AW	(1) including H. A. O. :				
	Gross				
	Net				
AZ	**TOTAL FIXED ASSETS (I)**	**1,946,399,844**		**1,946,399,844**	**57,349,345**

BILAN

Company Name: **SOCIETE TECH MAHINDRA LIMITED**

Address : BP Kinshasa Bvd. DU 30, JUIN N° 3642 Usual Name: ______________________

Taxpayer Identification **N°** ________________ Fiscal year closed on : 12/31/2018 Duration (in months) : **12**

Ref.	**ASSETS**	**Fiscal Year N**			**Ex. N - 1**
		Gross	**Amort/Prov**	**Net**	**Net**
AZ	Total Fixed Assets carried over	**1,946,399,844**		**1,946,399,844**	**57,349,345**
	Current Assets				
BA	Current Assets for Other Activities (H.A.O.)				
BB	**Stocks**				
BC	Merchandise				
BD	Raw materials and other supplies				
BE	Current orders				
BF	Manufactured Products				
BG	**Receivables and assimilated realizations**				
BH	Suppliers, advances paid up	**-494,896,907**		**-494,896,907**	**383,163,256**
B I	Clients				
BJ	Other receivables	**3,935,392,330**		**3,935,392,330**	**4,267,748,169**
BK	**TOTAL CURRENT ASSETS (II)**	**3,440,495,423**		**3,440,495,423**	**4,650,911,425**
	CASH FLOW ASSETS				
BQ	Investments in Securities				
BR	Checks and Bills awaiting collection				
BS	Banks, postal checks, cash	**275,555,046**		**275,555,046**	**3,170,998,186**
BT	**TOTAL TREASURY ASSETS (III)**	**275,555,046**		**275,555,046**	**3,170,998,186**
BU	Losses from Foreign Exchange-Assets (IV) (probable loss from foreign currency exchange)				
BZ	**GENERAL TOTAL (I + II + III + IV)**	**5,662,450,313**		**5,662,450,313**	**7,879,259,002**

STANDARD BALANCE SHEET
PAGE 3/4

BILAN

Company Name: **SOCIETE TECH MAHINDRA LIMITED**

Address : BP Kinshasa Bvd. DU 30, JUIN N° 3642

Usual Name: ______________________

Taxpayer Identification **N°** ________________ Fiscal year closed on : 12/31/2018 Duration (in months) : **12**

Ref.	LIABILITIES (before distribution)		Year N	Year N - 1
	Shareholders' Equity and Assimilated Resources			
CA	**Company Capital**			
CB	Shareholders uncalled subscribed capital			
CC	**Premiums and reserve funds**			
CD	Share premiums, Issue premiums, Merger premiums			
CE	Re-evaluation differences			
CF	Frozen unavailable reserve funds			
CG	Free reserve funds			
CH	to be carried over	+ or -		
C I	**Net results from the fiscal year**	(profits + or losses -)	**-1,336,444,547**	-2,857,622,658
CK	**Other Shareholders' Equity**			
CL	Investment Subsidies			
CM	Regulated Provisions and Assimilated Funds			
CP	**TOTAL SHAREHOLDERS' EQUITY (I)**		**-1,336,444,547**	-2,857,622,658
	Financial Debts and Assimilated Resources (1)			
DA	Loans			
DB	Debts from financial leases and assimilated contracts			
DC	Various financial debts		**4,970,400,565**	7,513,707,841
DD	Financial provisions for risks and charges			
DE	(1) including H. A. O.:			
DF	**TOTAL FINANCIAL DEBTS (II)**		**4,970,400,565**	7,513,707,841
DG	**TOTAL STABLE RESOURCES (I + II)**		**3,633,956,018**	4,656,085,183

STANDARD BALANCE SHEET
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BILAN

Company Name: **SOCIETE TECH MAHINDRA LIMITED**

Address : BP Kinshasa Bvd. DU 30, JUIN N° 3642 Usual Name: ______________________

Taxpayer Identification **N°** ________________ Fiscal year closed on : 12/31/2018 Duration (in months) : **12**

Ref.	LIABILITIES (before distribution)	Year N	Year N - 1
DG	Total Stable Resources carrie over	**3,633,956,018**	4,656,085,183
	CURRENT LIABILITIES		
DH	Current Debts for other activities and Assimilated resources H.A.O.		
D I	Clients, advance payments received		112,647,000
DJ	Suppliers for Operations	**169,180,968**	5,525
DK	Fiscal Debts		31,048,392
DL	Social Security Debts (CNSS)	**402,730**	
DM	Other Debts		
DN	Provisioned Risks	**1,858,910,597**	3,079,472,902
DP	**TOTAL CURRENT LIABILITIES (III)**	**2,028,494,295**	3,223,173,819
	CASH FLOW: LIABILITIES		
DQ	Banks, discounted credit		
DR	Banks, cash flow credit		
DS	Banks, overdrafts		
DT	**TOTAL TREASURY-LIABILITIES (IV)**		
DU	**Gains from foreign currency exchange-liabilities (V)** (probable gains from exchange)		
DZ	**GENERALTOTAL (I + II + III + IV + V)**	**5,662,450,313**	7,879,259,002

STANDARD BALANCE SHEET SYSTEM
PAGE 1/4

INCOME STATEMENT

Company Name: **SOCIETE TECH MAHINDRA LIMITED**

Address : BP Kinshasa Bvd. DU 30, JUIN N° 3642 Abbreviated as: ______________________

Taxpayer Identification **N°** ________________ Fiscal year closed on : 12/31/2018 Duration (in months) : **12**

Ref.	CHARGES (First Part)		Year N	Year N - 1
	OPERATING ACTIVITIES			
RA	Purchase of Goods			
RB	- Variation of stocks	(- or +)		
	(Gross Margin on goods, see TB)			
RC	Purchase of Raw Materials and related supplies			
RD	- Variation de stocks	(- or +)		
	(Gross Margin on Materials, see TG)			
RE	Other purchases		**59,766,257**	207,111,943
RH	- Variation in stocks	(- or +)		
RI	Transportation		**6,702,800**	23,592,323
RJ	External Services		**841,762,349**	1,138,254,023
RK	Taxes and fees			
RL	Other charges			
	(Added Value, see TN)			
RP	Charges for personnel (1)		**-111,185,211**	1,785,510,165
RQ	(1) including external personnel			
	(Gross surplus from operations, see TQ)			
RS	Charges for amortization and Provisions			167,215,645
RW	**Total Operating Charges**		**797,046,195**	3,321,684,099

(Operating Results, see TX)

INCOME STATEMENT

Company Name: **SOCIETE TECH MAHINDRA LIMITED**

Address : BP Kinshasa Bvd. DU 30, JUIN N° 3642 Abbreviated as: ______________________

Taxpayer Identification **N°** ________________ Fiscal year closed on : 12/31/2018 Duration (in months) : **12**

Ref.	INCOME (First Part)			Fiscal Year N	Fiscal Year N - 1
	OPERATING ACTIVITIES				
TA	Sale of Goods				
TB	**Gross Margin on Goods**				
TC	Sale of manufactured goods				
TD	Works, services sold			**102,951,509**	948,751,454
TE	Stored Production (or decrease in stock) (+ or -)				
TF	Immobilized Production				
TG	**Gross Martin on Materials**				
TH	Accessory Income				132,621,533
T I	Turnover (1) (TA + TC + TD + TH)	**102,951,509**	**948,751,454**		
TJ	(1) including from exports				
TK	Subsidies for operations				
TL	Other Income				
TN	**Value Added**	**-805,279,897**	**-287,585,302**		
TQ	**Gross Surplus from Operations**	**-694,094,686**	**-2,073,095,467**		
TS	Reversals of Provisions				
TT	Transfer of charges				
TW	**Total income from operations**			**102,951,509**	1,081,372,987
TX	**OPERATING RESULTS** Profits (+) ; Losses (-)	**-694,094,686**	**-2,240,311,112**		

STANDARD BALANCE SHEET SYSTEM
PAGE 3/4

INCOME STATEMENT

Company Name: **SOCIETE TECH MAHINDRA LIMITED**

Address : BP Kinshasa Bvd. DU 30, JUIN N° 3642 Abbreviated as: ______________________

Taxpayer Identification **N°** ________________ Fiscal year closed on : 12/31/2018 Duration (in months) : **12**

Ref.	CHARGES (Second Part)	year N	year N - 1
RW	Total carry over of operating costs	**797,046,195**	3,321,684,099
	Financial Activity		
SA	Financial expenses		
SC	Losses from Currency Exchanges	**423,415,508**	594,047,354
SD	Charges tied to amortization and provisions		
SF	**Total Financial Charges**	**423,415,508**	594,047,354
	(Financial Results, see UG)		
SH	**Total from Regular Activities**	**1,220,461,703**	3,915,731,453
	(Results from ordinary activities: see UI)		
	Excluding Ordinary Activities (H.A.O.)		
SK	Accounting values from transfers of fixed assets		
SL	Charges H.A.O.	**241,048,143**	
SM	Allocations H.A.O.		
SO	**Total Charges H.A.O.**	**241,048,143**	
	(Results H.A.O. see UP)		
SQ	Participation of Workers		
SR	Taxes on Results	**-18,719,117**	69,370,741
SS	**Total participation and taxes**	**-18,719,117**	69,370,741
ST	**GENERAL TOTAL CHARGES**	**1,442,790,729**	3,985,102,194
	(Net Results, see UZ)		

INCOME STATEMENT

Company Name: **SOCIETE TECH MAHINDRA LIMITED**

Address : BP Kinshasa Bvd. DU 30, JUIN N° 3642 Abbreviated as: ______________________

Taxpayer Identification **N°** ________________ Fiscal year closed on : 12/31/2018 Duration (in months) : **12**

Ref.	INCOME (Second Part)				Fiscal Year N	Fiscal Year N - 1
TW	Report Total Carry over of Operating Income				**102,951,509**	**1,081,372,987**
	FINANCIAL ACTIVITY					
UA	Financial Revenue				**3,394,672**	**46,106,549**
UC	Gains from Currency Exchange					
UD	Recovery of Provisions					
UE	Transfer of charges					
UF	**Total Financial Income**				**3,394,672**	**46,106,549**
UG	**FINANCIAL RESULTS**	(+ or -)	**-420,020,836**	**-547,940,805**		
UH	**Total income from ordinary activities**				**106,346,181**	**1,127,479,536**
U I	**Results from Ordinary Activities (1)**	(+ or -)	**-1,114,115,522**	**-2,788,251,917**		
UJ	1.including corresponding tax : **69,370,741**					
	Excluding Ordinary Activities (H.A.O.)					
UK	Income from transfer of fixed assets					
UL	H.A.O. Income				**1**	
UM	H.A.O. Reversals or recoveries					
UN	Transfer of charges					
UO	**Total income H.A.O.**				**1**	
UP	Results H.A.O.	(+ or -)		**228,344,792**		
UT	**GENERAL TOTAL INCOME**				**106,346,182**	**1,127,479,536**
UZ	**Net Results** Gains (+) ; Losses (-)		**-1,336,444,547**	**-2,857,622,658**		

SAMPLE TAFIRE SYSTEM
PAGE 1/4

FINANCIAL TABLE OF RESOURCES AND APPLICATIONS (TAFIRE)

Company Name: **SOCIETE TECH MAHINDRA LIMITED**

Address : BP Kinshasa Bvd. DU 30, JUIN N° **3**642 Abbreviated as: ______________________

Taxpayer Identification **N°** ________________ Fiscal year closed on : 12/31/2018 Duration (in months) : **12**

First Part: Determination of the financial balances of the Fiscal Year N

General Self-financing Capacity (C.A.F.G.)

CAFG = EBE
– Remaining Cash Charges} excluding transfers
+ Remaining Cashable Income} of fixed assets

		E.B.E.	-694,094,686
(SA) Financial Charges		(TT) Transfers of operating charges	
(SC) Exchange losses	423,415,508	(UA) Financial Income	3,394,672
(SL) H.A.O. Charges	241,048,143	(UE) Transfers of Financial charges	
(SQ) Participation		(UC) Gains in currency exchange	
(SR) Taxes on results	-18,719,117	(UL) H.A.O. Income	1
		(UN) Transfers of H.A.O. charges	
Total (I)	645,744,534	Total (II)	-690,700,013

CAFG : Total (II) - Total (I) = **-1,336,444,547** (N - 1) : **-79,189,778**

SELF-FINANCING (A.F.)

AF = CAFG - Distributions of dividends during the fiscal year (1)

AF = **-1,336,444,547** = **-1,336,444,547** (N - 1) : **-79,189,778**

Variation in the need to finance operations (B.F.E.)
Variation B.F.E. = Variation Stocks (2) + Variation receivables (2) + Variation current debts (2)

Variation of stocks : N - (N - 1)	Increase in Jobs (+)		Decrease in Resources
(BC) Goods		ou	
(BD) Raw Materials		ou	
(BE) Current		ou	
(BF) Manufactured Products		ou	
(A) General Net Variation in Stocks		**ou**	

(1) Dividends earmarked for payment during the fiscal year, including partial payments on dividends.
(2) Excluding H.A.O. elements

FINANCIAL TABLE OF RESOURCES AND APPLICATIONS (TAFIRE)

Company Name: **SOCIETE TECH MAHINDRA LIMITED**

Address : BP Kinshasa Bvd. DU 30, JUIN N° 3642 Abbreviated as: ______________________

Taxpayer Identification **N°** ________________ Fiscal year closed on : 12/31/2018 Duration (in months) : **12**

Variation in Receivables: N - (N - 1)	Increase in Jobs (+)		Decrease in Resources (-)
(BH) Suppliers, advances paid		ou	878,060,163
(B I) Clients		ou	
(BJ) Other receivables		ou	332,355,839
(BU) Differences in Exchange conversion: Assets		ou	0
(B) General Net Variation in Receivables		**ou**	**1,210,416,002**

Variation of Current Debts : N - (N - 1)	Decrease in Jobs (-)		Increased Resources (+)
(D I) Clients, advance payments received	112,647,000	ou	
(DJ) Suppliers for Operations		ou	169,175,443
(DK) Fiscal Debts	31,048,392	ou	
(DL) Social Debts		ou	402,730
(DM) Other debts		ou	
(DN) Provisioned Risks	1,220,562,305	ou	
(DU)Differences resulting from conversion: Liabilities		ou	
(C) Total Net Variation of Current Debts	1,080,032,524	ou	
VARIATION of B.F.E. = (A) + (B) + (C)		ou	28,383,478

Surplus operational Treasury (E.T.E.)

ETE = EBE - Variation BFE - Immobilized Production

		N	N - 1
Gross Operating Surplus		-694,094,686	-2,073,095,467
- Variation of B.F.E.(- if jobs ; + if resources)	(- ou +)	-977,116,084	-977,116,084
- Production of Capital Goods		-	-
Surplus operations Treasury		**-565,711,208**	**-3,050,211,551**

SAMPLE TAFIRE SYSTEM
PAGE 3/4

TABLEAU FINANCIER DES RESSOURCES ET DES EMPLOIS (TAFIRE)

Company Name: **SOCIETE TECH MAHINDRA LIMITED**

Address : BP Kinshasa Bvd. DU 30, JUIN N° **3**642 Abbreviated as: ______________________

Taxpayer Identification **N°** ________________ Fiscal year closed on : 12/31/2018 Duration (in months) : **12**

Ref.		**Year N**		**Year N - 1**
		Jobs	**Resources**	**(E - ; R +)**
	I. Investments and Disinvestments			
FA	Capitalized charges (increases during the fiscal year)		/////////////////	
	Internal Growth			
FB	Acquisitions/Transfers of Intangible Assets			
FC	Acquisitions/Transfers of Tangible Assets			**-1,432,852,922**
	External Growth			
FD	Acquisitions/Transfers of Financial Assets	**1,946,399,844**		**-50,797,064**
FF	**TOTAL INVESTMENTS**	**1,946,399,844**		**-1,483,649,986**
FG	II. Variation in Financing Needs for Operations (see above: Variation B.F.E.)	**2,798,932,327** or		**-2,798,932,327**
FH	**A - Economic Applications to be financed (FF + FG)**	**4,745,332,171**		**-4,282,582,313**
F I	**III. Applications / Resources (B.F., H.A.O.)**	ou	**–**	
FJ	**IV. Obligatory Financial Applications (1)**		/////////////////	
	Reimbursement (according to payment schedules) of loans and financial debts			
	(1) Excluding early reimbursements included in VII			
FK	**B -Total Applications to be Financed**		**-4,745,332,171**	**-4,282,582,313**

FINANCIAL TABLE OF RESOURCES AND APPLICATIONS (TAFIRE)

Company Name: **SOCIETE TECH MAHINDRA LIMITED**

Address : BP Kinshasa Bvd. DU 30, JUIN N° 3642 Abbreviated as: ______________________

Taxpayer Identification **N°** ________________ Fiscal year closed on : 12/31/2018 Duration (in months) : **12**

Réf.		**Year N**		**Year N - 1**
		Applications	**Resources**	**(E - ; R +)**
	V. Internal Financing			
FL	Dividends (applications) / C.A.F.G. (Resources)		-1,336,444,547	-79,189,778
	VI. Financing by shareholders' equity			
FM	Increases in capital through new contributions	/////////////////	2,857,622,658	264,391,889
FN	Investment Subsidies	/////////////////		
FP	Withdrawals from the capital (including withdrawals by the operator)		/////////////////	
	VII. Financing through new loans			
FQ	Loans (2)			
FR	Other financial debts (2)	2,543,307,276		
	(2) Early reimbursements inscribed separately in applications			
FS	**C - Net Financing Resources**	2,543,307,276	1,521,178,111	185,202,111
FT	**D - Surplus or insufficiency of Financing Resources (C - B)**	2,895,443,140 ou		1,050,248,412
	VIII. Variation in the Treasury			
	Net Cash Flow			
FU	at the closing of the fiscal year: + or - 275,555,046	3,170,998,186		
FV	at the opening of the fiscal year: + or - 3,170,998,186	3,279,579,465		
FW	**Variation in the treasury : (+ if an application ; - if resources) -2,895,443,140**	ou	2,895,443,140	-1,050,248,412
	Control : D = VIII with the opposite sign			

Note : I, IV, V, VI, VII : in terms of movements ; II, III, VIII : balance sheet differences

CONTROL (based on balance sheet results N and N - 1)		Applications	Resources
Variation of the working capital (F.d.R.)	: FdR(N) - FdR(N - 1)	3,023,826,618 or	
Variation of total B.F. (B.F.G.)	: BFG(N) - BFG(N - 1)	or	128,383,478
Variation of the treasury (T)	: T(N) - T(N - 1)	or	2,895,443,140
	TOTAL	**3,023,826,618 =**	**3,023,826,618**

Company Name: **SOCIETE TECH MAHINDRA LIMITED**

Address : BP Kinshasa Bvd. DU 30, JUIN N° **3**642 Abbreviated as: ______________________

Taxpayer Identification **N°** ________________ Fiscal year closed on : 12/31/2018 Duration (in months) : **12**

ANNEX TO THE STANDARD SYSTEM

N. B. : If you do not have sufficient space reserved here below, please continue on a separate sheet of paper that you can attach at the end of the balance sheet.

I - OBLIGATORY INFORMATION:

A - RULES AND ACCOUNTING METHODS :

I - A1 General Methods of Evaluation applied by the Company :

I - A2 Specific Methods of Evaluation Applied by the Company:

EMPTY

Company Name: **SOCIETE TECH MAHINDRA LIMITED**

Address : BP Kinshasa Bvd. DU 30, JUIN N° **3**642 Abbreviated as: ______________________

Taxpayer Identification **N°** ________________ Fiscal year closed on : 12/31/2018 Duration (in months) : **12**

I - A3 Derogations used by the Company : please show justification for choices made and, if required, explain the impact on the company capital, the financial situation and the annual results of the company.

EMPTY

I - A4 Methods of Presentation applied by the company, with mention of modifications intervening from one fiscal year to the next:

EMPTY

I - A5 Derogations to the rules of presentation used by the company: Please justify any changes with an indication of their impact on the patrimony, the financial situation and the annual results of the company.

EMPTY

Company Name: **SOCIETE TECH MAHINDRA LIMITED**

Address : BP Kinshasa Bvd. DU 30, JUIN N° **3**642 Abbreviated as: ________________________

Taxpayer Identification **N°** _________________ Fiscal year closed on : 12/31/2018 Duration (in months) : **12**

B - Additional Information related to the Balance Sheet and Income Statement

I - B1 Exceptional Circumstances that may distort the comparison between the financial statements from one fiscal year to the next :

EMPTY

I - B2 Information on the revaluations applied by the company :

Nature and dates of the revaluations :

EMPTY

Revaluation of elements according to balance sheet item		Amounts of historical costs	Additional Depreciation

Method of Revaluation used :

EMPTY

Tax treatment of differences in revaluation and additional depreciation :

EMPTY

Amount of difference incorporated into the capital :	

Company Name: **SOCIETE TECH MAHINDRA LIMITED**

Address : BP Kinshasa Bvd. DU 30, JUIN N° **3**642 Abbreviated as: ______________________

Taxpayer Identification **N°** ________________ Fiscal year closed on : 12/31/2018 Duration (in months) : **12**

I - B3 DEBTS GUARANTEED BY REAL AND VALUABLE SECURITY :

	Gross Amount	Real Security		
		Mortgages	Pledges	Other guarantees
Financial Debts and Assimilated Resources Convertible Bond Issues Other bond issues Loans and debts from credit establishments Other financial debts	EMPTY			
TOTAL (1)				
Finance Lease Debts for property finance lease arrangement Debts for leasing of equipment Debts on assimilated contracts	EMPTY			
TOTAL (2)				
Debts on Current Liabilities : Suppliers and related accounts Clients Personnel Social Security and social agencies State International Agencies Associates and the Group Various Creditors	EMPTY			
TOTAL (3)				
TOTAL (1) + (2) + (3)				

I - B4 Financial Engagements :	**Engagements Granted**	**Engagements Received**
Engagements granted to related companies Engagements taken on as pensions or assimilated indemnities Endorsements, deposits and guarantees Mortgages, pledges, and other guarantees Discounted bills pending maturity Professional Commercial debts that have been transferred Abandonment of contingent debts or receivables		
TOTAL		

Company Name: **SOCIETE TECH MAHINDRA LIMITED**

Address : BP Kinshasa Bvd. DU 30, JUIN N° 3642 Abbreviated as: ______________________

Taxpayer Identification **N°** ________________ Fiscal year closed on : 12/31/2018 Duration (in months) : **12**

I - B5 Elements making up the Valuation of business activities as an asset :	**Amount**
Clientele	
Sale of goodwill	
Leasehold rights	
Trade Name	
Brand	

Means of accounting for the depreciation of business activities as an asset :

EMPTY

I - B6 Comments on eventual derogations from the rules in terms of research and development expenditure based on depreciation over a period included between two and five years:

EMPTY

Based on the non distribution of dividends before having completed the depreciation.

EMPTY

Company Name: **SOCIETE TECH MAHINDRA LIMITED**

Address : BP Kinshasa Bvd. DU 30, JUIN N° 3642 Abbreviated as: ______________________

Taxpayer Identification **N°** ________________ Fiscal year closed on : 12/31/2018 Duration (in months) : **12**

I - B7 Contracts having a title retention clause :

I - B7 - A: Goods included in the Assets that are the object of the title retention clause	Amount due
EMPTY	

I - B7 - B: Debts based on the title retention clause :	Amount of transactions
EMPTY	

I - B8 Significant difference of evaluation of each item that is interchangeable with the current assets	Evaluation according to the method used	Evaluation of the last market price known	Difference in the evaluation
EMPTY			

Company Name: **SOCIETE TECH MAHINDRA LIMITED**

Address : BP Kinshasa Bvd. DU 30, JUIN N° **3**642 Abbreviated as: ______________________

Taxpayer Identification **N°** ________________ Fiscal year closed on : 12/31/2018 Duration (in months) : **12**

I - B9 Specifications on the nature, amount and accounting methods :

I - B9 - A : Establishment costs (1) :

(1) Indicate an eventual derogation from the prohibition of distributing dividends

I - B9 - B : Charges to be apportioned over several fiscal years :

I - B10 Explain the calculation method of partial profits over operations covering several years, or covering a minimum of two fiscal years:

EMPTY

Company Name: **SOCIETE TECH MAHINDRA LIMITED**

Address : BP Kinshasa Bvd. DU 30, JUIN N° 3642 Abbreviated as: ______________________

Taxpayer Identification **N°** ________________ Fiscal year closed on : 12/31/2018 Duration (in months) : **12**

I - B11 : Provide information on the results of operations done with another party: losses incurred, profits transferred, profits recorded,

EMPTY

I - B12 - Elements of information required for the National Statistics

I - B12 - 1 : Detail of Products :	**Amount in country**	**Amount in other countries of the Region**	**Amount outside the Region**
Fees for patents, concessions, permits, brands, trademarks and similar rights:			
Fees for agricultural land rental:			

	Amount
Operating Subsidies on products :	
Portion for research and development charges in capitalized production	
Portion of mining and petroleum exploration costs in the capitalized production	
Financial income: revenue from participations	
Financial income: earnings from transferred investment securities	
Financial income: portion from interest payments received during the fiscal year	
Attendance fees and other payments granted to the board directors	

Company Name: **SOCIETE TECH MAHINDRA LIMITED**

Address : BP Kinshasa Bvd. DU 30, JUIN N° **3**642 Abbreviated as: ______________________

Taxpayer Identification **N°** ________________ Fiscal year closed on : 12/31/2018 Duration (in months) : **12**

I - B12 - 2 : Detail of income from other than Ordinary Activities :	**Amount**

I - B12 - 3 : Nature of transfers of charges according to the charge category concerned:	**Amount**
TOTAL	

Company Name: **SOCIETE TECH MAHINDRA LIMITED**

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I - B12 - 4 DETAIL OF CHARGES :	**Amount**
Transportation charges on purchases	
Transportation charges on sales	
Insurance premiums	
Fees for patents, concessions, permits, trademarks and similar rights	
Fees on the rental of agricultural land	
Social Contributions	
Grants or donations	
Actual paid out social security charges	
An assessment charged	
Gross salaries and wages	**-111,185,211**
Taxes and fees charged on products	
Property taxes	
Losses from customer receivables	
Losses from the transfer of investment securities	
Provision for depreciation of capital assets	
Charges provisioned for the depreciation of investment securities	
Interests due and paid up	
Attendance fees and other payments for Board directors	

I - B12 - 5: Contents of the items concerning the charges from other than ordinary activities (H.A.O.) :	Amount
TOTAL	

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C - : SPECIFIC INFORMATION:

I - C1 Used goods acquired :	**Amount in country**	**Amount in other states of the region**	**Amount Outside region**

I - C2 Acquisitions and transfers of works of art :	**Amount of acquisitions**	**Amount of transfers**

I - C3 : Initial scheduled instalments of receivables covering a maximum of two years :	**Maturities**

I - C4 : Initial scheduled instalments of receivables covering two years or more	**Maturities**

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I - C5 : Initial scheduled instalments of debts covering a maximum of two years:	**Maturities**

I - C6 : Initial scheduled instalments of debts covering over two years	**Maturities**

I - C7 : Amount of the VAT :	**Invoiced**	**Recuperable**	**Paid but non deductible**

D - For Companies :

I - D1 Composition of share capital : Nominal value of shares : **10,000**

Full name	Nationality	Shares or stocks	O or ADP (1)	Number	Amount Total	Transfers or reimbursements during the year
		TOTAL				

(1) O : ordinary, ADP without voting rights.

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I - D2 List of Affiliated companies and participations :

Corporate Name	Location (city/country)	% Detained	Amount of shareholders' equity	Results from the last fiscal year

I - D3 : Advances and credit granted to the associates and company directors

Family Name	First Name	Maturity	Rate	Duration	Amount granted during the fiscal year	Amount reimbursed during the fiscal year

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II - INFORMATION OF SIGNIFICANT IMPORTANCE :

A - INFORMATIONS DIVERSES :

	Nature	Tax Regime	Maturities
II-A1-A: Investment Grants			
II - A1 - B: Regulated Provisions :			
	WITHDRAWN		**3 years**

II - A2 Exchange Differential	Nature	Amount	Currency	Maturities
A - Receivables :				
B - : Debts :				

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II - A3: Evaluation based on market prices of the last month of the fiscal year of the stock purchased :	**Market Price**
Commodities	
Raw Materials	
Other Supplies	

II-A4-A: Receivables reaching maturity during the fiscal year :	**Principle**	**Interest payments**

II - A4 - B: Debts reaching maturity during the fiscal year :	**Principle**	**Interest payments**

II - A 5: Items included in Exchange losses and gains :	**Amount**

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II - A 6: Analysis of Differed Tax Payments :	**Amount**

B - FOR COMPANIES :

II - B1 : Current Accounts of Associates :

Family Name	**First Name**	**Special Clauses**	**Amount**	**Duration**
MIEZAN AGUI				
DUTCH STEVEDORING				

	Nature	**Amount**
II - B2 - A: Receivables related to participations :		
II - B2 - B: Debts related to participations :		

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	Kind	**Amount**
II - B3 Detail of the unavailable reserve funds and free reserve funds		

	Amount
II - B4 : Total Amount of payment for the executive, administrative and control functions:	

III - TABLES :

THE TABLES PRESENTED ON THE FOLLOWING PAGES ARE AN INTEGRAL PART OF THE ANNEX ACCOMPANYING THE STANDARD SYSTEM

TABLE 1 : Immobilized Assets,
TABLE 2 : Depreciation,
TABLE 3 : Capital Gains and Losses from Transfers,
TABLE 4 : Provisions included in the Balance Sheet,
TABLE 5 : Assets under Finance Leases and Assimilated Contracts,
TABLE 6 : Maturities of Receivables at the closing of the fiscal year,
TABLE 7 : Maturities of Debts at the closing of the fiscal year,
TABLE 8: Intermediate Consumption during the fiscal year
TABLE 9 : Distribution of results and other typical elements from the past five fiscal years
TABLE 10 : Proposed distribution of results from the fiscal year,
TABLE 11 : Number of employees, Payroll and External Personnel.

Supplementary Statement of the Standard System :

The supplementary statement of the standard system includes the following tables: :

TABLE 12 : Production during the fiscal year,
TABLE 13 : Purchases for Production.

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TABLE 1 : FIXED ASSETS

Fiscal year from **1/1/2018** to **12/31/2018**

SITUATIONS AND MOVEMENTS / Chapters	A	INCREASES			DECREASES		D = A + B - C
	Gross Amount at the beginning of the fiscal year	Acquisitions Contributions Creations	Transfers from one account to another	Following a re-evaluation applied during the fiscal year	Transfers spin-offs External	Changes from one account to another account	Gross amount at the closing of the fiscal year
FIXED ASSETS							
Establishment costs							
Deferred charges							
Premiums and reimbursements of bonds							
INTANGIBLE ASSETS							
Research & Development costs							
Patents, licences, Software							
Business goodwill							
Other intangible fixed assets							
TANGIBLE FIXED ASSETS							
Land							
Buildings							
Installations and furnishings							
Equipment							
Vehicles, trucks, engines							
Advances and partial payments made on fixed assets							
FINANCIAL ASSETS							
Equity Interests							
Other financial assets		1,946,399,844					1,946,399,844
GENERAL TOTAL		1,946,399,844					1,946,399,844

Note : Inscribe amounts according to budgetary chapter at the bottom of the table, if significant, of current tangible and intangible fixed assets at the end of the fiscal year.

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TABLE 2 : AMORTIZATIONS	Fiscal year from **1/1/2018** to **12/31/2018**			
SITUATION and MOVEMENTS	**A**	**B**	**C**	**D = A + B - C**
Chapters	**Accumulated depreciation at the beginning of the Fiscal Year**	**Increases Charges during the Fiscal Year**	**DECREASES Depreciation related to items removed from assets**	**Accumulated Depreciation during the Fiscal Year**
CAPITALIZED CHARGES				
Establishment Charges				
Deferred Charges				
Reimbursement Premiums of Bonds				
TOTAL				
INTANGIBLE FIXED ASSETS				
Research and Development Expenses				
Patents, Licences, Software				
Business Goodwill				
Other intangible fixed Assets				
TOTAL (I)				
TANGIBLE FIXED ASSETS				
Land				
Buildings				
Installations and furnishings				
Equipment				
Vehicles, trucks, engines				
TOTAL (II)				
TOTAL (I + II)				
Total Charges during the fiscal year				

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TABLE 3 : CAPITAL GAINS AND LOSSES FROM TRANSFERS	Fiscal year from **1/1/2018** to **12/31/2018**				
	Gross Amount	**Amortization Applied**	**Net Accounting Value**	**Transfer Price**	**Capital Gain or Capital Losses**
	A	**B**	**C = B - B**	**D**	**E = D - C**
INTANGIBLE FIXED ASSETS					
Research and Development Expenses Patents, Licences, Software Business Goodwill Other intangible fixed Assets					
TANGIBLE FIXED ASSETS					
Land Buildings Installations and fixtures Equipment Transportation Equipment					
FINANCIAL FIXED ASSETS Equity securities Other financial fixed assets					
Total					

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TABLE 4 : PROVISIONS INCLUDED IN THE BALANCE SHEET

	Fiscal year from **1/1/2018** to **12/31/2018**							
SITUATION and MOVEMENT / NATURE	**A**	**B**			**C**			**D = A + B - C**
	Provisions at the opening of the tax year	**From operations**	**Financial**	**Exclusive of ordinary activities**	**From Operations**	**Financial Cieres**	**Exclusive of ordinary activities**	**Provisions at the end of the tax year**
1. Regulated Provisions 2. Financial Provisions for Risks and charges 3. Provisions for depréciation of fixed assets								
Total (I)								
4. Depreciation of stocks 5. Depreciation and risk provisions (for third parties) 6. Depreciation and risk provisions (for cash flow)								
Total (II)								
Total (I) + (III)								

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TABLE 5 : ASSETS UNDER FINANCE LEASE AND SIMILAR CONTRACTS

	Fiscal year from **1/1/2018** to **12/31/2018**							
SITUATION and MOVEMENT / CHAPTERS	**Nature of contract (I; M; A) (1)**	**A**	**Increase B**			**Decrease C**		**D = A + B - C**
		Gross amount at the opening of the tax year	Acquisition contributions creations	Transfers from one chapter to another	Following a revaluation applied during the tax year	Transfers split-ups out of service	Transfers from one chapter to another	Gross amount at the end of the tax year
INTANGIBLE FIXED ASSETS Patents, Licences, Software Business Goodwill Other intangible fixed Assets								
TANGIBLE FIXED ASSETS								
Land Buildings Installations and fixtures Equipment Transportation equipment								
General Total								

(1) I : Real estate leasing ; M : Equipment leasing ; A : Other contracts (split the item if significant amounts).

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TABLE 6 : MATURITIES OF RECEIVABLES AT THE END OF THE TAX YEAR

		Fiscal year from **1/1/2018** to **12/31/2018**						
RECEIVABLES	Gross Amount	**ANALYSIS PER MATURITY**				**OTHER ANALYSIS**		
		Up to one year maximum		Over one year and less than two years	Over two years	Amounts in foreign currency	Amounts for related companies	Amounts represented by negotiable instruments
			already due					
Debts from Fixed Assets (I)								
Loans (1) Debts related to equity participations Other financial fixed assets								
Debts from Current Assets (II)	3,440,495,423	3,440,495,423						
Suppliers	-494,896,907	-494,896,907						
Clients and related accounts								
Personnel								
Social Security and other								
State Social agencies	103,107,219	103,107,219						
International organizations								
Associates and Group								
Various Debtors	3,832,285,111	3,832,285,111						
H.A.O. Receivables								
Charges recorded in advance								
Total (I) + (II)	**3,440,495,423**	**3,440,495,423**						

(1) Loans granted during the fiscal year: amount / Reimbursements obtained during the fiscal year: amount:

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TABLE 7 : MATURITIES OF RECEIVABLES AT THE CLOSING OF THE FISCAL YEAR

		Fiscal year from **1/1/2018** to **12/31/2018**						
DEBTS	Gross Amount	**ANALYSIS PER MATURITY**				**OTHER ANALYSIS**		
		Up to one year maximum		Over one year and less than two years	Over two years	Amounts in foreign currency	Amounts for related companies	Amounts represented by negotiable instruments
			already due					
Financial Debts and Assimilated Resources								
Convertible Bond Loans (1)								
Other Debenture Loans (1)								
Loans and Debts from Credit establishments (1)								
Other financial debts (1) (2)								
Total (I)								
Debts from real estate leasing								
Debts from Equipment leasing								
Debs from assimilated contracts								
Total (II)								
Debts from Current Liabilities								
Suppliers and related accounts	169,180,968	169,180,968						
Clients								
Personnel	402,730	402,730						
Social Security and social agencies								
Two Years Maximum								
International Organizations								
Associates and Group								
Various Creditors								
H.A.O. Debts								
Deferred Income								
Total (III)	169,583,698	169,583,698						
Total (I) + (II) + (III)	**169,583,698**	**169,583,698**						

(1) Loans subscribed to during the fiscal year: / Loans reimbursed during the fiscal year :

(2) Total debts towards associates (individuals) :

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TABLE 8 : Intermediate Consumption during the Fiscal Year (specific accounts)		
Description	**Account N°**	**AMOUNT** (in thousands of Cfa Francs)
Water	6,051	
Electricity	6,052	
Other Energy Sources	6,053	
Non-storable maintenance Supplies	6,054	
Non-Storable Office Supplies	6,055	40,989,507
Small equipment and tools	6,056	18,776,750
Transportation for third parties	613	
Transportation of Personnel	614	
Maintenance, Repairs of fixed Assets	6,241	
Maintenance, Repairs of Equipment	6,242	
Publicity, Publications, Public Relations	627	
Telecommunications Expenses	628	12,785,587
Payment given to intermediaries and Advisors	632	47,392,236

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TABLE 9 : Distribution of Results and other Characteristic Elements during the past five fiscal years

Fiscal Years concerned (1) / NATURE OF INDICATIONS	N	N - 1	N - 2	N - 3	N - 4
CAPITAL STRUCTURE AT THE CLOSING OF THE FISCAL YEAR (2)					
Share Capital					
Ordinary Shares					
Shares with preferred dividends (A.D.P.) without voting rights					
New shares to issue					
through bond conversion					
through the application of subscription rights					
OPERATIONS AND RESULTS OF THE FISCAL YEAR (3)					
Turnover before tax	102,951,509	1,081,372,987			
Results of Ordinary Activities (R.A.O.) before operational and financial					
charges and reversals	-1,114,115,522	-2,788,251,917			
Participation of workers in the profits					
Taxes on Results	-18,719,117	69,370,741			
Net results (4)	-1,336,444,547	-2,857,622,658			
RESULTS PER SHARE					
Distributed Results (5)					
Dividends attributed to each share					
PERSONNEL AND SALARY POLICY					
Average Number of employees during the fiscal year (6)					
Average number of external personnel					
Payroll distributed during the fiscal year (7)	-111,185,211	175,066,892			
Social benefits paid out during the fiscal year (8) (Social Security, social projects)		91,075			
External Personnel invoiced to the company (9)					

(1) Including the fiscal year wherein the financial reports were put before the approval of the Assembly

(2) Indication in case of partial payment of capital of the amount of uncalled capital.

(3) The items on this line are those included in the results account.

(4) When the results are negative, they should be in parentheses.

(5) Fiscal year N corresponds to the dividend proposed during the preceding fiscal year.

(6) The company's own Personnel.

(7) Total of the accounts 661, 662 and 663.

(8) Total of the accounts 664 and 668.

(9) Account 667.

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TABLE 10 : Proposed Assignment of the Results from the Fiscal Year Fiscal year from **1/1/2018** to **12/31/2018**

ASSIGNMENTS	AMOUNT (1)	ORIGINS	AMOUNT (1)
• Legal Reserve		• Carried over from preceding fiscal years (losses)	
• Statutory or Contractual Reserves		• Carried over from preceding fiscal years (profits)	
• Other Reserves (available)		• Net Results of the Fiscal Year	-1,336,444,547
• Dividends (2)		• Withdrawal from the reserves (3)	
• Other Assignments			
To be carried over	-1,336,444,547		
TOTAL (A)	**-1,336,444,547**	**Control : Total A = Total B TOTAL (B)**	**-1,336,444,547**

1) Negative amounts must be in parentheses or preceded by the sign (-).

2) If there are several categories having the right to dividends, indicate the amount for each category.

3) Indicate the reserve funds from which the withdrawals were made.

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TABLE 11 : Number of Employees, Payroll Amount and Outside Personnel

	Number of Employees and payroll amount / QUALIFICATIONS	Number of Employees							PAYROLL AMOUNT						
		Nationals		Other States in the region		Outside the region		TOTAL	NATIONALS		OTHER STATES IN THE REGION		OUTSIDE THE REGION		TOTAL
		M	F	M	F	M	F		M	F	M	F	M	F	
	a.Company's own Staff														
YA	1. SENIOR MANAGERS														
YB	2. ADVANCED TECHNICIANS														
	AND MIDDLE MANAGEMENT														
YC	3. TECHNICIANS, AGENTS														
	CONTROL AND														
	QUALIFIED WORKERS														
YD	4. EMPLOYEES, LABOURERS														
	WORKERS & APPRENTICES														
YE	**TOTAL (1)**														
YF	PERMANENT														
YG	SEASONAL														
									BILLING TO THE COMPANY						
	b. Outside Personnel														
YH	1. SENIOR MANAGERS														
Y I	2. ADVANCED TECHNICIANS														
	AND MIDDLE MANAGEMENT														
YJ	3. TECHNICIANS, AGENTS														
	CONTROL AND														
	QUALIFIED WORKERS														
YK	4. EMPLOYEES, LABOURERS														
	WORKERS & APPRENTICES														
YL	**TOTAL (2)**														
YM	PERMANENT														
YN	SEASONAL														
YO	**TOTAL (1) + (2)**														

M : Men

F : Women

TECH MAHINDRA DRC SARLU

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TABLE 12 : Production during the fiscal year
(Value in thousands of Cfa Francs)

DESIGNATION OF PRODUCT	Unit of Quantity Chosen	PRODUCTION SOLD IN THE COUNTRY		PRODUCTION SOLD IN THE OTHER STATES OF THE		PRODUCTION SOLD OUTSIDE OF THE REGION		CAPITALIZED PRODUCTION		STOCK AT THE BEGINNING OF THE TAX YEAR		STOCK AT THE CLOSING OF THE TAX YEAR	
		Quantity	Valeur	Quantity	Valeur	Quantity	Valeur	Quantity	Valeur	Quantity	Valeur	Quantity	Valeur
						EMPTY							
Not Detailed													
TOTAL													

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TABLE 13 : Purchases consumed in production
(Value in thousands of Cfa Francs)

DESIGNATION OF MATERIAL AND PRODUCTS	Unit of Quantity Chosen	PURCHASES MADE DURING THE TAX YEAR						Variation des stocks
		Products from the Country		Purchased within the State		Purchased outside the State		
		Quantity	Valeur	Quantity	Valeur	Quantity	Valeur	(in value)
				EMPTY				
Not Detailed								
TOTAL								

ADDITIONAL STATEMENTS: GENERAL DIRECTION OF TAXES

Additional Statement for National Accounting

Company Name: **SOCIETE TECH MAHINDRA LIMITED**

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Duration (in months) : **12**

ADDITIONAL TABLE 13 : Purchases consumed in production (Detail of stocks)
(Value in Cfa **Francs**)

DESIGNATION OF THE MATERIALS AND PRODUCTS	UNIT OF QUANTITY CHOSEN	STOCKS A L'OUVERTURE DE L'EXERCICE		STOCKS A LA CLÔTURE DE L'EXERCICE		VARIATION DES STOCKS
		Quantities	Value in Cfa Francs	Quantities	Value in Cfa Francs	Value in Cfa Francs
				NEANT		
Not detailed						
TOTAL						

TECH MAHINDRA DRC SARLU

Normal System	ADDITIONAL STATEMENT - PAGE 1/3

Company Name: **SOCIETE TECH MAHINDRA LIMITED**

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Additional Statement for the General Tax Direction and National Accounting

Detail of Charges in Cfa Francs		
601,100	Purchase of merchandise in the Region	
601,200	Purchase of merchandise outside the Region	
601,300	Purchase from the Group of merchandise in the Region	
601,400	Purchase from the Group of merchandise outside the Region	
601,900	Discounts, rebates and refunds obtained	
RA	Purchases of Merchandise	
603,100	Variations of stocks of merchandise	
RB	Variation of stocks	
602,100	Purchase of raw materials in the Region	
602,200	Purchase of raw materials outside the Region	
602,300	Purchase from the Group of raw materials in the Region	
602,400	Purchase from the Group of raw materials outside the Region	
602,900	Discounts, rebates and refunds obtained	
RC	Purchase of raw materials and related supplies	
603,200	Variations of stocks of raw materials	
RD	Variation of stocks	
604,100	ConsumablesMatières consommables	
604,200	Fuel	
604,300	Cleaning Supplies	
604,400	Workshop and Factory supplies	
604,600	Store supplies	
604,700	Office Supplies	
604,900	Discounts, rebates and refunds obtained	
605,100	Water Consumption	
605,200	Electricity	
605,300	Other Energy Sources	
605,400	Maintenance supplies that cannot be stored	
605,500	Office supplies that cannot be stored	40,989,507
605,600	Small equipment and tools	18,776,750
605,700	Studies and services provided	
605,800	Construction work, material and equipment	
605,900	Discounts, rebates and refunds obtained	
608,100	Lost packaging	
608,200	Unidentified recuperable packaging	
608,300	Multi-use packaging	
608,900	Discounts, rebates and refunds obtained	
RE	Other purchases	59,766,257
603,300	Variation in stocks of other supplies	
RH	Variation of stocks	

Standard System	ADDITIONAL STATEMENT - PAGE 2/3

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Complementary Statement: General Direction of Taxes - National Accounting

	DETAIL OF CHARGES IN Cfa Francs (continued)	Year N°
611,000	Transportation for purchases	
612,000	Transportation for sales	
613,000	Transportation for third parties	
614,000	Transportation of the personnel	
616,000	Transportation of documents	
618,100	Traveling and Commuting to and from work	6,702,800
618,200	Transportation between establishments and construction sites	
618,300	Administrative Transportation	
RI	Transportation	6,702,800
621,000	Subcontracting	40,020,750
622,100	Renting of Land	
622,200	Renting of Buildings	425,207,615
622,300	Renting of Equipment	
622,400	Rented Packaging Losses	
622,500	Renting of Packaging	
622,800	Miscellaneous rentals	
623	Leasing	
624,100	Maintenance of real estate	
624,200	Maintenance of movable assets	
624,300	General Maintenance	
624,800	Other maintenance jobs	
625	Insurance	
626,100	Studies and Research	
626,500	General Documentation	
626,600	Technical Documentation	
627	Publicity	
628,000	Telecommunication costs	12,785,587
631	Bank Charges	16,356,161
632,100	Commissions on purchases	
632,200	Commissions on sales	
632,300	Payment to transit agents	131,119,782
632,400	Legal and accounting Fees	
632,500	Expenses of legal documents and litigation	216,272,454
632,800	Miscellaneous charges	
632,900	Overhead of the Headquarters	
633,000	Personnel Training expenses	
634	Fees and Royalties	
635	Contributions	
637	Manpower or outside Personnel	
638,100	Personnel Recruting charges	
638,200	Moving expenses	
638,300	Receptions	
638,400	Missions	
RJ	External Services	841,762,349

TECH MAHINDRA DRC SARLU

Standard System	ADDITIONAL STATEMENT - PAGE 3/3

Company Name: **SOCIETE TECH MAHINDRA LIMITED**

Address : BP Kinshasa Bvd. DU 30, JUIN N° **3**642 Abbreviated as: ______________________

Taxpayer Identification **N°** ________________ Fiscal year closed on : 12/31/2018 Duration (in months) : **12**

Complementary Statement: General Direction of Taxes - National Accounting

Detail of charges in Cfa Francs (continued)		Year N
641,100	Real Estate taxes	
641,200	Patents	
641,310	Taxes on the salaries of National Personnel	
641,320	Taxes on the salaries of Non-national Personnel	
641,800	Other direct taxes	
645,000	Indirect fees	
646,000	Stamps, stickers	
647,000	Fines and penalties	
648,000	Other taxes	
RK	Taxes and Fees	
651	Various Losses	
652-653	Share of profits from joint operations	
654,000	Amounts carried over from the disposal of fixed assets	
658,100	Director's Fees	
658,200	Donations	
658,300	Patronage	
659	Provisioned Expenses	
RL	Other Charges	
661	Salaries and benefits of national staff	-111,185,211
662	Salaries and benefits of non-national staff	
663	Indemnities for the Personnel	
664 1	Social Security contributions for national staff	
664 2	Social Security contributions for non-national staff	
666	Remuneration and charges of the sole proprietor	
667	External Staff	
668	Miscellaneous staff costs	
RP	Personnel Expenses	-111,185,211
671-675	Financial Expenses	
677,000	Losses on disposals of marketable securities	
678,000	Losses on financial risks	
679,000	Provisioned financial expenses	
SA	Financial Expenses	
676,000	Foreign Exchange Losses	423,415,508
SC	Foreign Exchange Losses	423,415,508
681	Depreciation and Amortization expenses	
691	Charges to Provisions	
RS	Depreciation, Amortization and Provisions	
687	Financial depreciation and amortization charges	
697	Charges to financial provisions	
SD	Dotations aux amortissements et aux provisions	
TOTAL DES CHARGES ORDINAIRES		**1,220,461,703**

Standard System

Additional Statement N° 2
General Direction of Taxes

Company Name: **SOCIETE TECH MAHINDRA LIMITED**

Address : BP Kinshasa Bvd. DU 30, JUIN N° 3642 Abbreviated as: ____________________

Taxpayer Identification **N°** ______________ Fiscal year closed on : 12/31/2018 Duration (in months) : **12**

ADDITIONAL STATEMENT : UMEOA STATISTICAL ELEMENTS

ANNEX OF AN ADDITIONAL STATEMENT AND TABLE 11 (Amounts in Cfa Francs)

ANNEX OF ADDITIONAL STATEMENT	Amount in other UEMOA States	Amount in other states of the Region outside of UEMOA
I - B12 - 1 DETAIL OF PRODUCTS :		
Fees for patents, concessions, licences,		
trademarks and similar rights		
Fees for the rental of agricultural land :		
I - C1 - USED GOODS ACQUIRED :		

ADDITIONAL TABLE 12 (Amounts in Thousands of Cfa Francs)

DESIGNATION OF THE PRODUCT	UNIT OF QUANTITY CHOISIE	PRODUCTION SOLD IN THE OTHER UEMOA STATES		PRODUCTION SOLD IN OTHER STATES OF THE REGION OUTSIDE UEMOA	
		Quantity	Value	Quantity	Value

COMPLEMENT TABLEAU 11	AUTRES ETATS DE L'UEMOA			
PERSONNEL PROPRE	EFFECTIFS		MASSE SALARIALE	
	M	F	M	F
1. CADRES SUPERIEURS				
2. TECHNICIENS SUPERIEURS ET CADRES MOYENS				
3. TECHNICIENS, AGENTS DE MAITRISE ET OUVRIERS QUALIFIES				
4. EMPLOYES, MANŒUVRES, OUVRIERS ET APPRENTIS				
TOTAL				
PERMANENTS				
SAISONNIERS				

COMPLEMENT DETAIL DES CHARGES EN FCFA	Exercice N
Achats de marchandises dans l'UEMOA	
Achats de marchandises au groupe dans l'UEMOA	
Achats de marchandises	
Achats de matières premières dans l'UEMOA	
Achats de matières premières au groupe dans l'UEMOA	
Achats de matières premières	

Standard System		Additional Statement N° 3

Company Name: **SOCIETE TECH MAHINDRA LIMITED**

Address : BP Kinshasa Bvd. DU 30, JUIN N° 3642

Abbreviated as: ______________________

Taxpayer Identification **N°** ________________

Fiscal year closed on : 12/31/2018

Duration (in months) : **12**

BREAKDOWN OF THE TAX INCOME OF PARTNERSHIPS

Full Name of Associates	Address of Tax Residence	Taxpayer Identity N°	Share of the Results before reintegration of their remuneration and AN and share of the IMF	Remuneration and benefits and share of the IMF due to them	**Total** taxable amount in the name of each of the Associates
		TOTALUX			

Standard System	Additional Statement N° 4

Company Name: **SOCIETE TECH MAHINDRA LIMITED**

Address : BP Kinshasa Bvd. DU 30, JUIN N° 3642 Abbreviated as: ______________________

Taxpayer Identification **N°** ________________ Fiscal year closed on : 12/31/2018 Duration (in months) : **12**

ADDITIONAL INFORMATION FROM INDIVIDUAL COMPANIES

INDIVIDUAL OPERATORS

FINANCIAL CONTRIBUTIONS DURING THE FISCAL YEAR	
FINANCIAL DEDUCTIONS DURING THE FISCAL YEAR	
REAL VALUE OF ADVANTAGES IN KIND	
JOINT REMUNERATION OF THE OPERATOR	

NTH DIMENSION LIMITED

Officers and Professional Advisors

Directors
Vikram N Nair
Vivek Agarwal
Sujit Baksi

Company Registration No. 09593983

Registered Office
1st Floor
Charles Schwab Building
401 Grafton Gate (E)
Milton Keynes
MK9 1AQ

Auditors
Butler & Co LLP
Chartered Accountants
Third Floor
126-134 Baker Street
London W1U 6UE

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2019

The directors present their annual report and the audited financial statements for the year ended 31 March 2019.

The directors' report has been prepared in accordance with the special provisions applicable to companies entitled to the small companies exemption.

Principal Activity

The company's principal activity is to provide IT Services to the Healthcare and Government sectors in the UK.

Dividends And Transfers To Reserves

No dividend was paid in the year. The directors do not recommend the payment of any final dividend in respect of the current financial year.

Directors

The directors who served throughout the year and to the date of this report, unless otherwise stated, were:

Sujit Baksi

Vikram Narayanan Nair

Vivek Agarwal

Rajib Bhattacharyya – Resigned on 11-12-2018

Martin Leslie Wakeley – Resigned on 11-12-2018

Huw Thomas Owen – Resigned on 28-12-2018

Going Concern

The Board of Directors reviewed the projected cash flow statement and also the letter of support received from its parent company viz., Tech Mahindra Limited. Based on these, the financial statements have been prepared on a going concern basis.

Directors' Responsibilities Statement

The directors are responsible for preparing the Annual 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 judgements and accounting estimates that are reasonable and prudent; and
- 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.

Auditor

Each of the persons who is a director at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved by the Board of Directors
and signed on behalf of the Board

Vivek Agarwal
Director

Date: June 12, 2019

REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF

NTH DIMENSION LIMITED

Opinion

We have audited the financial statements of Nth Dimension Limited (the 'company') for the year ended 31 March 2019 which comprise the Profit and loss account, Balance Sheet, Statement of Changes in Equityand Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its loss 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

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.

Sanjeev Phadke (Senior Statutory Auditor)
for and on behalf of Butler & Co LLP
Chartered Accountants & Statutory Auditor
Third Floor
126-134 Baker Street
London
W1U 6UE

Date: June 12, 2019

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2019

Particulars	**Note**	**Year Ended 31-Mar-19 £**	Year Ended 31-Mar-18 £
Turnover		**4,021,747**	3,923,549
Other Income		**3,585**	28
Cost of Sales		**-3,715,482**	-3,285,832
Gross Profit		**309,850**	637,745
Administrative Expenses		**-883,480**	-1,115,517
Operating Loss		**-573,630**	-477,772
Interest Payable		**-12,054**	-43,500
Loss on ordinary activities before tax		**-585,684**	-521,272
Tax on ordinary activities / deferred tax		**98,609**	0
Loss on ordinary activities after tax		**-487,075**	-521,272

NTH DIMENSION LIMITED

BALANCE SHEET 31 MARCH 2019

Particulars	Note	As at Mar-2019 £	As at Mar-2018 £
NON-CURRENT ASSETS			
Deferred tax asset	4	**3,375**	3,375
Debtors	5	**664,187**	1,062,000
		667,562	1,065,375
CURRENT ASSETS			
Debtors	5	**1,327,152**	1,245,637
Prepayments	5	**621,709**	518,142
Cash at bank and in hand		**137,572**	221,463
		2,086,433	1,985,242
CREDITORS: amounts falling due within one year	**6**	**-2,037,598**	-1,328,277
NET CURRENT ASSETS		**48,835**	656,965
TOTAL ASSETS LESS CURRENT LIABILITIES		**716,397**	1,722,340
CREDITORS: amounts falling after one year	**6**	**-3,132,990**	-3,651,858
TOTAL ASSETS LESS LIABILITIES		**-2,416,593**	-1,929,518
CAPITAL AND RESERVES			
Called up share capital		**22**	22
Profit and loss account		**-2,416,615**	-1,929,540
SHAREHOLDERS' (DEFICIT) FUNDS		**-2,416,593**	-1,929,518

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements have been prepared in accordance with the provisions of Section 1A of FRS 102.

The financial statements of Nth Dimension Limited, registered number 09593983, were approved by the board of directors and authorised for issue as on June 12, 2019.

Signed on Behalf of The Board of Directors

Vivek Agarwal
Director

Date: June 12, 2019

Vikram N Nair
Director

Date: June 12, 2019

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 MARCH 2019

	Called up share capital	Profit and loss account	Total
	£	£	£
At 01 Apr 2018	22	(1,929,540)	(1,929,518)
Loss for the period	-	(487,075)	(487,075)
At 31 March 2019	22	(2,416,615)	(2,416,593)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2019

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and preceding period.

General information and basis of accounting

Nth Dimension Limited is a company incorporated in the United Kingdom under the Companies Act.

The company is a private company limited by shares and is registered in England and Wales. The address of the registered office is given on page 1.

The average monthly number of employees (including executive directors) was 13 (Previous year 2017 – 18 – 16).

The financial statements have been prepared under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102 (FRS 102). "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for services rendered net of discounts and value added taxes.

The Company recognises revenue when the significant risks and rewards of ownership are considered to have been transferred to the buyer, the amount of revenue can be measured reliably, and it is probable that future economic benefits will flow to the entity.

Revenue from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable. Where a contract has only been partially completed at the balance sheet date turnover represents the fair value of the service provided to date based on the stage of completion of the contract activity at the balance sheet date. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

Revenue in respect of service fee income is recognised on an accruals basis at the rate and term specified in the agreement, considering the certainty of realisation.

All revenue is derived from continuing operations within the United Kingdom.

Interest income

Interest income is recognised using the effective interest rate method.

Going concern

The financial statements have been prepared on a going concern basis, anticipating that the short term liability issues affecting the company will be resolved.

The Board reviewed the latest cash flow forecast immediate 12 months and they do not foresee any cash flow issues.

Further to the support letter provided by parent company, Tech Mahindra Limited, which has reiterated its commitment to the support / proposal given in May 2018 to board, which was accepted in the board meeting on 23rd May 2018.

The company has fulfilled its obligation towards payment of £429,000 towards the outstanding invoices in May 2018. Based on the proposal, Tech Mahindra Limited has infused an amount of £2.5 Mn in July 2018 and subsequently the short term loans of £2.5 Mn from Tech Mahindra Limited and its subsidiaries have been repaid in full in July 2018.

Foreign currency translation

In preparing the financial statements, transactions in currencies other than the functional currency of the individual entities (foreign currencies) are recognised at the spot rate at the dates of the transactions, or at an average rate where this rate approximates the actual rate at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

i. Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

a. The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

b. The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

c. The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

d. There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current year or prior period.

e. Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

f. Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised

Financial assets

For financial assets carried at amortised cost, the amount of impairment is 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.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Share Capital

Ordinary shares are classified as equity. Mandatorily redeemable Preference shares are classified as liabilities.

Borrowings

Redeemable Preference shares

Preference shares which are mandatorily reedemable on a specific date are classified as liabilities. The dividends on these shares are taken to Profit and loss acccount as finance expense.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Pensions

The company operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the year in which they become payable in accordance with the rules of the scheme.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 1, the directors are 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 results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The directors consider the critical judgement to relate to the impairment of financial assets, in particular trade receivables. The Company's management reviews periodically items classified as trade receivables to assess whether a provision for impairment should be recorded in the profit or loss. Management estimates the amount and timing of future cash flows when determining the level of provisions required. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgement and uncertainty

3. (LOSS) PROFIT BEFORE TAXATION

	Year ended 31 March 2019	Year ended 31 March 2018
	£	£
(Loss) profit before taxation is stated after charging:		
Auditor's remuneration for audit related assurance services	**6,200**	8,000
Foreign currency profit / (losses)	**(16,920)**	27,189

4. DEFERRED TAX ASSET

	Year ended 31 March 2019	Year ended 31 March 2018
	£	£
At 1 April 2018	**3,375**	3,375
Deferred tax charged to profit and loss account for the year	**-**	-
At 31 March 2019	**3,375**	3,375

The amounts of deferred tax provided in the accounts are as follows:

	2019	2018
	£	£
Temporary timing differences	**3,375**	3,375

In recent years the UK Government has steadily reduced the rate of UK corporation tax, with the latest rates substantively enacted by the balance sheet date being 20% with effect from 1 April 2015, 19% effective from 1 April 2017 and 17% effective from 1 April 2020. The closing deferred tax assets and liabilities have been calculated at 17%, on the basis that this is the rate at which those assets and liabilities are expected to unwind.

There is a potential deferred tax asset of £312,215 (2018 - £495,071) which is unprovided in relation to unrelieved trading losses. This is unprovided as, in the opinion of the directors, these losses will not be utilised in the foreseeable future.

5. DEBTORS

	2019	2018
	£	£
Due within one year:		
Trade debtors	**1,290,792**	1,239,275
Other debtors	**36,360**	6,362
Prepayments and accrued income	**621,709**	518,142
	1,948,861	1,763,779
Due after one year:		
Trade debtors	**633,000**	1,062,000
Prepayments and accrued income	**31,187**	-
	664,187	1,062,000

The financing element of the non-current trade receivables is deemed to be immaterial and consequently no discounting has been applied in determining the carrying value of the non-current trade receivables.

6. CREDITORS

Amounts falling due within one year:

	2019	2018
	£	£
Trade creditors	**242,182**	31,595
Amounts owed to group undertakings	**1,231,061**	821,686
Corporation tax	**186,225**	7,584
Other taxes and social security	**13,478**	53,539
Accruals and deferred income	**364,652**	413,873
	2,037,598	1,328,277

Amounts due after more than one year:

	2019	2018
	£	£
Amounts owed to group undertakings	**633,000**	3,651,858
Redeemable preference shares **(Note 7)**	**2,499,990**	-
	3,132,990	3,651,858

Amounts owed to group undertakings are not secured against any assets. Amounts owed to group undertakings relate to £633,000 (2018: £1,062,000) for trading activities with the balance due to financing arrangements. Interest is payable on the amounts owed to group undertakings at a fixed rate of 3% (2018: LIBOR +1.00%) on the principal amount.

7 PREFERENCE SHARES

On 15 May 2017, the company filed with UK Companies House for allotment of 2,499,990 Preference Shares of £1 each, amounting to £ 2,499,990. The preference shares were issued to Tech Mahindra Limited, holding company. The preference shares were not paid up as on 31st March 2018. The preference shared were fully paid up on 5th July 2018.

The preference shares carry a fixed cumulative cash preferential dividend at annual rate of 3% of the issue price per preference share in issue and to be paid on 31 December. The shares may be redeemed by the Investor, upon serving of Investor Redemption notice to the company, on or after the date of the fifth anniversary of the issue.

8. RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption granted to wholly owned subsidiaries not to disclose transactions with other wholly owned group companies under the provisions of Section 33 of FRS 102 “Related Party Disclosures”.

During the year, the company paid £386,215 (Previous year - £450,000) as key management personnel compensation to directors. No director received company contributions to money purchase pension schemes (Previous year - none) and the compensation paid to the highest paid director during the current year was £191,986 (Previous year - £300,000).

9. CONTINGENT LIABILITY

In March /April 2019, the dismissed employees of the company, have filed a case, of unfair dismissal against the company with the London Central Employment tribunal. They have claimed an amount to the tune of ~ £780,000 from the company towards compensation.

The directors of the company are of the view that the company had valid reasons of dismissal of the employees and as such do not acknowledge the claim as debt. The directors have decided to contest the claims as when the details of the proceedings are received.

Therefore, in the opinion of the directors, no provision is required in the accounts in respect of the amount of claim, legal costs and damages.

10. OTHER INFORMATION

The board approved the following TML proposal in the meeting held on 23 May 2018.

Salient features of the proposal were:

- Tech Mahindra Limited (“TML”) shall assign a part of the working capital facility agreement dated 2 Jun 2015 to Mahindra Engineering Services (Europe) Limited (“MES UK”) and to Tech Mahindra GmbH (“TM GMBH”). This partial assignment shall include an assignment of £1.5mn of the facility limit in aggregate. TML shall procure that the existing loans provided by TM GMBH and MES UK are rolled over to this working capital facility agreement.
- TML shall infuse £2.5mn of preference capital into the Company against the unpaid 2,499,990 preference shares of £1.00 each in the capital of the Company (the “Preference Shares”) issued to TML. TML has infused the said amount towards Preference Share Capital.
- Immediately upon TML infusing the preference capital:
  - All working capital loans availed by the Company from TML and from TM GMBH & MES UK shall be repaid by the Company in full;
  - The accrued and unpaid interest in respect of the working capital loans shall be paid within 12 months from the date of such repayment;
  - The facility limit shall stand reduced to nil.
- Payment against the overdue payables to TML shall be handled via an escrow arrangement where certain receivables from a customer shall be paid over the next few years. In this way, the payments against all of the overdue payables to TML shall get paid as and when the customer receivables are received which shall resolve the mismatch of timing between receivables and payables

On 5th July 2018, the company received the amount of £ 2,499,990 from Tech Mahindra Limited towards the preference share capital making the 2,499,990 preference shares fully paid up. On receipt of the preference share capital, all the working loans from Tech Mahindra Limited and its subsidaries, Tech Mahindra Limited (£1 Mn), MES UK Limited (£1 Mn) and Tech Mahindra GmbH (£0.50 Mn) were paid off.

11. CONTROLLING PARTY

The immediate parent company and ultimate parent company is Tech Mahindra Limited, a Company incorporated in India. The registered address of Tech Mahindra Limited is Gateway Building, Apollo Bunder, Mumbai – 400 001, India.

The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Tech Mahindra Limited. Copies of the Tech Mahindra Limited consolidated financial statements can be obtained at www.techmahindra.com or from the Company Secretary at Rajiv Gandhi Infotech Park, Phase III, Pune, India.

TECH MAHINDRA ARABIA LIMITED

Board of Directors
Mr. Manoj Bhat
Mr. Ramachandran Satyamurthi Ramachandran
Mr. Srinivas Reddy Bandam
Mr. Mohammed Ahmed Mohammed Al Baadi
Mr. Saad Abdullah Nasser Turaiki

RegisteredOffice
12th Floor, Al - Hugyat Towers,
Al Khobar 31952,
Kingdom of Saudi Arabia

Bankers
The Saudi British Bank

Auditors
Deloitte & Touche Bakr Abulkhair & Co

INDEPENDENT AUDITOR’S REPORT

To the Shareholders

Tech Mahindra Arabia Limited

Al Khobar, Kingdom of Saudi Arabia

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Tech Mahindra Arabia Limited (“the Company”), which comprise the statement of financial position as at March 31, 2019, and the statement of operations, statement of cash flows and statement of changes in head office account for the year then ended and a summary of significant accounting policies and other explanatory information in notes 1 to 22.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium Sized Entities (“IFRS for SMEs”) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Certified Public Accountants (“SOCPA”).

Basis for opinion

We conducted our audit, which was limited to the books and records maintained at the Company, in accordance with International Standards on Auditing endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the professional code of conduct and ethics endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the Company’s financial statements and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The accompanying financial statements reflect the first time adoption of IFRS for SMEs for the year ended March 31, 2019. Accordingly, we have reviewed the adjustments for conversion from SOCPA standards to IFRS for SMEs standards and the other adjustments as disclosed in note 5 to the accompanying financial statements.

Emphasis of Matter

We draw attention to note 2 to the financial statements which indicates that the accumulated losses as of March 31, 2019 amounted to SR 5,383,182 (2018: SR 2,228,025) which exceeded 50% of the Company’s share capital of SR 1,000,000. In terms of Article 181 of the Regulations for Companies, the shareholders are therefore required to resolve to continue in business or liquidate the Company. Such resolution must be published in accordance with the Article 181. The ability of the Company to continue as a going concern is dependent upon continuing support from the shareholders and profitable future operations. The shareholders unanimously resolved on March 31, 2019 to continue in business and to provide adequate financial support to the Company to meet its liabilities as and when they fall due, however, the formalities for publication as of the date of our report were not completed. The accompanying financial statements have been prepared on the assumption that the Company will continue as a going concern and accordingly, do not include any adjustments that might result should the Company not be able to continue as going concern. Our opinion is not modified in this respect.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with generally accepted accounting standards in the Kingdom of Saudi Arabia and Regulations for Companies and the Company’s Articles of Association 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.

In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company’s financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosure are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte and Touche & Co.
Chartered Accountants

Abdul Rahman S. Al-Suwayegh
License No. 461
20 Shawwal, 1440
June 23, 2019

STATEMENT OF FINANCIAL POSITION

AS OF MARCH 31, 2019

	Note	**March 31, 2019**	March 31, 2018	April 1, 2017
		SR	SR	SR
ASSETS				
Current assets				
Cash and cash equivalents	6	**5,109,920**	6,031,175	704,164
Trade and other receivables	7	**12,441,177**	7,820,862	70,000
Due from a shareholder	17	**48,129**	982,188	1,471,215
Prepaid expenses and other assets	8	**542,423**	538,487	299,594
Total current assets		**18,141,649**	15,372,712	2,544,973
Non-current assets				
Property and equipment	9	**627,012**	562,734	-
Deferred tax assets	16	**607,405**	233,041	98,381
Total non-current assets		**1,234,417**	795,775	98,381
TOTAL ASSETS		**19,376,066**	16,168,487	2,643,354
LIABILITIES AND SHAREHOLDERS'				
Current liabilities				
Trade payables	10	**905,396**	1,039,059	-
Loan from a shareholder	17	**5,476,469**	5,610,000	-
Accrued expenses and other liabilities	11	**1,369,896**	2,837,665	276,354
Total current liabilities		**7,751,761**	9,486,724	276,354
Non-current liabilities				
Due to related parties	17	**15,701,046**	7,769,433	3,004,492
Employees' defined benefit liabilities	12	**306,441**	140,355	17,639
Total non-current liabilities		**16,007,487**	7,909,788	3,022,131
TOTAL LIABILITIES		**23,759,248**	17,396,512	3,298,485
Shareholders' deficit				
Share capital	1	**1,000,000**	1,000,000	1,000,000
Accumulated losses		**(5,383,182)**	(2,228,025)	(1,655,131)
Total shareholders' deficit		**(4,383,182)**	(1,228,025)	(655,131)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT		**19,376,066**	16,168,487	2,643,354

The accompanying notes form an integral part of these financial statements

TECH MAHINDRA ARABIA LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED MARCH 31, 2019

	Note	**2019 SR**	2018 SR
Revenue	17	**14,174,527**	8,678,049
Costs of revenue	17	**(14,734,188)**	(7,392,001)
Gross (loss) / profit		**(559,661)**	1,286,048
General and administrative expenses	13	**(1,337,762)**	(818,227
Selling expenses	14	**(1,747,926)**	(1,104,316)
Finance cost		**(62,999)**	(98,283
Other income, net	15	**178,827**	31,323
Loss before zakat		**(3,529,521)**	(703,455
Zakat for the year	16	**-**	(4,099)
Deferred tax income	16	**374,364**	134,660
LOSS FOR THE YEAR		**(3,155,157)**	(572,894)
Other comprehensive income			
Other comprehensive income for the year		**-**	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(3,155,157**	(572,894)

The accompanying notes form an integral part of these financial statements

STATEMENT OF CHANGES IN SHAREHOLDERS' DEFICIT

YEAR ENDED MARCH 31, 2019

	Note	Tech Mahindra Limited SR	Midad Holding Company SR	Total SR
Share capital				
March 31, 2019, 2018 and April 1, 2017	1	**510,000**	**490,000**	**1,000,000**
Accumulated losses				
April 1, 2017		(888,852	(864,660)	(1,753,512)
Impact of adoption of IFRS (note 16)		98,381	-	98,381
Balance as at April 1, 2017 (adjusted)		(790,471)	(864,660)	(1,655,131)
Net loss for the year		(292,176)	(280,718)	(572,894)
Other comprehensive income		-	-	-
Total comprehensive income		(292,176)	(280,718)	(572,894)
March 31, 2018		(1,082,647)	(1,145,378)	(2,228,025)
Net loss for the year		**(1,609,130)**	**(1,546,027)**	**(3,155,157)**
Other comprehensive income		-	-	-
Total comprehensive income		**(1,609,130**	**(1,546,027)**	**(3,155,157)**
March 31, 2019		**(2,691,777)**	**(2,691,405)**	**(5,383,182)**
Total shareholders' deficit				
March 31, 2019		**(2,181,777)**	**(2,201,405)**	**(4,383,182)**
March 31, 2018		(572,647)	(655,378)	(1,228,025)
April 1, 2017		(280,471)	(374,660)	(655,131)

The accompanying notes form an integral part of these financial statements

TECH MAHINDRA ARABIA LIMITED

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2019

	2019 **SR**	2018 SR
OPERATING ACTIVITIES		
Net loss for the year	**(3,529,521)**	(703,455)
Adjustments for:		
Depreciation	**264,371**	62,330
Employees' defined benefit liabilities	**120,562**	728
Finance charges	**62,999**	98,283
Changes in operating assets and liabilities:		
Trade and other receivables	**(4,620,315)**	(7,750,862)
Due from a shareholder	**934,059**	489,027
Prepaid expenses and other assets	**(3,936)**	(238,893
Trade payables	**(88,139)**	1,039,059
Accrued expenses and other liabilities	**(1,399,349)**	2,469,595
Cash used in operations	**(8,259,269)**	(4,534,188)
Zakat and income tax paid	**-**	(10,666)
Finance charges paid	**(131,419)**	-
Net cash used in operating activities	**(8,390,688)**	(4,544,854)
INVESTING ACTIVITIES		
Purchase of property and equipment	**(328,649)**	(89,139)
Net cash used in investing activities	**(328,649)**	(89,139)
FINANCING ACTIVITIES		
Due to related parties	**7,931,613**	4,351,004
Loan form a shareholder	**(133,531)**	5,610,000
Net cash from financing activities	**7,798,082**	9,961,004
Net change in cash and cash equivalents	**(921,255)**	5,327,011
Cash and cash equivalents, April 1	**6,031,175**	704,164
CASH AND CASH EQUIVALENTS, MARCH 31	**5,109,920**	6,031,175

<u>Non-cash transactions:</u>

Employees' defined benefit liabilities transferred from a related party	**(45,524)**	(121,988)
Property and equipment transferred from a related party	-	535,925

The accompanying notes form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2019

1. ORGANIZATION AND ACTIVITIES

Tech Mahindra Arabia Limited ("the Company") is a limited liability Company registered on 16 Dhu-al- Qa'dah 1436H, (August 31, 2015) in Al Khobar, Kingdom of Saudi Arabia under commercial registration number 2051061101. The share capital of the Company is SR 1,000,000 divided into 1,000 share of SR 1,000 each.

The shareholders of the Company along with their shareholdings as of March 31, 2019, 2018 are as follows:

Name	Shareholding %	Ownership SR
Tech Mahindra Limited, incorporated in India	**51 %**	**510,000**
Midad Company Limited (Previously Midad Holding Company Limited), incorporated in Kingdom of Saudi Arabia	**49 %**	**490,000**
	100 %	**1,000,000**

The Company's principal activity is to provide services of application development and management, network services, integration, managed services, remote infrastructure management, maintenance services, business process outsourcing, information technology-enabled services, system integration, IT networking, IT security and supply of products (hardware, software and structured cabling).

As per new Company's law, the Company is required to update its Articles of Association within one year from the effective date of the new Companies Regulations. As of March 31, 2019, the Company is in the process of updating its Articles of Association.

The Company's registered office is in Al Khobar, Kingdom of Saudi Arabia.

2. GOING CONCERN

The accumulated losses as of March 31, 2019 amounted to SR 5,383,182 (2018: SR 2,228,025) which exceeded 50% of the Company's share capital of SR 1,000,000. In terms of Article 181 of the Regulations for Companies, the shareholders unanimously resolved on March 31, 2019 to continue in business and to provide adequate financial support to the Company to meet its liabilities as and when they fall due, however, the formalities for publication were not completed. These financial statements have been prepared on the assumption that the Company will continue as a going concern and accordingly, do not include any adjustments that might result should the Company not be able to continue as going concern.

3. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities ("IFRS for SMEs") that are endorsed in the Kingdom of Saudi Arabia and other relevant pronouncements endorsed by the Saudi Organization for Certified Public Accountants ("SOCPA") and the requirements of the laws and regulations in the kingdom of Saudi Arabia.

For all periods up to year ended March 31, 2018, the Company prepared its financial statements in accordance with accounting standards generally accepted in the Kingdom of Saudi Arabia issued by SOCPA within the laws and regulations in Saudi Arabia related to the preparation and presentation of financial statements ("SOCPA Standards"). These financial statements for the year ended March 31, 2019 are the first the Company has prepared in accordance with IFRS for SMEs. Refer to note 5 for information on how the Company adopted IFRS for SMEs.

Basis of preparation

The financial statements are prepared under the historical cost convention.

The financial statements are presented in Saudi Riyals being the functional currency of the Company.

Cash and cash equivalents

Cash and cash equivalents include cash and bank balances and short term deposits with original maturities of three months or less.

Trade receivables

Trade receivable are stated at original invoice amount net of allowance for doubtful debts. An allowance against doubtful debts is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation. Expenditure on maintenance and repairs is expensed, while expenditure for improvement is capitalized. Depreciation is provided over the estimated useful lives of the applicable assets using the straight line method. Leasehold improvements are amortized over the shorter of the estimated useful life or the remaining term of the lease. The estimated useful lives of the principal classes of assets are as follows:

	Years
Furniture and fixtures	5
Machinery and equipment	5
Office equipment	5
Computer equipment	3

Impairment

At each reporting date, the Company reviews the carrying amounts of its equipment 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.

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. Impairment losses are recognized as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or 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 recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized as income immediately.

Financial instruments

Financial instrument is a contract that give rise to a financial asset of one entity and financial liability or equity instrument of another entity.

Financial assets or financial liabilities are initially recognized at the transaction price (including transaction cost except in the initial measurement of financial assets and liabilities that are subsequently measured at fair value through profit or loss) unless the arrangement constitutes a financing transaction for either the Company or counter party. If the arrangement constitutes a financing transaction, the Company shall measure the financial assets or liability at the present value if the future payments discounted at the market rate of interest for a similar debt instrument.

Subsequently at each financial position date, the Company measure financial instruments at amortized cost using effective interest method.

<u>Effective interest method</u>

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability (or a group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the carrying amount of the financial asset or financial liability.

<u>Impairment of financial assets</u>

The Company assess at the end of each reporting date whether there is any indication that an asset may be impaired. Financial assets are considered to be impaired when 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 investment have been affected.

Trade payable and accruals

Liabilities are recognized for amounts to be paid in the future for goods/services when risks and rewards attributable to goods are transferred to the Company or services are received, whether or not billed to the Company.

Provisions

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

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

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

Employees' defined benefit liabilities

End-of-service indemnities, required by Saudi Arabian Labor Law, are provided in the financial statements based on the employees' length of service.

Revenue recognition

Revenue on long term contracts, where the outcome can be estimated reliably, is recognized under the percentage of completion method by reference to the stage of completion of the contract activity. The stage of completion is measured by calculating the proportion that costs incurred to date bear to the estimated total costs of a contract. When the current estimate of total contract costs and revenues indicate a loss, provision is made for the entire loss on the contract irrespective of the amount of work done. Progress payments and advances received from customers in respect of contracts are deducted from the amount of contract work in progress and excess payments on contracts are shown as a liability.

Revenue recognized in excess of billings represents the value of work performed but not yet billed as at year-end. Billings in excess of revenue earned included in current liabilities represent the excess of amounts billed over the value of work performed at the year-end.

Expenses

Selling, general and administrative expenses include direct and indirect costs not specifically part of costs of revenue as required under generally accepted accounting principles in the Kingdom of Saudi Arabia. Allocations between selling, general and administrative expenses and costs of revenue, when required, are made on a consistent basis.

Zakat and income tax

The Company is subject to the Regulations of the General Authority of Zakat and Tax ("GAZT") in the Kingdom of Saudi Arabia. Zakat and income tax are provided on an accruals basis. The zakat charge is computed on the zakat base. Income tax is computed on adjusted net income. Any difference in the estimate is recorded when the final assessment is approved, at which time the provision is cleared.

<u>Deferred income tax</u>

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases (known as temporary differences). Deferred tax liabilities are generally recognized for all temporary differences that will result in taxable amounts in determining taxable profit (tax loss) of future periods when the carrying amount of the asset or liability is recovered or settled (taxable temporary differences). Deferred tax assets are generally recognized for all temporary differences that will result in amounts that are deductible in determining taxable profit (tax loss) of future periods when the carrying amount of the asset or liability is recovered or settled (deductible temporary differences) but only to the extent that it is probable that taxable profits will be available gainst which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

Leasing

Leases in which substantially all 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 charged to statement of comprehensive income on a straight-line basis over the period of the lease.

Leases of assets where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized, at the lease's commencement, at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is apportioned between the liability and finance charges using the effective interest method. Rental obligations, net of finance charges, are included in borrowings in the statement of financial position. The property and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

Foreign currencies translation

Foreign currency transactions are translated into Saudi Riyals at the rates of exchange prevailing at the time of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated at the exchange rates prevailing at that date. Gains and losses from settlement and translation of foreign currency transactions are included in the statement of comprehensive income.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

These estimates and assumptions are based upon experience and various other factors that are believed to be reasonable under the circumstances and are used to judge the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised or in the revision period and future periods if the changed estimates affect both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a higher risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below;

Allowance for doubtful debts

An allowance for doubtful debts is determined based on a combination of factors to ensure that receivables are not overstated due to un-collectability. Factors involved in this determination include aging and customers' financial conditions. In relation to related parties, management believes these are generally fully recoverable based on the relationship with these parties.

Useful lives of property and equipment

Estimated useful lives, of property and equipment are determined for calculating depreciation, taking into account the expected usage of assets and physical wear and tear. Residual values and estimated useful lives are reviewed annually.

5. FIRST TIME ADOPTION OF IFRS for SMEs

The Company has prepared financial statements that comply with IFRS for SMEs applicable for the year ended March 31, 2019, as described in the summary of significant accounting policies. In preparing the financial statements, the Company's opening statement of financial position was prepared as at April 1, 2017, the Company's date of transition to IFRS for SMEs. This note explains the principal adjustments made by the Company in restating its financial statements prepared earlier under the SOCPA Standards.

First-Time Adoption Exemptions Applied

Upon transition, IFRS for SMEs permits certain exemptions from full retrospective application of IFRS for SMEs. The Company has applied the mandatory exceptions, as set out below. The Company has not applied any of those optional exemptions except for deferred tax.

Estimates:

The Company has used estimates under IFRS for SMEs that are consistent with those applied under previous SOCPA Standards unless there is objective evidence that those estimates were in error.

Reconciliations

The following reconciliations show the effect on the Company's equity of the transition from SOCPA Standards to the IFRS for SMEs at April 1, 2017 and March 31, 2018, and the Company's income for the year ended March 31, 2018.

5.1 Impact of adoption of IFRS for SMEs on total equity as at April 1, 2017

	Note	April 1, 2017 SR
Total equity reported under SOCPA Standards		**(753,512**
Impact of conversion to IFRS for SMEs		**98,381**
Total equity under IFRS for SMEs		**(655,131**

5.2 Reconciliation of total comprehensive loss for the year ended March 31, 2018

	Note	March 31, 2018 SR
Loss for the year under SOCPA standards		**(707,554**
Impact of conversion to IFRS for SMEs		**134,660**
Loss for the year under IFRS for SMEs		**(572,894**

5.3 Impact of adoption of IFRS for SMEs on total equity as at March 31, 2018

	Note	March 31, 2018 SR
Total equity reported under SOCPA Standards		**(1,461,066**
Impact of conversion to IFRS for SMEs		**233,041**
Total equity under IFRS for SMEs		**(1,228,025**

(i) Statement of cash flows

The transition from SOCPA to IFRS has not had a material impact on the statement of cash flows.

6. CASH AND CASH EQUIVALENTS

At March 31, 2019, and 2018 cash and cash equivalents consist entirely of bank balance. This includes fixed deposit of SR 4,000,000 (2018: nil) carrying an average interest rate of 1.3% per annum.

7. Trade and other receivables

	March 31, 2019 SR	March 31, 2018 SR	April 1, 2017 SR
Trade receivables	**10,521,869**	5,651,596	-
Revenue recognized in excess of billings	**1,919,308**	2,169,266	70,000
	12,441,177	7,820,862	70,000

No expense has been recognized in the current or prior years for bad or doubtful debts. Management believes that the amount is recoverable and will be collected in the future.

8 PREPAID EXPENSES AND OTHER ASSETS

	March 31, 2019 SR	March 31, 2018 SR	April 1, 2017 SR
Prepayments	**390,454**	332,897	299,594
Others	**151,969**	205,590	-
	542,423	538,487	299,594

9 PROPERTY AND EQUIPMENT

	Furniture and fixtures SR	Machinery and equipment SR	Office equipment SR	Computer equipment SR	Total SR
Cost					
Balance as at April 1, 2017	-	-	-	-	-
Additions		85,914	-	3,225	89,139
Transfer from a related party (note 17)	224,313	97,056	4,624	209,932	535,925
Balance as at March 31, 2018	224,313	182,970	4,624	213,157	625,064
Additions	196,289	69,685	23,426	39,249	328,649
Balance as at March 31, 2019	420,602	252,655	28,050	252,406	953,713
Accumulated Depreciation					
Balance as at April 1, 2017	-	-	-	-	-
Charge for the year	11,719	8,784	228	41,599	62,330
Balance as at March 31, 2018	11,719	8,784	228	41,599	62,330
Charge for the year	93,763	59,041	3,156	108,411	264,371
Balance as at March 31, 2019	105,482	67,825	3,384	150,010	326,701
Net book value					
March 31, 2019	315,120	184,830	24,666	102,396	627,012
March 31, 2018	212,594	174,186	4,396	171,558	562,734
April 1, 2017	-	-	-	-	-

10 TRADE PAYABLES

	March 31, 2019 SR	March 31,2018 SR	April 1,2017 SR
Trade payable - others	**302,243**	1,039,059	-
Trade payable - a related party (note 17)	**603,153**	-	-
	905,396	1,039,059	-

11. ACCURED EXPENSES AND OTHER LIABILITIES

	March 31, 2019	March 31,2018	April 1,2017
	SR	SR	SR
Billings in excess of revenue earned	**-**	2,171,573	-
Value added tax payable	**232,231**	178,256	-
Accrued interest	**29,863**	98,283	-
Employees' related cost	**160,516**	56,304	236,038
Zakat and income tax payable (note 16)	**4,099**	4,099	10,666
Others	**943,187**	329,150	29,650
	1,369,896	2,837,665	276,354

12. EMPLOYEES' DEFINED BENEFIT LIABILITIES

	March 31, 2019	March 31,2018	April 1,2017
	SR	SR	SR
April 1	**140,355**	17,639	-
Provision for the year	**120,562**	728	17,639
Transfer (note 15)	**45,524**	121,988	-
March 31	**306,441**	140,355	17,639

13. GENERAL AND ADMINISTRATIVE EXPENSES

	2019	2018
	SR	SR
Rent (note 8)	**590,884**	542,614
Insurance	**107,910**	51,421
Professional services	**145,456**	148,091
Others	**493,512**	76,101
	1,337,762	818,227

14 SELLING EXPENSES

	2019	2018
	SR	SR
Employees' related cost	**1,640,784**	1,018,427
Others	**107,142**	85,889
	1,747,926	1,104,316

15. OTHER INCOME, NET

	2019	2018
	SR	SR
Exchange (loss) / gain realized	**20,785**	22,892
Interest on fixed deposit	**53,112**	9,178
Unrealized revaluation gain / (loss)	**104,930**	(747)
	178,827	31,323

16. ZAKAT AND INCOME TAX

The principal elements of the zakat base are

	March 31, 2019	March 31,2018	April 1,2017
	SR	SR	SR
Non-current Assets	**627,012**	562,734	-
Non-current liabilities	**16,007,487**	7,909,788	3,022,131
Opening shareholders' (deficit) equity	**(1,461,066)**	(753,512)	180,338
Net loss for the year	**(3,529,521)**	(703,455)	(923,184

Some of these amounts have been adjusted in arriving at the zakat charge for the year.

The movement in the zakat and income tax provision is as follows:

	March 31, 2019	March 31,2018	April 1,2017
	SR	SR	SR
April 1	**4,099**	10,666	-
Provision for the year	**-**	4,099	10,666
Payments during the year	**-**	(10,666)	-
March 31	**4,099**	4,099	10,666

The charge for the year for zakat and income tax is as follows:

	2019	2018
	SR	SR
Zakat for current year	**-**	4,099

The Company has submitted its Zakat and income tax returns up to March 31, 2018 and received the Zakat and income tax certificates and official receipts. The Company has not received any assessment from General Authority of Zakat and Tax ("GAZT") since its inception.

Deferred tax

The following is the analysis of deferred tax liabilities presented in the statement of financial position:

	March 31, 2019	March 31,2018	April 1,2017
	SR	SR	SR
Deferred tax assets	607,405	233,041	98,381

	Opening balance	Recognized in profit and loss account	Closing balance
	SR	SR	SR
Deferred tax assets/(liabilities) in relation to:			
Employee defined benefit liabilities	14,316	16,941	31,257
Property and equipment	104	13,162	13,266
Carried forward losses	218,621	344,261	562,882
	233,041	374,364	607,405

17. RELATED PARTIES TRANSACTIONS AND BALANCES

In the normal course of business, the Company transacts with related parties. The terms of such transactions are on commercial bases and are approved by management.

During the year, the Company transacted with the following related parties:

Name	Relationship
Midad Holding Company, Saudi Arabia	Shareholder
Tech Mahindra Limited, India	Shareholder
CJS Solutions Group LLC, USA	Affiliate
Tech Mahindra GMBH, Germany	Affiliate
Healthcare Clinical Informatics limited	Affiliate

The significant transactions and the related approximate amounts are as follows:

	2019	2018
	SR	SR
Expenses paid on behalf of a shareholder	**54,797**	-
Expenses paid by shareholders on behalf of the company		1,143,574
Amount paid by th eshareholder on the behlaf of compnay		-
Subcontract cost	**10,905,084**	4,525,362
Loan form shareholder	**5,476,469**	5,610,000
End of serviece indemenities transfer	**5,610,000**	121,988
Porperty plant and equipment transferred form a related party net of accumulated depriciation	**45,524**	535,925
Finance Cost	**62,999**	98,283

Due from a shareholder is comprised of the following:

	March 31, 2019	March 31,2018	April 1,2017
	SR	SR	SR
Tech Mahindra Limited	**48,129**	982,188	1,471,215

Due to related parties is comprised of the following:

	March 31, 2019	March 31,2018	April 1,2017
	SR	SR	SR
Non-current liabilities			
Midad Holding Company	**818,957**	818,903	2,063,464
Tech Mahindra Limited	**14,649,420**	6,549,674	941,028
CJS Solutions Group LLC	**232,669**	400,856	-
	15,701,046	7,769,433	3,004,492
Current liability			
Loan from a shareholder	**5,476,469**	5,610,000	-
Healthcare Clinical Informatics limited (note 10)	**603,153**	-	-
	6,079,622	5,610,000	-

Loan from a shareholder represents advance received from Tech Mahindra Limited provided to support the Company's operations and working capital requirements. As per the loan agreement, the fully interest is charged at the rate of LIBOR plus hundred basis points (2.45%) per annum. The loan has will be settle on June 25, 2019.

18. OPERATING LEASE ARRANGEMENTS

	2019	2018
	SR	SR
Payments under operating leases recognized as an expense during the year	**590,883**	542,614

Operating lease payments represent rentals for office premises. Leases and rentals are fixed and negotiated for an average term of one year.

19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments

A financial instrument is any contract that gives rise to both a financial asset in one enterprise and a financial liability or equity instrument of another enterprise.

As at December 31, financial assets are as follows:

	March 31, 2019	March 31, 2018	April 1, 2017
	SR	SR	SR
Cash and cash equivalents	**5,109,920**	6,031,175	704,164
Trade and other receivables	**12,441,177**	7,820,862	70,000
Due from a shareholder	**48,129**	982,188	1,471,215
	17,599,226	14,834,225	2,245,379

As at December 31, financial liabilities are as follows:

	March 31, 2019	March 31, 2018	April 1, 2017
	SR	SR	SR
Trade payables	905,396	1,039,059	-
Loan from a shareholder	5,476,469	5,610,000	-
Accrued expenses and other liabilities	190,379	154,587	236,038
	6,572,244	6,803,646	236,038

Financial risk management

The Company's management monitors and manages the financial risks relating to the operations of the Company. These risks include market risk (including interest rate risk, currency risk), credit risk and liquidity risk.

Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. There has been no change to the Company's exposure to market risks or the manner in which these risks are managed and measured.

Foreign currency risk

Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Management monitors the fluctuations in currency exchange rates and manages its effect on the financial statements accordingly.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial assets which potentially subject the Company to concentrations of credit risk consist principally of cash at bank and receivables. Cash at bank is placed with reliable financial institutions. Outstanding receivables are monitored by the management.

Commission rate risk

Commission rate risk is the risk that the value of financial instruments will fluctuate due to changes in the market commission rates. The Company's exposure to commission rate risk is mainly on loan from a shareholder. However the loan form a shareholder has been settled subsequent to year end.

Liquidity risk

Liquidity risk is the risk that the Company 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 an amount close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available to meet any future commitments.

Capital management

The Company manages its capital to ensure that the Company will be able to continue as going concerns while maximizing the return to shareholder through the optimization of the debt and equity balance. The Company's overall strategy remains unchanged from last year. The capital structure of the Company consists of equity of the Company (comprising capital, accumulated losses). The Company is not subject to any externally imposed capital requirements.

20. EMPLOYEES' DEFINED CONTRIBUTION PLAN

The Company makes contributions for a defined contribution retirement benefit plan to the General Organization for Social Insurance in respect of its Saudi employees. The total amount expensed during the year in respect of this plan was SR 218,750 (2018: SR 125,130).

21. FAIR VALUE

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable willing parties in an arm's length transaction. As the Company's financial instruments are compiled under the historical cost convention, differences can arise between the book values and fair value estimates. Management believes that the fair values of the Company's financial assets and liabilities are not materially different from their carrying values.

22. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors of the Company and authorized for issue on June 23, 2019.

TECH MAHINDRA NETHERLANDS B.V.

Board of Directors

Mr. Sandeep Phadke
Mr. Tanveer Hussain

Registered Office

2516 CK The Hague,
Maanplein 7, Building 4
The Netherlands

Bankers

Citi Bank

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF TECH MAHINDRA NETHERLANDS B.V.

Report on the Audit of Special Purpose Financial Statements

Opinion

We have audited the accompanying financial statements of Tech Mahindra Netherlands B.V. ("the Company"), which comprise the Balance Sheet as at 31st March 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements give a true and fair view in conformity with the Indian Accounting Standards, of the state of affairs of the Company as at 31 March 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis of Preparation and Restriction on Use and distribution

Without modifying our opinion, we draw attention to Note 2.2 of the special purpose financial statements, which describes the basis of preparation. These special purpose financial Statements have been prepared by the Management of the Company solely for its Ultimate Parent Company (Tech Mahindra Limited) to assist them in preparation of its Consolidated Financial Statements. Our report is intended solely for the use of management and Board of Directors for the above purpose and should not be distributed to or used by any other parties.

Basis for Opinion

We conducted our audit of the special purpose financial statements in accordance with the Standards on Auditing (SAs) issued by Institute of Chartered Accountants of India (ICAI).

Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Special Purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the special purpose financial statements.

Management's Responsibility for the Special Purpose Financial Statements

The Company's Board of Directors is responsible for the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013. This includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the special purpose financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the special purpose financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the special purpose financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm's Registration No. 117366W/ W- 100018)

Hemant Joshi

Partner

(Membership No.038019)

Place: Pune

Date: June 5, 2019

BALANCE SHEET AS AT MARCH 31, 2019

			Amount in Euro
Balance Sheet	Note No.	**31-March-2019**	31-March-2018
ASSETS			
Non Current Assets			
Advance Income Taxes (Net of provisions)		**-**	4,130
Other Non-Current Assets	3	**-**	1,411,722
Total Non Current Assets		**-**	1,415,852
Current Assets			
(a) Financial Assets			
(i) Trade Receivables	4	**2,928,848**	330,225
(ii) Cash and Cash Equivalents	5	**133,541**	1,006,211
(b) Other Current Assets	6	**1,533,149**	1,899,019
Total Current Assets		**4,595,538**	3,235,455
Total Assets		**4,595,538**	4,651,307
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	7	**46,001**	46,001
(b) Other Equity	8	**204,682**	116,462
Total Equity		**250,683**	162,463
Liabilities			
Non Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	9	**-**	1,026,953
Total Non Current Liabilities		**-**	1,026,953
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	10	**600,000**	-
(ii) Trade Payables			
(A) total outstanding dues of micro enterprises and small enterprises	21	**-**	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		**280,598**	16,328
(ii) Other Financial Liabilities	11	**1,553,398**	2,063,951
(b) Other Current Liabilities	12	**1,905,049**	1,380,739
(c) Current Tax Liabilities (Net)		**5,810**	874
Total Current Liabilities		**4,344,855**	3,461,892
Total Equity and Liabilities		**4,595,538**	4,651,307
See accompanying notes forming part of the financial statements	1 to 22		

In terms of our report attached

For Deloitte Haskins & Sells LLP	**For Tech Mahindra Netherlands B.V.**	
Chartered Accountants		
Hemant M. Joshi		
Partner	Director	Director
Place : Pune		
Date: June 5, 2019	Date: June 4, 2019	Date: June 4, 2019

TECH MAHINDRA NETHERLANDS B.V.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

Amount in Euro

	Statement of Profit and Loss	Note No.	Year ended 31-March-2019	Year ended 31-March-2018
I	Revenue from Operations	13	**3,537,270**	2,532,212
II	Other Income	14	**1,028**	798
III	**Total Revenue (I +II)**		**3,538,298**	**2,533,010**
IV	EXPENSES			
	Finance Costs	15	**34,010**	14,008
	Other Expenses	16	**3,393,961**	2,440,719
	Total Expenses		**3,427,971**	**2,454,727**
V	Profit before Tax (III-IV)		**110,327**	78,283
VI	Tax Expense			
	Current Tax		**22,107**	15,657
	Deferred Tax		**-**	-
	Total Tax Expense		**22,107**	**15,657**
VII	Profit after tax (V-VI)		**88,220**	62,626
VIII	Other Comprehensive Income			
A	I. Items that will not be reclassified to Profit or Loss		**-**	-
	II. Income Tax relating to items that will not be reclassified to Profit or Loss		**-**	-
B	I. Items that will be reclassified to Profit or Loss		**-**	-
	II. Income Tax relating to items that will reclassified to Profit or Loss		**-**	-
	Total Other Comprehensive Income (A+B)		**-**	-
IX	**Total Comprehensive Income (VII + VIII)**		**88,220**	**62,626**
	Earnings per Equity Share (Face Value Euro 1) in Euro			
	Basic		**1.92**	1.36
	Diluted		**1.92**	1.36
	See accompanying notes forming part of the financial statements	1 to 22		

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Hemant M. Joshi
Partner
Place : Pune
Date: June 5, 2019

For Tech Mahindra Netherlands B.V.

Director
Date: June 4, 2019

Director
Date: June 4, 2019

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

Statements of changes in equity

A. Equity Share Capital

Amount in EURO

Balance as of April 1, 2017	**Changes in equity share capital during the year**	**Balance as of March 31, 2018**
46,001	-	46,001

Balance as of April 1, 2018	Changes in equity share capital during the year	Balance as of March 31, 2019
46,001	-	46,001

B. Other Equity -Reserves and Surplus - Retained Earnings

Amount in EURO

Particulars	**Balance as at March 31, 2019**	Balance as at March 31, 2018
Balance as at the beginning of reporting period	**116,462**	53,836
Profit for the year	**88,220**	62,626
Other Comprehensive Income (net)		
Total Comprehensive income	**204,682**	116,462

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Hemant M. Joshi
Partner

Place : Pune
Date: June 5, 2019

For Tech Mahindra Netherlands B.V.

Director
Date: June 4, 2019

Director
Date: June 4, 2019

TECH MAHINDRA NETHERLANDS B.V.

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2019

	Cash Flow Statement	**For the Year ended 31-March-2019**		**For the Year ended 31-March-2018**	
A	Cash Flow from Operating Activities				
	Profit before Tax		**110,327**		78,283
	Adjustments for :				
	Unrealized exchange loss	**57**			
	Finance Costs	**34,010**		14,008	
	Sundry Balances written back	**(816)**			
			33,251		14,008
			143,578		92,291
	Changes in working capital				
	Trade Receivables	**365,813**		(3,134,013)	
	Other non-current assets	**1,411,722**			
	Other Assets	**(2,598,623)**			
	Trade Payables	**264,270**		1,119,212	
	Provisions & other liabilities	**524,310**			
			(32,508)		(2,014,801)
	Cash Generated from operating activities before taxes		**111,070**		(1,922,510)
	Income Tax Paid, net		**(12,719)**		(33,460)
	Net cash generated from operating activities (A)		**98,351**		(1,955,970)
	Cash Flows from Investing Activities		**-**		-
	Cash Flows from Financing Activities				
	Repayment of Long-Term Borrowings	**(1,026,953)**		2,340,657	
	Repayment of Short-Term Borrowings	**(510,553)**			
	Loan taken during the year	**600,000**		-	
	Finance costs paid	**(33,516)**		(14,008)	
	Net Cash Flow from / (used in) Financing Activities (C)		**(971,021)**		2,326,648
	Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)		**(872,670)**		370,678
	Cash and Cash Equivalents at the beginning of the year		**1,006,211**		635,534
	Cash and Cash Equivalents at the end of the year (refer note 5)		**133,541**		1,006,211

Cash and Cash Equivalents at the end of the year Comprises of	**Balance as at March 31, 2019**	**Balance as at March 31, 2018**
Balances with Banks :		
In Current Accounts	**133,541**	1,006,211
Total	**133,541**	1,006,211

See accompanying notes forming part of the financial statements (1-22)

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Hemant M. Joshi
Partner

Place : Pune
Date: June 5, 2019

For Tech Mahindra Netherlands B.V.

Director
Date: June 4, 2019

Director
Date: June 4, 2019

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1 Corporate information

The company was incorporated on November 24, 2015, with principal place of business at Maanplein 7, Gebouw 4, 2516 CK, Den Haag, Netherlands. The financial statements are expressed in Euro.

The principal activities of the company are Reselling of hardware and software licences from original equipment manufacturers (OEMs) and support services pertaining to resell of hardware and software licences.

The company is a 100% subsidiary of Tech Mahindra Limited (India).

The financial statements of the company for the year ended March 31, 2019 were authorised for issue by the Board of Directors on May , 2019.

2 Significant accounting policies:

2.1 Statement of Compliance:

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules,2016 issued by the Ministry of Corporate Affairs, except additional disclosures required by the Companies Act 2013 (as the Company is not incorporated in India and these financial statements are not statutory financial statements, full compliance with the above Act is not required).

2.2 Basis of preparation of financial statements

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

In estimating the fair value of an asset or liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The functional currency of the Company is EURO (EUR). The Financial statements have been prepared as per section 129 (1) of the Act to assist the Tech Mahindra Limited (Parent Company) for preparation of consolidated financial statements and for the purpose of compliance with the provision of section 129 and Section 136 read with Schedule III of the Companies Act, 2013.

2.3 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. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

2.4 Cash and cash equivalents (for purposes of Cash Flow Statement)

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.

2.5 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.

2.6 Revenue recognition

On March 28, 2018, the Ministry of Corporate Affairs (MCA) has notified Indian Accounting Standard (Ind AS) 115 – Revenue from contracts with customers. The Company has adopted Ind AS 115 with effect from April 1, 2018 by using cumulative catch-up transition method applied to contracts that were not completed as on April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted.

The effect on adoption of Ind AS 115 was insignificant.

Revenue is recognized upon transfer of control of promised services to the customers. Revenue from the sale of software and hardware products are recognized upon delivery/ deemed delivery which is when title passes to the customer, along with risks and rewards. The Company presents revenues net of indirect taxes in its statement of Profit and Loss.

Revenue related to support services contracts are recognized ratably over the period in which services are provided.

Amounts received or billed in advance of services performed are recorded as unearned revenue.

Unbilled revenue represents amounts recognized 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.

During the year ended March 31, 2019, the company recognized revenue of EUR 1,360,406 arising from opening unearned revenue as of April 1, 2018, billing done during the year EUR 1,969,910 out of which unearned revenue is EUR 1,477,432.

2.7 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.8 Foreign currency transactions:

The functional currency of the company is EURO (EUR).

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the dates of Balance Sheet. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are recognized in the profit or loss.

2.9 Financial Instruments:

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in profit or loss.

Non-derivative financial instruments:

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest rate method or at fair value through profit & loss [FVTPL]. Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised in a business combination, or is held for trading or it is designated as Fair Value Through Profit or Loss (FVTPL). Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit and loss.

For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

2.10 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, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with the local tax laws existing in the country.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the income taxes are recognised in other comprehensive income or directly in equity, respectively.

Advance taxes and provisions for current income taxes are presented in the statement of financial position after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

Deferred income taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

Deferred income tax asset are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

2.11 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the 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. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

2.1 Borrowing costs:

Borrowings costs that are attributable to the acquisition or construction of qualifying assets are capitalized as a part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing cost are charged to the statement of profit and loss.

2A New Accounting Standards, Amendments to Existing Standards, Annual Improvements and Interpretations

Ind AS - 116 - Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company will adopt Ind AS 116, effective annual reporting period beginning April 1, 2019. The Company will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the Company will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement date, but discounted using the lessee’s incremental borrowing rate as at April 1, 2019. In accordance with the standard, the Company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

On transition, the Company will be using the practical expedient provided the standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application.

With effect from April 01, 2019, the Company will recognise new assets and liabilities for its operating leases of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to a) amortization change for the right-to-use asset, and b) interest accrued on lease liability.

Previously, the Company recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

As a lessor, sublease shall be classified an operating lease if the head lease is classified as a short term lease. In all other cases the sublease shall be classified as a finance lease.

The company has not entered in any lease contract and hence the impact and disclosure is not applicable.

Ind AS 12 Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company has evaluated the effect of this on the financial statements and the impact is not material.

Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The said amendment is not applicable to the Company.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The said amendment is not applicable to the Company.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The said amendment is not applicable to the Company.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The said amendment is not applicable to the Company.

Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The said amendment is not applicable to the Company.

Note 3 : Other Non Current Assets

Amount in Euro

Particulars	As at	
	31-March-2019	31-March-2018
Prepaid Expenses	**-**	1,411,722
Total	**-**	1,411,722

Note 4 : Trade Receivables

Amount in Euro

Particulars	As at	
	31-March-2019	31-March-2018
Unsecured - Considered Good	**2,928,848**	330,225
	2,928,848	330,225
Less: Allowance for doubtful trade receivables	**-**	-
Total	**2,928,848**	330,225

The average credit period generally ranges from 30 to 60 days. No interest is charged on overdue trade receivable. As there is no history of defaults, no allowance for doubtful trade receivables is made.

Note 5 : Cash and Cash Equivalents

Particulars	**As at**	
	31-March-2019	31-March-2018
Balances with banks		
- In Current Account	**133,541**	1,006,211
Total	**133,541**	1,006,211

Note 6 : Other Current Assets

Amount in Euro

Particulars	**As at**	
	31-March-2019	31-March-2018
Prepaid Expenses	**1,533,149**	1,899,019
Total	**1,533,149**	1,899,019

Note 7 : Equity Share Capital

Particulars	**31 March, 2019**		31 March , 2018	
	Number	**Amount in Euro**	Number	Amount in Euro
Authorised				
Equity shares of Euro 1/- each with voting rights	**46,001**	**46,001**	46,001	46,001
Issued, Subscribed and fully Paid up:		**-**		-
Equity shares of Euro 1/- each fully paid up	**46,001**	**46,001**	46,001	46,001
Reconciliation of number of Equity Shares outstanding at the beginning and at the end of the reporting year:				
Shares outstanding at the beginning of the year	**46,001**	**46,001**	46,001	46,001
Shares issued during the year	**-**	**-**	-	-
Shares outstanding at the end of the year	**46,001**	**46,001**	46,001	46,001

Number of shares held by each shareholder holding more than 5 percent of the Equity Shares of the Company are as follows:

Name of Shareholder	**As at 31 March, 2019**		As at 31 March , 2018	
	No. of Shares held	**% of Holding**	No. of Shares held	% of Holding
Tech Mahindra Limited	**46,001**	**100**	46,001	100

i) Each Equity Share entitles the holder to one vote and carries an equal right to dividend.

ii) The Company has not issued any shares during the year.

Note 8 : Other Equity

Amount in Euro

	As at	
	31 March, 2019	31 March , 2018
Surplus in Statement of Profit and Loss		
Opening balance	**116,462**	53,836
Add : Profit for the year	**88,220**	62,626
Add : Other Comprehensive Income	**-**	-
Closing Balance	**204,682**	116,462

Note - 9: Borrowings -Non Current

Amount in Euro

Particulars	As at 31-March-2019	As at 31-March-2018
Unsecured Borrowings		
(1) From Banks/Financial Institution	**-**	-
(2) From other (Refer Note 11)	**-**	1,026,953
Total	**-**	1,026,953

Note - 10: Borrowings -Current

Amount in Euro

Particulars	As at 31-March-2019	As at 31-March-2018
Unsecured Borrowings		
From Related Parties	**600,000**	-
Total	**600,000**	-

Note 11: Other Financial Liabilities : Current

Amount in Euro

Particulars	As at 31-March-2019	As at 31-March-2018
Current maturities of long-term Borrowings (Unsecured) *	**1,553,398**	2,063,951
Total	**1,553,398**	2,063,951

* Repayment and other terms:
a) Loan is repayable in 8 equal quarterly instalments inclusive of interest from February 28, 2018
b) Loan is subject to interest rate of 1% per annum.
c) Loan from IBM Global Financing has been guaranteed by the Parent Company i.e. Tech Mahindra Limited

Note 12: Other Current Liabilities

Amount in Euro

Particulars	As at 31-March-2019	As at 31-March-2018
Unearned revenue	**1,477,432**	1,360,406
Statutory Remittances	**427,617**	20,333
Total	**1,905,049**	1,380,739

Note 13 Revenue from Operations

Amount in Euro

Particulars	Year ended 31-Mar-19	Year ended 31-Mar-18
Sale of Software Licences	**1,852,884**	2,078,743
Sale of Support Services	**1,684,386**	453,469
Total	**3,537,270**	2,532,212

Note 14 Other Income

Amount in Euro

Particulars	Year ended 31-Mar-19	Year ended 31-Mar-18
Interest on Income Tax Refund	**212**	-
Sundry Balances Written Back	**816**	798
Total	**1,028**	798

Note 15 : Finance Costs

Amount in Euro

Particulars	Year ended 31-Mar-19	Year ended 31-Mar-18
Interest On Long Term Loans	**33,336**	8,494
Interest On Loans From Related Parties	**674**	5,514
Total	**34,010**	14,008

Note 16 : Other Expenses

Amount in Euro

Particulars	Year ended 31-Mar-19	Year ended 31-Mar-18
Rates and taxes	**-**	610
Legal and Other Professional Costs	**33,385**	24,394
Software, Hardware and Project Specific Expenses	**3,354,058**	2,411,185
Foreign Exchange Loss/ (Gain)	**604**	236
Miscellaneous Expenses	**5,916**	4,295
Total	**3,393,963**	2,440,719

Note 17:

As required under Indian Accounting Standard 24 ("Ind AS 24") , Related Party Disclosures, following are the transactions during the year ended March 31, 2019 and outstanding balances as of that date:

Note Particulars

17 Related party transactions

17.a Details of related parties:

Description of relationship	**Names of Related Party**
Holding Company	Tech Mahindra Limited
Fellow Subsidiary	Tech Mahindra GmbH

17.b Details of related party transactions during the year ended 31 March, 2019 and balances outstanding as at 31 March, 2019:

Amount in Euro

Particulars	**Holding Company**	**Fellow Subsidiary**	**Total**
Transactions for the year ended March 31, 2019:			
Borrowing Taken	-	600,000	600,000
		(1,000,000)	(1,000,000)
Interest paid	-	674	674
		(5,514)	(5,514)
Borrowing Repaid	-	1,000,000	1,000,000
Balances outstanding at the end of the year:			
Borrowings	-	600,000	600,000
Interest Payable	-	-	-

Note : Figures in bracket relate to the previous year

18. Current Tax and Deferred Tax:

The income tax expense for the year ended can be reconciled to the accounting profit as follows:

Amount in Euro

Particulars	Year ended 31-March-2019	Year ended 31-March-2018
Profit before Tax	**110,327**	78,283
Tax at the domestic income tax rate at 20%	**22,107**	15,657
Effect of income that is exempt from tax	**-**	-
Effect of expenses that are not deductible in determining taxable profit	**-**	-
Effect of differential overseas tax rates	**-**	-
Others	**-**	-
Income tax expense recognised in profit or loss	**22,107**	15,657

The tax rate used for the above reconciliation is the rate as applicable for the respective period payable by corporate entities in Netherlands on taxable profits under the Netherlands tax laws.

Domestic income tax is calculated at 20% (2018 : 20%) of the estimated assessable profit for the year.

19. Earnings Per Share is calculated as follows:

Amount in Euro

Particulars	Year ended	
	31-March-2019	31-March-2018
Profit after taxation	**88,220**	62,626
Equity Shares outstanding as at the end of the year (in nos.)	**46,001**	46,001
Weighted average Equity Shares outstanding as at the end of the year (in nos.)	**46,001**	46,001
Nominal Value per Equity Share (in Euro)	**1**	1
Earnings Per Share		
Earnings Per Share (Basic) (in Euro)	**1.92**	1.36
Earnings Per Share (Diluted) (in Euro)	**1.92**	1.36

20. Financial Instruments and Risk Review

The Company's activities expose it to a variety of financial risks i.e. market risk, credit risk and liquidity risk. The Company operates a risk management policy and program that performs close monitoring of and responding to each risk factors. Following are the financial risk factors

(a) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

(b) Credit Risk:

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables.

Trade Receivable:

Trade receivables consists of a single customer KPN B.V. Average credit period ranges from 30-60 days and no interest is charged on overdue receivables. The Company uses a practical expedient by computing the expected credit loss allowance for trade receivable based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking experience. The Company provides for all receivables more than 365 days past due at 100 percent. As there is no history of defaults, no allowance for doubtful trade receivables is made.

Age of receivables Amount in EURO

Particulars	As at March 31, 2019	As at March 31, 2018
Within the credit period	**2,928,848**	330,225
90-180 days past due	**-**	-
180- 365 days past due	**-**	-
More than 365 days past due	**-**	-

Cash and Bank Balances:

The Company maintains its cash and cash equivalents with bank having good reputation and high quality credit rating.

Credit Risk Exposure:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was EUR 3,062,389 and EUR 1,336,437 as of March 31, 2019 and March 31, 2018 respectively, being the total of the carrying amount of balances with banks and trade receivables.

Liquidity Risk:

Liquidity risk refers to the risk that the company cannot meet its financial obligation. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirement.

The table below provides details regarding the contractual maturities of significant financial liabilities as on March 31, 2019:

Amount in Euro

Particulars	Less than 1 year	1-3 years	3-5 years	5 years and above
Trade Payables	280,598	-	-	-
Borrowings	2,153,398	-	-	-
Total	2,433,996	-	-	-

The table below provides details regarding the contractual maturities of significant financial liabilities as on March 31, 2018:

Particulars	Less than 1 year	1-3 years	3-5 years	5 years and above
Trade Payables	**16,328**	-	-	-
Borrowings	**2,063,951**	1,026,953	-	-
Total	**2,080,279**	1,026,953	**-**	**-**

Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets:

Particulars	Less than 1 year	1-3 years	3-5 years	5 years and above
Non-derivative financial assets				
31-Mar-19				
Trade Receivables	**2,928,848**			
Cash & cash equivalents	**133541**	-	-	-
Total	**3,062,389**	-	-	-
Non-derivative financial assets				
31-Mar-18				
Trade Receivables	**330,225**			
Cash & cash equivalents	**1,006,211**	-	-	-
Total	**1,336,437**	-	-	-

20A. Capital Management

The Company's capital management objectives are to ensure that company's ability to continue as a going concern and to provide an adequate return to shareholders by pricing services, commensurate with the level of risk.

The company sets the amount of capital in proportion to its overall financing structure i.e. capital and financial liabilities. The company manages the capital structure and makes adjustments to it in the light of changes in economic condition and risks, characteristics of the underlying assets.

(a) The carrying value and fair value of financial instruments by categories as of March 31, 2019 is as follows:

Particulars	Amortised cost	Total carrying value	Amount in Euro Total fair value
Assets:			
Trade Receivables	2,928,848	2,928,848	2,928,848
Cash and cash equivalents	133,541	133,541	133,541
	3,062,389	3,062,389	3,062,389
Liabilities:			
Trade and other payables	-	-	-
Borrowings	600,000	600,000	600,000
Other financial liabilities	1,553,398	1,553,398	1,553,398
	2,153,398	2,153,398	2,153,398

The carrying value and fair value of financial instruments by categories as of March 31, 2018 is as follows:

Amount in Euro

Particulars	Amortised cost	Total carrying value	Total fair value
Assets:			
Trade Receivables	330,225	330,225	330,225
Cash and cash equivalents	1,006,211	1,006,211	1,006,211
	1,336,437	1,336,437	1,336,437
Liabilities:			
Trade and other payables	-	-	-
Borrowings	1,026,953	1,026,953	1,026,953
Other financial liabilities	2,063,951	2,063,951	2,063,951
	3,090,903	3,090,903	3,090,903

(b) Gearing Ratio

The gearing ratio as at the end of reporting period is as follows :

		Amount in Euro
Particulars	**As at 31st March 2019**	As at 31st March 2018
Debt* (A)	**2,153,398**	3,090,903
Cash & Bank Balances (B)	**133,541**	1,006,211
Net Debt (C=A-B)	**2,019,857**	2,084,692
Total Equity (D)	**250,683**	162,463
Net Debt to Equity Ratio (C/D)	**8.06**	12.83

* Debt is defined as long-term and short-term borrowings including interest accrued on borrowings . The company has parent gurantee (support letter) against the loan of 1.5 Million Euro as on 31st March 2019. Current asset ratio is 1.06 times as on March 31, 2019

21. Based on the information available with the Company, no creditors have been identified as “supplier” with in the meaning of “Micro, Small and Medium Enterprises Development (MSMED) Act, 2006”. This is as represented by the management and relied upon by the auditors.

22. Previous year’s figures have been regrouped/reclassified wherever necessary to correspond with the current year’s classification/disclosure.

TECH MAHINDRA GROWTH FACTORIES LIMITED

Board of Directors
Mr. Vivek Agarwal
Mr. Jagdish Mitra
Mr. Harshvendra Soin

Company Secretary
Siddharth Kshirsagar

Registered Office
W-1, Oberoi Estate Gardens,
Off Saki Vihar Road, Next Chandivali Studio,
Chandivali, Sakinaka, Mumbai – 400072

Bankers
ICICI Bank Ltd.

Auditors
Deloitte Haskins & Sells LLP

BOARD'S REPORT

Your Directors present their Fourth Annual Report together with the Audited Financial Statements of the Company for the year ended March 31, 2019

FINANCIAL SUMMARY OR HIGHLIGHTS

(Figures in ₹)

For the year ended	March 31, 2019	March 31, 2018
Income	**8,55,54,889**	6,61,36,277
Expenditure	**9,49,83,856**	9,80,32,855
Depreciation	**43,49,669**	6,15,387
Profit/(Loss) Before Tax & Extra Ordinary items	**(1,37,78,636)**	(3,25,11,964)
Profit/(Loss) from discontinued operation (after tax)	**(6,94,288)**	(2,51,76,175)
Profit/ (Loss) after Tax	**(1,44,72,924)**	(5,76,88,139)
Profit /(Loss) Carried forward to Balance Sheet	**(1,44,72,924)**	(5,76,88,139)

DIVIDEND

In view of the losses incurred and to conserve the Financial Resources for the future growth & expansion of the Company, your directors do not recommend any dividend for the Year ended on 31.03.2019.

RESERVES

The Board does not propose to carry any amount to General Reserves of the Company in view of the losses.

STATE OF THE COMPANY'S AFFAIRS

Your Company was formed with a strategic vision to seed and grow business areas that are futuristic and disruptive. The initiatives that get incubated encompass key themes that draw synergies from digitization and consumerization. Your Company looks out for, and incubates disruptive innovations that can leverage to fold in additional value proposition rapidly for our customers.

DETAILS OF BOARD MEETINGS

For the year under review, Five Board Meetings were convened and held on 21-05-2018, 23-07-2018, 23-10-2018, 30-10-2018 and 1-2-2019 which were attended by majority of directors. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

The Company does not have any subsidiary or Joint Venture nor has any associate Company.

DEPOSITS

The Company has not accepted any deposit as per the provisions of Companies Act, 2013 read with the Companies (Acceptance of Deposit Rules) 2014.

STATUTORY AUDITORS

The members, in the 1st Annual General Meeting held on August 2, 2016, appointed M/s Deloitte Haskins & Sells LLP, Chartered Accountants [Firm's Registration No. 117366W/W-100018] as Statutory Auditors of the Company for a period of five years till the conclusion of the Sixth Annual General Meeting for the financial year 2020-2021.

Pursuant to the amendment to Section 139 of the Companies Act, 2013 which was notified on May 7, 2018, ratification of appointment of Statutory Auditors at every AGM is no longer required.

There are no qualifications, reservation or adverse remark or disclaimer made in the audit report for the Financial Year 2018-19.

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. During the year, the Company allotted 8,00,000 equity shares of ₹10/- each to the promoters of the Company. The Company's paid up equity capital is ₹ 33,75,00,000/- comprising of 3,37,50,000 equity shares of Face Value of ₹ 10/- each at the end of the financial year 2018-19.

EXTRACT OF THE ANNUAL RETURN

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in **Form MGT 9** is forming part of the Board's report as **"Annexure 1".**

CHANGE IN THE NATURE OF BUSINESS

There are no changes in the nature of business of the Company.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The provisions of Section 135 read with Rule 9 of Companies (CSR Policy) Rules, 2014 are not applicable to the Company.

DIRECTORS

The directors of the Company are Mr. Jagdish Mitra (DIN: 06445179), Mr. Vivek Satish Agarwal (DIN: 05218475) and Mr. Harshvendra Soin (DIN: 02917590).

To comply with the provisions of Sections 196, 203 and other applicable provisions, if any, of the Companies Act, 2013, Mr. Jagdish Mitra was appointed as a whole time director of the Company for the period of three years w.e.f. January 19, 2017, which was approved by the members in the Annual General Meeting held on August 1, 2017.

Pursuant to the provisions of Section 152(6)(c) of the Companies Act 2013, Mr. Jagdish Mitra (DIN: 06445179), Director is liable to retire by rotation and being eligible offers himself for reappointment. Mr. Jagdish Mitra has also given confirmation to the Company that he is not disqualified to be re-appointed as Director as per Section 152 of the Companies Act, 2013.

During the year, Mr. Pradeep Tagare (DIN: 07516267), Mr. Kartheepan Madasamy (DIN: 03562906) and Mr. Sriram Gopalakrishnan (DIN: 07238514) has resigned as a Director and Mr. Harshvendra Soin (DIN: 02917590) was appointed by the Board as Additional Directors with effect from February 1, 2019 to hold office upto the ensuing Annual General Meeting.

KEY MANAGERIAL PERSONNEL (KMPs)

Mr. Gaurav Padmawar was appointed as the Company Secretary & KMP of the Company with effect from October 20, 2017 and he has resigned from the services of the Company w.e.f. 26-04-2019.

Mr. Siddharth Kshirsagar was appointed as the Company Secretary & KMP of the Company with effect from May 9, 2019.

Except for the above, Mr. Jagdish Mitra, Whole-Time Director and Ms. Shweta Rai, Chief Financial Officer were the Key Managerial Personnel of the company during the year, pursuant to the provisions of Section 203 of the Companies Act, 2013.

COMMITTEES OF BOARD

CONSTITUTION OF AUDIT AND NOMINATION & REMUNERATION COMMITTEE:

In accordance with the provisions of Section 177 of the Companies Act, 2013, an Audit Committee of the Board was constituted comprising of Mr. Sriram Gopalakrishnan, Chairman, Mr. Pradeep Tagare, Member, Mr. Kartheepan Madasamy, Member.

In accordance with the provisions of Section 178 of the Companies Act, 2013, Nomination & Remuneration Committee (NRC) was constituted comprising of Mr. Jagdish Mitra, Chairman, Mr. Pradeep Tagare, Member, Mr. Kartheepan Madasamy, Member.

However, the Ministry of Corporate Affairs, vide its Notification dated July 13, 2017 amended Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Rule 4 of Companies (Appointment and Qualification of Directors) Rules, 2014.

In effect, the provisions in respect of appointment of independent directors on the board of unlisted wholly owned subsidiary Company are no more applicable. Also such unlisted wholly owned subsidiary Company need not constitute and have Audit Committee and Nomination & Remuneration Committee of the Board.

Accordingly, the Board, in its meeting held on July 28, 2017, noted the dissolution of Audit Committee and Nomination & Remuneration Committee.

STATEMENT OF COMPLIANCE WITH APPLICABLE SECRETARIAL STANDARDS

Your Directors state that the Company has complied with the applicable Secretarial Standards during the year under review.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The Company has not given any loans, has not provided any guarantee or security for any loan nor has done any investments during the Financial Year and therefore the provisions of Section 186 of Companies Act, 2013 are not applicable.

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 are at an arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. Suitable disclosure as required by the Indian Accounting Standard 24 (IND AS 24) 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 II".**

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. The Company is following the group guidelines for the risk management system and had broadly, identified Operational risks due to nature of business in which it operates, Strategic risks by virtue of competition risk businesses face directly or indirectly in the online as well as offline space, investment risk which is significant, Company being in the incubation period, Manpower and Regulatory risks in the form of possible attrition in manpower, regulatory changes and possible threats of content liability in view of nature of the business. Your Company believes in the robust and effective risk management policies and guidelines embedded in the organization supported by the Group Company which will help your Company in ensuring future growth.

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

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 review by management 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 organization to achieve its goals and objectives. The Internal reviews are supplemented by group level internal audit programme which 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 had been followed along with proper explanation relating to material departures, if any;

(ii) 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;

(iii) 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;

(iv) the directors had prepared the annual accounts 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.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

a. 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.

b. Foreign Exchange earnings and outgo

During the year, there were no foreign exchange earnings and outgo.

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 were no events required to be disclosed under Section 134 (3) (l) of Companies Act, 2013 which are material changes or commitments affecting the financials occurred after the end of Financial Year till the signing of this report.

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

During the year under review there has been no such significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company at group level has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up a Committee for implementation of the said policy. During the year under review the Company has not received any complaint of harassment.

HUMAN RESOURCE MANAGEMENT

Recognizing the value of human resources as the Company's growth potential, your Company has been focusing on development and management of human resources in the Company. The Company has put in place a scalable recruitment and human resource management process, enabling it to attract and retain high caliber employees.

The Company recognizes the fact that to grow and compete in an extremely fierce competitive environment it needs to retain and grow the best talent in the industry. A number of steps were taken during the year to further strengthen the HR Processes within the Company.

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, and regulatory and governmental authorities.

For and on behalf of the Board of Directors

Place: Noida	**Jagdish Mitra**	**Harshvendra Soin**
Date: May 9, 2019	**Wholetime Director**	**Director**

ANNEXURE I

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2018

[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS

1.	CIN	U72200MH2015PLC269129
2.	Registration Date	12/10/2015
3.	Name of the Company	Tech Mahindra Growth Factories Limited
4.	Category of the Company Sub-category of the Company	Company Limited by Shares Non-Government Company
5.	Address of the Registered office & contact details	W-1, Oberoi Estate Gardens, Off Saki Vihar Road, Next Chandivali Studio, Chandivali, Sakinaka, Mumbai – 400 072, Maharashtra, India 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)

Sr. 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	620	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. 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-400 001	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. Promoters									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	3,29,50,000	3,29,50,000	100%	-	3,37,50,000	3,37,50,000	100%	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total A (1)		**3,29,50,000**	**3,29,50,000**	**100%**	**-**	**3,37,50,000**	**3,37,50,000**	**100%**	
(2) Foreign									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individual	-	-	-	-	-	-	-	-	-
c) Bodies Corp	-	-	-	-	-	-	-	-	-
d) Banks / FI.	-	-	-	-	-	-	-	-	-
Sub Total A (2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total shareholding of Promoter (A)= (A)(1)+ (A)(2)	**-**	**3,29,50,000**	**3,29,50,000**	**100%**	**-**	**3,37,50,000**	**3,37,50,000**	**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	
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 Rs. 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)	**-**	**3,29,50,000**	**3,29,50,000**	**100%**	**-**	**3,37,50,000**	**3,37,50,000**	**100%**	**-**

(ii) Shareholding of Promoter

Sr. 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 Ltd	3,29,50,000	100%	NIL	3,37,50,000	100%	NIL	NIL
	Total	3,29,50,000	100%	NIL	3,37,50,000	100%	NIL	NIL

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. 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	3,29,50,000	100%	-	-
	Allotments during the year*	8,00,000	100%	3,37,50,000	100%
	At the end of the year	-	-	3,37,50,000	100%

*Further issue of shares to Tech Mahindra Limited on March 28, 2019.

(iv) Shareholding Pattern of top ten Shareholders: NOT APPLICABLE

(Other than Directors, Promoters and Holders of GDRs and ADRs):

	For Each of the Top 10 Shareholders	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:

Sr. 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.

(Figures in ₹)

	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)	NIL	NIL	NIL	NIL
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: NIL

(Figures in ₹)

Sr. 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)	NIL	NIL	NIL	NIL	NIL
	Ceiling as per the Act	-	-	-	-	-

B. Remuneration to other directors: NIL

(Figures in ₹)

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors	-	-	-	-	-
	Fee for attending board / committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	Nil	Nil	Nil	Nil	Nil
2	Other Non-Executive Directors	-	-	-	-	-
	Fee for attending board / committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	Nil	Nil	Nil	Nil	Nil
	Total (B)=(1+2)	Nil	Nil	Nil	Nil	Nil
	Total Managerial Remuneration	Nil	Nil	Nil	Nil	Nil
	Overall Ceiling as per the Act	-	-	-	-	-

C. Remuneration To Key Managerial Personnel Other than MD/Manager/WTD – NIL

(Figures in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
					Total
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	Nil	Nil	Nil	Nil

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

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 and on behalf of the Board of Directors

Place: Noida
Date: May 9, 2019

Jagdish Mitra
Wholetime Director

Harshvendra Soin
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 fourth proviso thereto

1 Details of contracts or arrangements or transactions not at arm's length basis: NIL

Sr No.	Name(s) of the related party	Nature of relationship	Nature of Transaction	Duration of the transactions	Transactions value	Justification for transaction	Date(s) of approval by the Board	Amount paid as advances
1	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

2 Details of material contracts or arrangement or transactions at arm's length basis

₹ In Million

Sr No.	Name(s) of the related party	Nature of relationship	Nature of Transaction	Duration of the transactions	Transactions value	% to Consol revenue	Date(s) of approval by the Board, if any	Amount paid as advances
1	Tech Mahindra Limited	Holding Company	Reimbursement of Expenses (Net)- Paid / (Received)	April 2018 - March 2019	(11)	12%	Since these RPTs are in the ordinary course of business and are at arms length basis, approval of the Board is not applicable. However, these are reported to the Board at their quarterly meetings.	NA

For and on behalf of the Board of Directors

Place : Noida
Date : May 9, 2019

Jagdish Mitra
Wholetime Director

Harshvendra Soin
Director

INDEPENDENT AUDITOR'S REPORT

To The Members of Tech Mahindra Growth Factories Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Tech Mahindra Growth Factories Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, ("Ind AS) as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Material uncertainty related to Going Concern

We draw attention to Note 28 to the financial statements, which indicates that the Company has incurred a net loss of 14 million during the year ended 31st March, 2019 and, as of that date, the Company's current liabilities exceeded its current assets by 2 million. These events or conditions, along with other matters as set forth in Note 28, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note.

Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises of Board Report (but does not include the financial statements and our auditor's report thereon) which we obtained prior to the date of this auditor's report.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report:

   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 including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) The matter described in the Material uncertainty related to Going Concern section 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 as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid/provided any remuneration to its directors during the year. Hence, provisions of section 197 of the Act are not applicable to the company.

i) 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 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.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Hemant M. Joshi
Partner
(Membership No.38019)

Place: Pune
Date: May 9, 2019

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of TECH MAHINDRA GROWTH FACTORIES LIMITED ("the Company") as of March 31, 2019 in conjunction with our audit of the Ind AS standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Hemant M. Joshi
Partner
(Membership No.38019)

Place: Pune
Date: May 9, 2019

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 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 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.

(c) The Company does not have any immovable properties of freehold or leasehold land and building. In respect of leasehold building that have been taken on lease and disclosed as operating lease in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(ii) The Company does not have any inventory and hence reporting under clause 3(ii) of the Order is not applicable to the Company.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.

(iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause 3(iv) of the Order is not applicable to the company.

(v) According to the information and explanations given to us, the Company has not accepted any deposits pursuant to Sections 73 to 76 or any other relevant provisions of the Act and hence reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Act.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Goods and Service Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

(c) There are no dues of Income-tax and Goods and Service Tax as on March 31, 2019 on account of disputes.

(viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures and hence reporting under clause 3(viii) of the Order is not applicable to the Company.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3(ix) of the Order is not applicable to the Company.

(x) 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 by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has not paid/provided any managerial remuneration during the year. Hence provisions of section 197 of the Act, are not applicable to the Company.

(xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable Ind AS. In our opinion and according to the information and explanations given to us, the Company is not required to have an audit committee under section 177 of the Act.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them and hence provisions of section 192 of the Act, are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Hemant M. Joshi
Partner
(Membership No.38019)

Place: Pune
Date: May 9, 2019

BALANCE SHEET AS AT MARCH 31, 2019

Rs. in Million

Particulars			Note No.	As at March 31, 2019	As at March 31, 2018
I	**ASSETS**				
A	**Non-Current Assets**				
	(a)	Property, Plant and Equipment	3A	**2**	7
	(b)	Other Intangible Assets	3B	**-**	0
	(c)	Other Financial Assets	4	**0**	0
	(d)	Other Non-Current Assets	5	**3**	4
	Total Non - Current Assets			**5**	11
B	Current Assets				
	(a)	Financial Assets			
		(i) Trade Receivables	6	**6**	8
		(ii) Cash and Cash Equivalents	7	**18**	20
		(iii) Other Financial Assets	8	**2**	1
	(b)	Other Current Assets	9	**41**	9
	Total Current Assets			**67**	38
	TOTAL ASSETS			**72**	49
II	**EQUITY AND LIABILITIES**				
A	**Equity**				
	(a)	Equity Share capital	10	**338**	330
	(b)	Other Equity	11	**(336)**	(322)
				2	8
B	**Liabilities**				
1	**Non-current liabilities**				
	(a) Provisions		12	**2**	2
	Total Non - Current Liabilities			**2**	2
2	**Current liabilities**				
	(a)	Financial Liabilities			
		(i) Trade payables	13	**15**	10
	(b)	Other Current Liabilities	14	**53**	29
	(c)	Current Provisions	15	**0**	0
	Total Current Liabilities			**68**	39
	TOTAL EQUITY AND LIABILITIES			**72**	49
III	See accompanying notes forming part of the financial statements		1 to 29		

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

For Tech Mahindra Growth Factories Limited

Hemant M. Joshi
Partner

Harshvendra Soin
Director
DIN : 02917590

Jagdish Mitra
Whole-time Director
DIN : 06445179

Shweta Rai
Chief Financial Officer
Place: Noida

Siddharth Kshirsagar
Company Secretary

Place: Pune
Date: May 9, 2019

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

Rs. in Million except earnings per share

	Particulars	Note No.	Year Ended March 31, 2019	Year Ended March 31, 2018
I	Revenue from Information Technology Enabled Services		**85**	65
II	Other Income	16	**0**	1
III	**Total Income (I +II)**		**85**	66
IV	**EXPENSES**			
	Employee Benefit Expenses	17	**33**	32
	Subcontracting Expense		**27**	21
	Depreciation and Amortisation Expense	3	**4**	1
	Other Expenses	18	**34**	45
	Total Expenses		**98**	99
V	**Profit/(loss) before Tax (III-IV)**		**(13)**	(33)
VI	**Tax Expense**			
	Current Tax		**-**	-
	Deferred Tax (Refer Note 26)		**-**	-
	Total Tax Expense		**-**	-
VII	**Profit/ (Loss) for the year from Continuing Operations (V-VI)**		**(13)**	(33)
VIII	**Profit/(Loss) from discontinued operation before tax**		**(1)**	(25)
IX	**Tax Expense of Discontinued Operations**		**-**	-
X	**Profit/(Loss) from discontinued operations after tax (VIII-IX)**		**(1)**	(25)
XI	**Proft/ (Loss) for the year ended (VII+X)**		**(14)**	(58)
XII	**Other Comprehensive Income**			
	(A) (i) Items that will not be reclassified to Profit or Loss			
	Remeasurement of the defined benefit liabilities/ (asset) defined benefit plans		**0**	2
	(ii) Income Tax relating to items that will not be reclassified to profit and loss		**-**	-
	(B) (i) Items that will be reclassified to Profit or Loss		**-**	-
	Total Other Comprehensive Income		**0**	2
XIII	**Total Comprehensive Income for the year ended**		**(14)**	(56)
XIV	**Earnings per Equity Share :**			
	Basic and Diluted [in Rs.] [Face Value of Rs. 10] [Refer Note 23]		**(0.41)**	(1.61)
	See accompanying notes forming part of the financial statements	1 to 29		

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Hemant M. Joshi
Partner

Place: Pune
Date: May 9, 2019

For Tech Mahindra Growth Factories Limited

Harshvendra Soin
Director
DIN : 02917590

Jagdish Mitra
Whole-time Director
DIN : 06445179

Shweta Rai
Chief Financial Officer
Place: Noida

Siddharth Kshirsagar
Company Secretary

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2019

	Year ended March 31, 2019		Year ended March 31, 2018	
	Rs. in million	Rs. in million	Rs. in million	Rs. in million
A] CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(Loss) before tax (continuing & discontinued operations)		**(14)**		(58)
Adjustments for:				
Depreciation and amortization (continuing & discontinued operations)	**4**		4	
Provision for Doubtful Receivables (continuing & discontinued operations)	**1**		4	
Interest Received	**(0)**		(1)	
Sundry Balance write back (continuing & discontinued operations)	**(0)**		(1)	
		5		6
Operating Profit before working capital changes		**(9)**		(52)
Adjustments for changes in working capital:				
Trade payable, other liabilities and provisions	**30**		14	
Trade receivables	**2**		(1)	
Other Current & Financial Assets	**(33)**		7	
		(1)		20
Cash generated from operations		**(10)**		(32)
Direct Taxes Paid (continuing & discontinued operations)		**(0)**		(3)
Net cash flows from/ (used in) operating activities (A)		**(10)**		(35)
B] CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of Property, Plant and Equipment	**-**		(0)	
Proceeds on sale of Fixed Assets	**-**		0	
Interest Received	**0**		-	
Net Cash flows from/(used in) investing activities (B)		**0**		0
C] CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from Issue of Shares	**8**		32	
Net cash flows from/(used in) financing activities (C)		**8**		32
Net Increase / (decrease) in cash and cash equivalents (A + B +C)		**(2)**		(2)
Cash & cash equivalents at the year ended (refer note 1 below)		**18**		20
Cash & cash equivalents at the beginning of the year		**20**		22
Net increase/ (decrease) in cash & cash equivalents		**(2)**		(2)

Particulars	**Year Ended March 31, 2019**	Year Ended March 31, 2018
	Rs. in million	Rs. in million
Note 1:		
Cash and cash equivalents include:		
Balance with banks		
- In current accounts	**18**	20
Total Cash and cash equivalents - Refer Note 7	**18**	20

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

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 Ind AS 7 on Cash Flow Statements.

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Hemant M. Joshi
Partner

Place: Pune
Date: May 9, 2019

For Tech Mahindra Growth Factories Limited

Harshvendra Soin
Director
DIN : 02917590

Jagdish Mitra
Whole-time Director
DIN : 06445179

Shweta Rai
Chief Financial Officer
Place: Noida

Siddharth Kshirsagar
Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

a. Equity share capital

Particulars	**Number of Shares**	**Equity Share Capital (Rs. in Million)**
Balance As at April 1, 2017	29,750,000	298
Change in Equity share capital during the year ended	3,200,000	32
Balance As at March 31, 2018	**32,950,000**	**330**
Balance As at April 1, 2018	32,950,000	330
Changes in equity share capital during the year ended	800,000	8
Balance As at March 31, 2019	33,750,000	338

b. Other Equity

Particulars	**Reserves & Surplus**
	Retained Earnings
Balance As at April 1, 2017	(266)
Profit/(Loss) during the year ended	(58)
Other Comprehensive Income	2
Balance As at March 31, 2018	(322)
Balance As at April 1, 2018	(322)
Profit/(Loss) during the year ended	(14)
Other Comprehensive Income	0
Balance As at March 31, 2019	(336)

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Hemant M. Joshi
Partner

Place: Pune
Date: May 9, 2019

For Tech Mahindra Growth Factories Limited

Harshvendra Soin
Director
DIN : 02917590

Jagdish Mitra
Whole-time Director
DIN : 06445179

Shweta Rai
Chief Financial Officer
Place: Noida

Siddharth Kshirsagar
Company Secretary

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

1. Corporate Information:

Tech Mahindra Growth Factories Limited was incorporated on 12th October, 2015. It operated mainly into two sectors i.e. Saral Rozgar business and Education Lanes business. Saral Rozgar is a direct to customer service, intended towards creating a job market for blue collared "job seekers". Education Lanes is a virtual- interactive learning through internet and cloud based education and training service, for Corporate/Working professionals & Students.

In the month of January 2018, management decided to discontinue Saral Business segment due to poor response from the market.

During the current financial year from June 2018, the company added a new line of business of Mobile Learning & Engagement Solution. A comprehensive and cutting edge Learning Management System that caters to the end-to-end need of enterprise learning process along with one of the most advanced mLearning solution.

The financial statements were approved for issue by the Board of Directors on May 9, 2019.

2. Significant accounting policies:

2.1 Statement of Compliance

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

2.2 Basis for preparation of financial statements

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purpose in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 Inventories or value in use in Ind AS 36 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

2.3 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. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Critical accounting estimates

i) Income taxes

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. The policy for the same has been explained under Note 2.10.

ii) Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed at the end of each reporting period.

The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The policy for the same has been explained under Note 2.4

iii) Provisions

Provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. The policy for the same has been explained under Note 2.11

2.4 Property, Plant & Equipment and Other Intangible assets:

Property, Plant & Equipment and Other Intangible assets are stated at actual cost less accumulated depreciation and net of impairment. The actual cost capitalized includes material cost, freight, installation cost, duties and taxes, eligible borrowing costs and other incidental expenses incurred during the construction / installation stage.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on Property, Plant & Equipment including assets taken on lease, other than freehold land 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, 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.

Computers	3 years
Plant and Equipment	3 to 5 years
Furniture and Fixtures	5 years

The estimated useful lives and residual values of the Property, Plant & Equipment and Other Intangible assets are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of Property, Plant & Equipment and intangible assets is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property, Plant & Equipment and intangible assets is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the profit or loss.

Assets costing up to Rs. 5,000 are fully depreciated in the year of purchase except when they are part of a larger capital investment programme.

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.

2.5 Leases:

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating Leases:

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 recognized in the Statement of Profit and Loss on a straight line basis over the lease term.

2.6 Impairment of Assets:

i) Financial assets

Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets 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.

Impairment loss on financial assets carried at amortized cost is measured at 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. In a subsequent period, if the amount of impairment loss decreases and the decreases can be related objectively to an event, the previously recognized impairment is reversed through profit or loss.

ii) Non-financial assets

Property, Plant & Equipment and Other Intangible assets

Property, Plant and Equipment and Other intangible assets with finite life are evaluated for recoverability when there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized in the profit or loss.

2.7 Revenue recognition:

On March 28, 2018, the Ministry of Corporate Affairs (MCA) has notified Indian Accounting Standard (Ind AS) 115 – Revenue from contracts with customers. The Company has adopted Ind AS 115 with effect from April 1, 2018 by using cumulative catch-up transition method applied to contracts that were not completed as on April 01, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant

Revenue is recognized upon transfer of control of promised services to the customers. The Company provides revenue from online courses, recruitment services and mLearning solutions ratably over the period in which the services are provided

The Company presents revenues net of indirect taxes in its statement of Profit and Loss.

Amounts received or billed in advance of services performed are recorded as advances from customers/unearned revenue.

Unbilled revenue represents amounts recognized 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.

During the year ended March 31, 2019, the company recognized revenue of Rs. 2.73 million arising from opening unearned revenue as of April 1, 2018.

2.8 Financial Instruments:

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized in profit or loss.

Non-derivative financial instruments:

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value

Financial asset not measured at amortized cost is carried at fair value through profit or loss (FVTPL) on initial recognition, unless the company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investment in equity instruments which are not held for trading.

The Company, on initial application of IND AS 109 Financial Instruments, has made an irrevocable election to present in other comprehensive income subsequent changes in fair value of equity instruments not held for trading.

Financial asset at FVTPL are measured at fair values at the end of each reporting period, with any gains or losses arising on re measurement recognized in profit or loss.

Financial liabilities

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re measurement recognized in profit and loss.

For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

2.9 Employee Benefits:

(i) Gratuity:

The Company accounts for its gratuity liability, a defined retirement benefit plan covering eligible 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. Liabilities with regard to a Gratuity plan are determined based on the actuarial valuation carried out by an independent actuary as at the Balance Sheet date using the Projected Unit Credit method.

Actuarial gains and losses are recognized in full other comprehensive income and accumulated in equity in the period in which they occur. (Refer note 23 below). Past service cost is recognized in profit or loss in the period of a plan amendment.

(ii) Provident fund:

The eligible employees of the Company are entitled to receive the benefits of Provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently at 12% of the basic salary) which are charged to the Statement of Profit and Loss on accrual basis. The provident fund contributions are paid to the Regional Provident Fund Commissioner by the Company.

The Company has no further obligations for future provident fund and superannuation fund benefits other than its annual contributions.

(iii) Superannuation and ESIC:

Superannuation fund and employees' state insurance scheme (ESI), which are defined contribution schemes, are charged to the Statement of Profit and Loss on accrual basis.

(iv) Compensated absences:

The Company provides for the encashment of leave subject to Company's policy. The employees are entitled to accumulate leave subject to certain limits, for future encashment or availment. The liability is provided based on the number of days of un avalied leave at each balance sheet date on the basis of an independent actuarial valuation using the Projected Unit Credit method.

The liability which is not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised based on actuarial valuation as at the balance sheet date.

Actuarial gains and losses are recognised in full in the Statement of Profit and Loss in the period in which they occur.

The company also offers a short term benefit in the form of encashment of un availed accumulated compensated absence above certain limit for all of its employees and same is being provided for in the books at actual cost.

(v) Other short term employee benefits:

Other short-term employee benefits such as 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.

2.10 Taxation

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.

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the income taxes are recognized in other comprehensive income or directly in equity, respectively.

Deferred income taxes

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is probable evidence that the Company will pay normal income tax after the tax holiday period.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis

The Company recognizes interest levied and penalties related to income tax assessments in income tax expenses.

Tax on distributed profits payable in accordance with the provisions of the Income-Tax Act, 1961 is disclosed in accordance with the Guidance Note on Accounting for Corporate Dividend Tax issued by the Institute of Chartered Accountants of India (ICAI)

2.11 Provision, Contingent Liabilities and Contingent Assets:

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. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities and Contingent assets are not recognized in the financial statements.

2.12 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 period 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.

2.13 Borrowing costs:

Borrowings costs that are attributable to the acquisition or construction of qualifying assets are capitalized as a part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing cost are charged to the statement of profit and loss.

2.14 Foreign Currency Transaction:

The functional currency of the company is Indian Rupees (INR).

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the dates of Balance Sheet. Gains and losses arising on settlement and restatement of foreign currency denominate monetary assets and liabilities are included in profit or loss.

2A New Accounting Standards, Amendments to Existing Standards, Annual Improvements and Interpretations

Ind AS - 116 - Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company will adopt Ind AS 116, effective annual reporting period beginning April 1, 2019. The Company will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the Company will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. In accordance with the standard, the Company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

On transition, the Company will be using the practical expedient provided the standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application.

With effect from April 01, 2019, the Company will recognise new assets and liabilities for its operating leases of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to a) amortization change for the right-to-use asset, and b) interest accrued on lease liability.

Previously, the Company recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

As a lessor, sublease shall be classified an operating lease if the head lease is classified as a short term lease. In all other cases the sublease shall be classified as a finance lease.

The Company is in process of evaluating the effect of this on the financial statements.

Ind AS 12 Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company has evaluated the effect of this on the financial statements and the impact is not material.

Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company has evaluated the effect of this on the financial statements and the impact is not material.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company has evaluated the effect of this on the financial statements and the impact is not material.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The said amendment is not applicable to the Company.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The said amendment is not applicable to the Company.

Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The said amendment is not applicable to the Company.

Note -3 : Property, Plant and Equipment

Rs. in Million

Particulars	Gross Block				Accumulated Depreciation / Amortisation				Net Block	
	Cost as at April 01, 2018	Additions during the Year	Deletions during the year	Balance as at March 31 , 2019	As at April 01, 2018	For the Year	Deductions during Year	Upto March 31, 2019	As at March 31, 2019	As at March 31 , 2018
3A.Tangible Assets										
Computers	12	-	-	12	7	4	-	11	1	5
(Previous Year)	12	0	-	12	3	4	-	7	5	9
Plant and Equipments	2	-	-	2	0	0	-	1	1	2
(Previous Year)	2	-	-	2	0	0	-	0	2	2
Office Equipments	0	-	-	0	0	0	-	0	(0)	0
(Previous Year)	0	-	-	0	0	0	-	0	0	0
Leasehold Improvements	-	-	-	-	-	-	-	-	-	-
(Previous Year)	0	-	-	0	0	0	0	0	-	0
Total	**14**	**-**	**-**	**14**	**7**	**4**	**-**	**12**	**2**	**7**
Previous Year	14	0	-	14	3	4	0	7	7	11
3B.Intangible Assets										
Computer Software	0	-	-	0	0.00	-	-	0	0	0
(Previous Year)	-	0	-	0	-	0	-	0	0	0
Total	**0**	**-**	**-**	**0**	**0**	**-**	**-**	**0**	**0**	**0**
Previous Year	-	0	-	0	-	0	-	0	0	0

Note: Depreciation/ amortization includes Rs. Nil (Previous Year: Rs. 3 Million) being depreciation on Property, Plant & Equipments pertaining to discontinuing operations the results of which has been disclosed on net basis in the Statement of Profit and Loss. Also refer note number 25 of notes to accounts for detailed description.

Note-4 : Other Non Current Financial Assets

₹ In Million

Particulars	As at March 31, 2019	As at March 31, 2018
Security Deposits	**0**	0
Total	**0**	0

Note-5 : Other non-current assets

₹ In Million

Particulars	As at March 31, 2019	As at March 31, 2018
Advance Income Taxes	**3**	4
Total	**3**	4

Note -6 : Trade receivables

₹ In Million

Particulars	As at March 31, 2019	As at March 31, 2018
Considered Good*	**6**	8
Considered Doubtful	**6**	5
Total	**12**	13
Less: Allowance for Doubtful Receivables	**(6)**	(5)
Total	**6**	8

(*Includes receivables from related party 0.2 Million (Previous Year: Rs. Nil))

Of the trade receivables balance, Rs. 3.9 Million (Previous Year: Rs.) were due from 3 customers. There were no other customers who represent more than 5% of the total balance of the trade receivables.

Note-7 : Cash and Cash Equivalents

₹ In Million

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with Banks		
-In Current Accounts	**18**	20
Total	**18**	20

Note-8 : Other Financial Assets

₹ In Million

Particulars	As at March 31, 2019	As at March 31, 2018
Unbilled Revenue	**1**	-
Dues from related party (Refer note 21)	**1**	1
Total	**2**	1

Note-9 : Other current assets

₹ In Million

Particulars	As at March 31, 2019	As at March 31, 2018
Balance with Government Authorities	**38**	5
Advance to employees	**0**	0
Prepaid Expenses	**2**	4
Others Loans and Advances	**1**	0
Total	**41**	9

Note 10 - Share capital

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number	**₹ in million**	Number	₹ in million
(a) Authorized :				
Equity shares of Rs. 10 each	**40,000,000**	**400**	40,000,000	400
(b) Issued, subscribed and fully paid up :				
Equity shares of Rs. 10 each fully paid up	**33,750,000**	**338**	32,950,000	330
Total	**33,750,000**	**338**	32,950,000	330

Notes:

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year:

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number	**₹ in million**	Number	₹ in million
Shares outstanding at the beginning of the year	**32,950,000**	**330**	29,750,000	298
Shares issued during the year	**800,000**	**8**	3,200,000	32
Shares outstanding at the year end	**33,750,000**	**338**	32,950,000	330

(ii) Terms, rights and restrictions attached to:

Equity Shares:

The Company has only one class of equity shares having a par value of Rs.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. During the year company has issued 800,000 shares of Rs. 10 each to Tech Mahindra Limited.

(iii) Details of shares held by the holding company and their associates:

Rs.in million

Particulars	**March 31, 2019**	March 31, 2018
Equity Shares:		
Tech Mahindra Limited		
33,749,994 (March 31, 2018: 32,949,994) Equity shares of Rs.10 each fully paid	338	330
Tech Mahindra Limited j/w Milind Kulkarni		
0 (March 31, 2018 : 1) Equity share of Rs.10 each fully paid	-	0
Tech Mahindra Limited j/w Atanu Sarkar		
0 (March 31, 2018 : 1) Equity share of Rs.10 each fully paid	-	0
Tech Mahindra Limited j/w Manoj Bhat		
1 (March 31, 2018 : 1) Equity share of Rs.10 each fully paid	0	0
Tech Mahindra Limited j/w Anil Khatri		
1 (March 31, 2018 : 1) Equity share of Rs.10 each fully paid	0	0
Tech Mahindra Limited j/w Aniruddha Gadre		
1 (March 31, 2018 : 1) Equity share of Rs.10 each fully paid	0	0
Tech Mahindra Limited j/w Sriram Gopalakrishnan		
1 (March 31, 2018 : 1) Equity share of Rs.10 each fully paid	0	0
Tech Mahindra Limited j/w Manoj Joshi		
1 (March 31, 2018 : 0) Equity share of Rs.10 each fully paid	0	-
Tech Mahindra Limited j/w Vishwanath Kini		
1 (March 31, 2018 : 0) Equity share of Rs.10 each fully paid	0	-

(iv) Details of equity shares held by shareholder holding more than 5%:

Name of shareholder	**March 31, 2019**		March 31, 2018	
	No of Shares	**% of Holding**	No of Shares	% of Holding
Equity shares of Rs. 10 each fully paid up				
Tech Mahindra Limited, the holding company (including jointly held shares)	**33,750,000**	**100%**	32,950,000	100%

Note 11 : Other Equity

₹ in Million

Particulars	As at	
	March 31, 2019	March 31, 2018
Surplus in Statement of Profit and Loss		
Opening balance	**(322)**	(266)
Add : Profit/ (Loss) for the year	**(14)**	(58)
Add : Other Comprehensive Income	**0**	2
Closing Balance	**(336)**	(322)

Note - 12 : Long Term Provisions

₹ in Million

Particulars	As at	
	March 31, 2019	March 31, 2018
Provision for employee benefits(refer note 20)		
Gratuity	**1**	1
Others	**1**	1
Total	**2**	2

Note - 13: Trade Payables

₹ in Million

Particulars	As at	
	March 31, 2019	March 31, 2018
Creditors for supplies / services		
Due to Micro, Small and Medium Enterprises (Refer Note 27)	**-**	-
Other than due to Micro, Small and Medium Enterprises	**6**	8
Trade Payable to Related Parties	**8**	
Creditors for accrued wages and salaries	**1**	2
Total	**15**	10

Note - 14: Other Current Liabilities

₹ in Million

Particulars	As at	
	March 31, 2019	March 31, 2018
Advances from customers	**0**	0
Deferred Revenues	**13**	28
Statutory Dues	**2**	1
Payable to Related Party	**38**	-
Others	**0**	0
Total	**53**	29

Note-15 : Current Provisions

₹ in Million

Particulars	As at	
	March 31, 2019	March 31, 2018
Provision for employee benefits(refer note 20)		
Gratuity	**0**	0
Others	**0**	0
Total	**0**	0

Note-16 : Other Income

₹ In Million

Particulars	**Year ended March 31, 2019**	Year ended March 31, 2018
Interest Income	**-**	1
Interest on Tax deduction at source	**0**	-
Sundry Balances written back	**0**	0
Provison no longer required written back		
Total	**0**	1

Note -17 : Employee Benefit Expense

₹ In Million

Particulars	**Year ended March 31, 2019**	Year ended March 31, 2018
Salaries and Incentives	**32**	30
Contribution to provident and other funds	**1**	1
Staff welfare expenses	**0**	0
Gratuity (refer note 20)	**0**	1
Total	**33**	32

Note -18 : Other Expense

₹ In Million

Particulars	**Year ended March 31, 2019**	Year ended March 31, 2018
Power & Fuel Expenses	**-**	1
Rent(Refer note 19)	**4**	12
Rates and Taxes	**1**	0
Communication Expenses	**0**	0
Travelling Expenses	**0**	1
Hire Charges	**0**	-
Legal and Other Professional Costs	**1**	2
Auditors Fees - Statutory Audit	**1**	1
Repairs and maintenance		
- Machinery and Computers	**1**	1
Provision for Doubtful Receivables	**1**	-
Advertisement, Promotion & Selling Expenses	**25**	25
General Office Expenses	**0**	2
Total	**34**	45

19. Leases

The Company has taken premises on operating lease. The expense on such lease rentals recognized in the Statement of Profit and Loss for the year ended March 31, 2019 is Rs. 4 million. The future lease payments of such operating lease is Rs. 2 million.

(Rs. in Million)

Particulars	Not later than 1 year	Later than 1 year not later than 5 years	Later than 5 years
Minimum Lease rentals payable	2	-	-

20. Details of employee benefits as required by the Indian Accounting Standard 19 – Employee Benefits are as under:

(a) Defined Contribution Plan

The Company's contribution to Provident Fund aggregating to Rs. 1 Million (2018: Rs. 1 Million), Family Pension Fund contribution aggregating to Rs. 0 million (2018:1 million) and ESIC aggregating to Rs. 0 Million (2018: Rs. 0 Million) has been recognized in the Statement of Profit and Loss under the head Employee Benefits Expense.

(b) Defined Benefit Plans

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting as per The Payment of Gratuity Act, 1972.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Salary Increases

Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

Discount Rate

Reduction in discount rate in subsequent valuations can increase the plan's liability.

Mortality & disability

Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

Withdrawals

Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

	Valuation as at	
	31-Mar-19	31-Mar-18
Discount rate(s)	**7.10%**	7.40%
Expected rate(s) of salary increase	**4 - 8%**	4 - 8%
Attrition rate at Ages		
Service Based BPO:		
0- 1 Year	**70.00%**	70.00%
1- 3 Years	**50.00%**	50.00%
3- 5 Years	**35.00%**	35.00%
5- 10 Years	**25.00%**	25.00%
10 Years and above	**10.00%**	10.00%
Non BPO/ IT:		
0- 10 Years	**20.00%**	20.00%
10 Years and above	**10.00%**	10.00%

Defined benefit plans – as per actuarial valuation on 31st March, 2019

(Rs. in Million)

Particulars	Unfunded Plans	
	Gratuity	
	March 2019	March 2018
Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:		
Service Cost		
Current Service Cost	**-**	-
Past service cost and (gains)/losses from settlements	**-**	-
Net interest expense	**-**	-
Components of defined benefit costs recognised in profit or loss	**-**	-
Remeasurement on the net defined benefit liability	**-**	
Actuarial gains and loss arising from changes in demographic assumptions		
Actuarial gains and loss arising from changes in financial assumptions	**0**	(0)
Actuarial gains and loss arising from experience adjustments	**(0)**	(2)
Components of defined benefit costs recognised in other comprehensive income	**(0)**	(2)
Total	**(0)**	(2)
I. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March		
1. Present value of defined benefit obligation as at 31st March	**(1)**	(1)
2. Fair value of plan assets as at 31st March	**-**	-
3. Surplus/(Deficit)	**(1)**	(1)
4. Current portion of the above	**(0)**	(0)
5. Non current portion of the above	**(1)**	(1)

(Rs. in Million)

Particulars	Unfunded Plans	
	Gratuity	
	March 2019	March 2018
II. Change in the obligation during the year ended 31st March		
1. Present value of defined benefit obligation at the beginning of the year	1	2
2. Expenses Recognised in Profit and Loss Account		
- Current Service Cost	0	1
- Past Service Cost	-	-
- Interest Expense (Income)	0	0
3. Recognised in Other Comprehensive Income		
Remeasurement gains / (losses)		
- Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	-	-
ii. Financial Assumptions	0	(0)
iii. Experience Adjustments	(0)	(2)
4. Benefit payments	-	(0)
5. Others (Specify)		
6. Present value of defined benefit obligation at the end of the year	1	1

(Rs. in Million)

Particulars		Unfunded Plans	
		Gratuity	
		March 2019	March 2018
III.	**Change in fair value of assets during the year ended 31st March**		
1.	Fair value of plan assets at the beginning of the year	-	-
2.	Add/(Less) on account of Scheme of Arrangement/Business Transfer	-	-
3.	Expenses Recognised in Profit and Loss Account	-	-
	- Expected return on plan assets	-	-
4.	Recognised in Other Comprehensive Income	-	-
	Remeasurement gains / (losses)	-	-
	- Actual Return on plan assets in excess of the expected return	-	-
	- Others (specify)	-	-
5.	Contributions by employer (including benefit payments recoverable)	-	-
6.	Benefit payments	-	-
7.	Fair value of plan assets at the end of the year	-	-
IV.	**The Major categories of plan assets**		
	- List the plan assets by category here		

-

V.	**Experience Adjustments :**	**Period Ended**			
		March 2019	March 2018	March 2017	March 2016
		Gratuity			
1.	Defined Benefit Obligation	1	1	2	2
2.	Fair value of plan assets	-	- -	-	
3.	Surplus/(Deficit)	(1)	(1)	(2)	(2)
4.	Experience adjustment on plan liabilities [(Gain)/Loss]	(0)	(2)	(1)	0
5.	Experience adjustment on plan assets [Gain/(Loss)]	-	-	-	-

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The estimate of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

(Rs. in Million)

Principal assumption		Changes in assumption	Impact on defined benefit obligation	
			Increase in assumption	**Decrease in assumption**
Discount rate				
	2019	0.5%	(0.03)	0.03
	2018	0.5%	(0.03)	0.03
Salary growth rate				
	2019	0.5%	0.03	(0.03)
	2018	0.5%	0.03	(0.03)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognized in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

Maturity profile of defined benefit obligation

(Rs. in Million)

	March 31, 2019	March 31, 2018
Within 1 year	**0**	0
1 - 2 years	**0**	0
2 - 3 years	**0**	0
3 - 4 years	**0**	0
4 - 5 years	**0**	0
5 Years onwards	**1**	1

21. As required under Indian Accounting Standard 24 on “Related Party Disclosures” (IND AS – 24), following are details of transactions during the year ended March 31,2019 and outstanding balances as of that date with the related parties of the Company as defined in IND AS – 24:

a) List of Related Parties and Relationships:

Name of Related Party	**Relationship**
Tech Mahindra Limited	Holding Company
Mahindra & Mahindra Limited	Promoter of Holding Company
Comviva Technologies Limited	Group Company

Key Managerial Person	**Relationship**
Jagdish Mitra	Whole Time Director
Shweta Rai	Chief Financial Officer

b) Related party Transactions for the Year Ended March 31, 2019:

(Rs. in Million)

Nature of Transaction	Particulars	**For the Year Ended March 31, 2019**	For the Year Ended March 31, 2018
Reimbursment of Expenses (Net) –Paid/(Receipt)	Tech Mahindra Limited	**(11)**	(8)
Revenue	Mahindra and Mahindra	**-**	0
Subscription to equity share capital	Tech Mahindra Limited	**8**	32
Rent Paid	Tech Mahindra Limited	**2**	1
Rent Paid	Comviva Technologies Limited	**1**	-
Revenue	Comviva Technologies Limited	**6**	-

(Rs. in Million)

Balances outstanding	Particulars	**March 31, 2019**	March 31, 2018
Trade Receivables	Mahindra and Mahindra Limited	**0**	0
Trade Receivables	Comviva Technologies Limited	**0**	-
Other financial Assets	Tech Mahindra Limited	**1**	1
Trade Payables	Tech Mahindra Limited	**(7)**	(2)
Trade Payables	Comviva Technologies Limited	**(1)**	-
Other Current Liabilities	Tech Mahindra Limited	**(38)**	-

No remuneration has been paid to key managerial personnel during the year as well as in the previous year.

22. Capital Management

The Company's capital management objectives are to ensure that company's ability to continue as a going concern and to provide an adequate return to shareholders by pricing services, commensurate with the level of risk.

The company sets the amount of capital in proportion to its overall financing structure i.e. capital and financial liabilities. The company manages the capital structure and makes adjustments to it in the light of changes in economic condition and risks, characteristics of the underlying assets.

The company has support from the holding company to manage capital risk in the current year.

The carrying value and fair value of financial instruments by categories as of March 31, 2019 were as follows:

(Rs. in Million)

Particulars	**Amortised cost**	**Financial assets/ liabilities at fair value through profit or loss**		**Financial assets/ liabilities at fair value through OCI**		**Total**
Financial Assets:						
Cash and cash equivalents (Refer Note 7)	18	-	-	-	-	18
Trade receivables (Refer Note 6)	6	-	-	-	-	6
Other financial assets (Refer Note 4 & 8)	2	-	-	-	-	2
Total	26	-	-	-	-	26
Financial Liabilities:						
Trade payables (Refer note 13)	15	-	-	-	-	15
Total	15	-	-	-	-	15

The carrying value and fair value of financial instruments by categories as of March 31, 2018 were as follows:

(Rs. in Million)

Particulars	**Amortised cost**	**Financial assets/ liabilities at fair value through profit or loss**		**Financial assets/ liabilities at fair value through OCI**		**Total**
Financial Assets:						
Cash and cash equivalents (Refer Note 7)	20	-	-	-	-	20
Trade receivables (Refer Note 6)	8	-	-	-	-	8
Other financial assets (Refer Note 4 & 8)	1	-	-	-	-	1
Total	**29**	**-**	**-**	**-**	**-**	**29**
Financial Liabilities:						
Trade payables (Refer note 13)	10	-	-	-	-	10
Total	**10**	**-**	**-**	**-**	**-**	**10**

Fair value of financial assets and financial liabilities

(Rs in million)

	Carrying Value		**Fair Value**	
Financial Assets:	**March 31, 2019**	March 31, 2018	**March 31, 2019**	March 31, 2018
Financial assets carried at amortised cost Cash and cash equivalents	**18**	20	**18**	20
Trade receivables	**6**	8	**6**	8
Other financial assets		1		1
- Dues from related party	**1**		**1**	
- Unbilled revenue	**1**		**1**	
Total	**26**	**29**	**26**	**29**
Financial Liabilities:				
Financial liabilities carried at amortised cost Trade payables	**15**	10	**15**	10
Total	**15**	**10**	**15**	**10**

Financial risk Management:

The Company's activities expose it to a variety of financial risks i.e. market risk, credit risk and liquidity risk. The Company operates a risk management policy and program that performs close monitoring of and responding to each risk factors.

Financial Risk Factors:

Market Risk:

Market risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The financial instrument majorly includes trade receivables, unbilled revenue, cash & cash equivalents which is not exposed to market risk.

Credit Risk:

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled revenue, cash and cash equivalents and other financial assets.

Trade Receivable

Trade receivables consists of large number of corporate customers which are spread across diverse geographical areas. Outstanding customers are regularly monitored. There was no single customer that exceed 20 % of gross receivables at any time during the year ended March 31, 2019 and March 31, 2018. The Company uses a practical expedient by computing the expected credit loss allowance for trade receivable based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking experience. The Company provides for all receivables more than 365 days past due at 100 percent. No provision is required for receivables from related parties.

Age of receivables

(Rs. in million)

Particulars	**As at March 31, 2019**	As at March 31, 2018
Within the credit period	**2**	3
90-180 days past due	**2**	2
180- 365 days past due	**2**	3
More than 365 days past due	**6**	5

Movement in expected credit loss

(Rs. in million)

Particulars	**As at March 31, 2019**	As at March 31, 2018
Balance as at beginning of the year	**5**	1
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses		
- On receivables originated during the year	**-**	-
- On other receivables	**1**	4
Amount recovered during the year	**-**	-
Balance at the end of the year	**6**	5

Cash and Bank Balances:

The Company maintains its cash and cash equivalents with bank having good reputation and high quality credit rating.

Credit Risk Exposure:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was Rs. 26 million and Rs. 29 million as of March 31, 2019 and March 31, 2018 respectively, being the total of the carrying amount of balances with banks, bank deposits, trade receivables, unbilled revenue and other financial assets.

Liquidity Risk:

Liquidity risk refers to the risk that the company cannot meet its financial obligation. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirement.

The table below provides details regarding the contractual maturities of significant financial liabilities as on March 31, 2019.

(Rs in Million)

Particulars	Less than 1 year	1 – 2 years	2-5 years	5 years and above	Total
Trade Payables	15	-	-	-	15
Other current liabilities	53	0	-	-	53
Total	**68**	**-**	**-**	**-**	**68**

Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up

(Rs in Million)

Particulars	Less than 1 year	1-3 years	3-5 years	5 years and above
Non-derivative financial assets				
31-Mar-19	6	-	-	-
Trade Receivables	18			
Cash & cash equivalents	1			
Other Financial Assets	1			
-Dues from related party				
-Unbilled revenue				
Total	**26**	**-**	**-**	**-**
Non-derivative financial assets				
31-Mar-18	8	-	-	-
Trade Receivables	20			
Cash & cash equivalents	1			
Other Financial Assets				
-Dues from related party				
Total	**29**	**-**	**-**	**-**

23. **Earnings Per Share is calculated as follows**

(Rs. in Million)

Particulars	**For the Year Ended March 31, 2019**	For the Year Ended March 31, 2018
Net Profit/(Loss) attributable to shareholders	**(14)**	(56)
Equity Shares outstanding as at the end of the year (in nos.)	**33,750,000**	32,950,000
Weighted average Equity Shares outstanding as at the year end (in Nos)	**32,958,767**	31,556,438
Nominal Value per Equity Share (in Rs.)	**10**	10
Earnings Per Share (Basic & Diluted) (in Rs.)	**(0.41)**	(1.61)

24. **Discontinuing Operations:**

In the 13th Board Meeting held on January 25, 2018 the board decided to discontinue 'Saral Rozgar' operations which included digital SMS, rozgar pack and job cards. The company has not recognized any impairment loss in respect of the above business because neither the assets nor any liabilities of the operation were reclassified as held for sale. This is because the non current assets pertaining to Saral Rozgar business mainly included servers, which will be used in other business streams of the company.

The combined result of discontinued operation (i.e. Saral Rozgar Business) included in the statement of profit and loss for the year are set out below.

Loss for the year from discontinued operations **(Rs. in Million)**

Particulars	**For the Year ended March 31, 2019**	For the Year ended March 31, 2018
Revenue	**(0)**	29
Depreciation	**-**	3
Other item debited to statement of profit and Loss	**1**	51
Profit/ Loss before tax	**(1)**	(25)

Cash flows from discontinued operations **(Rs. in Million)**

Particulars	**For the Year ended March 31, 2019**	For the Year ended March 31, 2018
Net cash flows from operating activities	**(0)**	(11)
Net cash flows from investing activities	**-**	0
Net cash flows from financing activities	**-**	0

25. Segment Reporting:

Ind AS 108 establishes standards for the way that companies report information about their operating segments and related disclosures, as applicable about products and services, geographic areas, and major customers.

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The company's chief operating decision maker is the Business Leader.

The Company has identified business segments as reportable segments. Accordingly, Recruitment related services, Online course services, Push SMS Service and mlearning solutions has been disclosed as business segments. Business segment revenue information is collated based on individual customers invoiced or in relation to which the revenue is otherwise recognized.

Segregation of assets into business segments has been done to the extent applicable. Segregation of balance assets, liabilities, depreciation and other non-cash expenses into various business segments has not been done as the related assets are used interchangeably between segments.

Information on reportable segments for year ended March 31, 2019 is given below:

Business Segments

(Rs. in Million)

Particulars	**For The Year Ended March 31 2019**					For The Year Ended March 31 2018				
	Recruitment related services (Note 24)	**Online Course Services**	**Palm Leaf**	**Push SMS (Note 24)**	**Total**	Recruitment related services (Note 24)	Online Course Services	Palm Leaf	Push SMS (Note 24)	Total
Revenue	**(0)**	**72**	**13**	**-**	**85**	5	65	-	23	93
Unallocable other income					**-**			-		2
Direct Expenses	**1**	**65**	**16**	**-**	**82**	29	58	-	19	106
Segment Operating (Loss)/Gain	**-1**	**7**	**-3**	**-**	**3**	-24	7	-	4	-11
Less : Unallocable Expenses								-		
Depreciation and amortization expense					**4**			-		4
Other Unallocable Expenses					**13**			-		36
Total Unallocable Expenses					**17**			-		45
Profit/(Loss) before Tax					**-14**			-		-56
Provision for Taxation								-		
Current tax and deferred tax					**-**			-		-
Profit/(Loss) for the Year					**-14**					-56

(Rs. in Million)

Statement of segment Assets and Liabilities	**For the Year Ended March 31, 2019**	For the Year Ended March 31, 2018
Segment Assets		
Trade and Other Receivables		
Recruitment Related Services	**5**	4
Online Course Services	**2**	6
PalmLeaf	**5**	2
Total Trade Receivables	**12**	12
Unallocable Assets	**60**	42
TOTAL ASSETS	**72**	54
Trade Payable		
Recruitment Related Services	**0**	1
Online Course Services	**10**	4
PalmLeaf	**0**	1
Unallocable payable	**5**	5
Total Trade Payable	**15**	11
Unallocable Liabilities	**57**	43
TOTAL LIABILITIES	**72**	54

26. Deferred Tax (liability)/ asset:

(Rs. in Million)

Particulars	**For the Year Ended March 31, 2019**	For the Year Ended March 31, 2018
Deferred Tax (liability)/asset	**-**	-
Tax effect of items constituting deferred tax liability On difference between book balance and tax balance of fixed assets	**-**	-
Total Deferred Tax liability (A)	**-**	-
Tax effect of items constituting deferred tax assets:	**-**	-
Provision for Employee Benefit Expenses	**-**	-
Provision for doubtful debts		
Brought forward business losses		
Others	**-**	-
Total Deferred Tax Asset (B)	**-**	-
Net Deferred Tax (Liability)/Asset (C=B-A)	**-**	-
Net Deferred Tax (Liability)/Asset recognized	**NIL**	NIL

Note: In the absence of reasonable certainty that the company will generate future taxable profits, deferred tax asset has not been recognized.

The Company has not recognized deferred tax assets on unused tax losses aggregating to Rs. 337 million (March 31, 2018 -315 million). The gross amount and expiry dates of losses available for carry forward are as follows:

(Rs. In Million)

Particulars	**Expiring within 5 years**	**Expiring within 5-10 years**	**Unlimited**	**Total**
Losses to which a deferred tax is recognized	-	-	-	-
Losses to which a deferred tax is not recognized	47	282	8	337
As at March 31, 2019	47	282	8	337

Particulars	Expiring within 5 years	Expiring within 5-10 years	Unlimited	Total
Losses to which a deferred tax is recognized	-	-	-	-
Losses to which a deferred tax is not recognized	0	309	6	315
As at March 31, 2018	0	309	6	315

Note: Unabsorbed depreciation is allowed to carry forward for an unlimited period as per the provisions of Income Tax Act.

27. Based on the information available with the Company, no creditors have been identified as "supplier" with in the meaning of "Micro, Small and Medium Enterprises Development (MSMED) Act, 2006". This is as represented by the management and relied upon by the auditors.

28. The Company has incurred loss of Rs.14 million (Previous year Rs.56 million) for the year ended March 31, 2019 and its accumulated losses as at March 31, 2019 amounted to Rs. 319 million. The Companies current liabilities significantly exceeded its current asset by Rs. 1 million These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as going concern. However, considering the continued financial support from the holding Company, these financial statements have been prepared in accordance with the principles of going concern.

29. Amount less than Rs. 0.50 Million has been rounded off and shown as Rs. 0 Million.

For Tech Mahindra Growth Factories Limited

Harshvendra Soin
Director
DIN : 02917590

Jagdish Mitra
Whole-Time Director
DIN : 06445179

Shweta Rai
Chief Financial Officer

Siddharth Kshirsagar
Company Secretary

Place: Noida
Date: May 9, 2019

TECH MAHINDRA FOUNDATION

Registered Office
Oberoi Gardens Estate, Chandivali
Off Saki Vihar Road
Andheri (E)
Mumbai 400 072, India

Bankers
IDBI Bank
Canara Bank
ICICI Bank

AUDITORS:
B. K. Khare & Company
Chartered Accountants

BOARD'S REPORT

Your Directors present their Fourteenth Annual Report of your Company for the year ended 31st March 2019.

FINANCIAL SUMMARY/RESULTS

	2019	2018
For the year Ended March 31	₹	₹
Donations received	**584,419,106.00**	554,960,936.00
Interest received on investments	**72,957,586.00**	61,065,067.00
Expenditure on the objects of the Company	**693,809,634.00**	533,277,165.00
Corpus fund	**1,152,871,937.00**	1,031,067,913.00

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.

The Foundation 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 "Creating educated, skilled and able women and men as the country's true strength", establishing itself as a prominent CSR player within the Mahindra Group as well as a leading social organization at the national level. The Foundation essentially works with children, youth and from urban, disadvantaged communities in India, with a special focus on women and persons with disabilities. During the year under review, Tech Mahindra Foundation has successfully steered 167 high-impact projects with 90+ partners, reaching out to 150,000+ children, teachers and youth across these locations.

The key initiatives in the area of School Education include:

All Round Improvement in School Education (ARISE)

Tech Mahindra Foundation's educational initiatives under ARISE are long-term school improvement programmes, in partnership with local governments and partner organisations. The Foundation has adopted 50 schools across India and worked with 22 partners to turn them around into model schools of excellence. ARISE+ is a variant of ARISE in which children with disabilities are provided chronic therapy as well as special education to help them lead more fulfilling lives.

Shikshaantar

Shikshaantar, envisioned as a programme for enhancing capacity of government school teachers, has taken rapid strides during the year. TMF has been working with the East Delhi Municipal Corporation since 2013 to manage its In-Service Teacher Education Institute (ITEI), where teachers from nearly 400 primary schools receive quality training on a regular basis. Looking at the success of this intervention, the Foundation was invited by the North Delhi Municipal Corporation, which has over 700 schools, to run its ITEI as well. With this, the Foundation has the responsibility of training over 60% of primary school teachers in Delhi. In addition to these, the Foundation has also worked with Municipal Corporations in Chennai, Hyderabad, Pune & Thane for strengthening capacities of government school teachers. Finally, the Foundation piloted an innovative program called English-Winglish under the Shikshaantar umbrella with the objective of imparting English communication skills to teachers from government schools that have recently been converted to English medium.

Employability

Skills-for-Market Training (SMART) is the Foundation's flagship programme in employability. It is built on the vision of an educated, enlightened and employed India, and a belief that educated and skilled youth are the country's true strength. The programme started with 3 Centres in 2012 and is currently running 100 Centres at 11 locations across India. These include SMART Centres, SMART+ Centres (training for people with disabilities), and SMART-T Centres (training in technical trades).

In 2018-19, the Company trained 17,595 young women and men under its SMART program, of which 1,368 were persons with disabilities. More than 70% of the graduates are placed in jobs upon successful completion of the training, across multiple industries.

The feather in the Foundation's employability cap has been the Tech Mahindra SMART Academies for Healthcare that we are running in Delhi, Chandigarh and Mumbai. These Academies are setting a new benchmark in the country when it comes to the professional development of paramedical staff. During FY19, over 850 youngsters were admitted to these Academies. The Foundation has also been running the SMART Academy for Digital Media and Logistics in Vizag, in which another 200 youth were admitted.

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

The members, in the 12th Annual General Meeting held on 1st August, 2017, appointed M/s B. K. Khare & Co, Chartered Accountants, [ICAI Registration No.105102W] as Statutory Auditors of the Company for a period of five years from the conclusion of the ensuing Annual General Meeting till the conclusion of the Sixth Annual General Meeting for the financial year 2021-2022.

Pursuant to the amendment to Section 139 of the Companies Act, 2013 which was notified on May 7, 2018, ratification of appointment of Statutory Auditors at every AGM is no longer required.

There are no qualifications, reservation or adverse remark or disclaimer made in the audit report for the Financial Year 2018-19.

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, 2019 in **Form 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.

During the year, Mr. C. P. Gurnani and Mrs. M. Rajyalakshmi Rao, were appointed by the Board as Additional Directors with effect from 28th November, 2018, who hold office upto the ensuing Annual General Meeting would be appointed in the AGM.

NUMBER OF MEETINGS OF BORAD

During the year ended 31st March, 2019, two Board Meetings were held on, May 24, 2018 and November 28, 2018. The Company being a Section 8 Company, intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

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 the 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 basis and do not attract the provisions of Section 188 of the Companies Act, 2013. Suitable disclosure as required by the Indian Accounting Standards (IND AS 24) 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**".

OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company at group level has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up a Committee for implementation of the said policy. During the year under review the Company has not received any complaint of harassment.

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

Keshub Mahindra
Chairman

Place: Mumbai
Date: May 20, 2019

Annexure - 1

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on March 31, 2019

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 - 400072 Maharashtra, India 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 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-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. Promoters									
(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) Any other (specify)	-	-	-	-	-	-	-	-	-
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):-	-	-	-	-	-	-	-	-	-
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 Ltd	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	-	-	-	-	-
	(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)	**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	-	-	-	-	
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	-	-	-	-	-
2	Other Non-Executive Directors	Mr. Keshub Mahindra	Mr. Anand Mahindra	Mr. Vineet Nayyar	Mr. Ulhas N. Yargop	
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Other Non-Executive Directors	Mr. C. P. Gurnani	Mrs. M. Rajyalakshmi Rao			
	Fee for attending board committee meetings	-	-			
	Commission	-	-			
	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 MD/Manager/WTD– 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: NIL

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 and on behalf of the Board

Keshub Mahindra
Chairman

Place: Mumbai
Date: May 20, 2019

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 fourth 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**				₹ In Million			
Sr No.	**Name(s) of the related party**	**Nature of relationship**	**Nature of Transaction**	**Duration of the transactions**	**Transactions value**	**% to Consol revenue**	**Date(s) of approval by the Board, if any**	**Amount paid as advances**
1	Tech Mahindra Limited	Holding Company	CSR contribution as per Companies Act, 2013	for the FY 18-19	649,100,000	NA	NA	NA
2	Comviva Technologies Limited	Fellow Subsidiary Company	CSR contribution as per Companies Act, 2013	for the FY 18-19	12,688,422	NA	NA	NA
3	Tech Mahindra Business Services Ltd.	Fellow Subsidiary Company	CSR contribution as per Companies Act, 2013	for the FY 18-19	23,730,684	NA	NA	NA
4	Satyam Venture Engineering Services Pvt. Ltd.	Fellow Subsidiary Company	CSR contribution as per Companies Act, 2013	for the FY 18-19	6,400,000	NA	NA	NA
5	Mahindra & Mahindra Limited	Promoter / Enterprise having significant Influence	CSR contribution as per Companies Act, 2013	for the FY 18-19	17,500,000	NA	NA	NA

For and on behalf of the Board

Keshub Mahindra
Chairman

Place: Mumbai
Date: May 20, 2019

INDEPENDENT AUDITORS' REPORT

To the Members of Tech Mahindra Foundation

Report on the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Tech Mahindra Foundation ("the Company") licensed and registered under Section 8 (erstwhile section 25) of Companies Act, 2013, which comprise the Balance Sheet as at March 31, 2019, the Statement of Income and Expenditure and the Statement of Changes in Equity for the year then ended, Cash Flow Statement, and notes to the financial statements, and a summary of significant accounting policies and other explanatory information.

2. 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, 2019, and its surplus/(deficit) and cash flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibility for the Financial Statements

4. 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 (as amended).

5. 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 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.

6. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

7. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    a. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

    b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

d. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

e. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

12. As the Company is licensed and registered under Section 8 (erstwhile section 25) of Companies Act, 2013, the Companies (Auditor's Report) Order, 2016, 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.

13. 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 and 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

g. With respect to the other matters to be included in the Auditors' 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 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 B. K. Khare & Co.
Chartered Accountants
FRN: 105102W

R.D.Onkar
Partner
Membership Number: 045716

Place: Pune
Date: May 20,2019

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF TECH MAHINDRA FOUNDATION

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. We have audited the internal financial controls over financial reporting of Tech Mahindra Foundation ("the Company") licensed and registered under Section 8 (erstwhile section 25) of Companies Act, 2013, as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

5. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

7. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

   a. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

   b. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

   c. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

8. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

9. Considering guidance given by ICAI in its Guidance Note on the essential Components of Internal Control over Financial Reporting, the framework of internal controls needs to be further strengthened by the Company so as to commensurate with the nature and size of its operations.

For B. K. Khare & Co.
Chartered Accountants
FRN: 105102W

R.D.Onkar
Partner
Membership Number: 045716

Place: Pune
Date: May 20,2019

BALANCE SHEET AS AT 31 MARCH, 2019

Amount in Rupees

	Note No.	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	3	**46,704,036**	28,431,060
(b) Intangible Assets	4	**4,822,013**	3,415,665
(c) Financial Assets			
(i) Investments	5	**548,400,050**	250,000,000
(ii) Other Financial Assets	6	**121,537,000**	1,537,000
(d) Advance Income Taxes		**18,086,464**	16,861,153
Total Non - Current Assets		**739,549,563**	300,244,878
Current Assets			
(a) Financial Assets			
(i) Investments	7	**350,000,000**	-
(ii) Cash and Cash Equivalents	8	**27,432,251**	61,128,348
(iii) Other Balances with Banks	9	**-**	675,980,188
(iv) Other Financial Assets	10	**46,987,656**	6,639,317
Total Current Assets		**424,419,907**	743,747,853
Total Assets		**1,163,969,470**	1,043,992,731
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	11	**500,000**	500,000
(b) Corpus Fund and Other Equity	12	**1,152,871,937**	1,031,067,913
Total Equity		**1,153,371,937**	1,031,567,913
Liabilities			
Non-current liabilities			
Provisions	13	**1,154,000**	-
Total Non - Current Liabilities		**1,154,000**	-
Current liabilities			
(a) Financial Liabilities			
(i) Trade Payables			
(1) Dues of micro enterprises and small enterprises		**-**	-
(2) Dues of creditors other than micro enterprises and small enterprises		**6,256,067**	10,478,694
(ii) Other Financial Liabilities	14	**7,297**	-
(b) Other Current Liabilities	15	**2,744,169**	1,946,124
(c) Provisions	16	**436,000**	-
Total Current Liabilities		**9,443,533**	12,424,818
Total Equity and Liabilities		**1,163,969,470**	1,043,992,731

See accompanying notes forming part of the financial statements

As per our attached report of even date

For B K Khare & Co.
Firm Registration No.: 105102W
Chartered Accountants

R.D. Onkar
Partner
M No. 045716
Place : Pune
Date : May 20, 2019

For Tech Mahindra Foundation

Mr. Keshub Mahindra
Director

Mr. Anand Mahindra
Director

Mr. Vineet Nayyar
Director

Mr. Ulhas Yargop
Director

Mrs. M. Rajyalakshmi Rao
Director

Mr. C.P. Gurnani
Director

Place : Mumbai
Date : May 20, 2019

STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 31ST MARCH 2019

Amount in Rupees

		Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
	Income			
I	Donations Received		**584,419,106**	474,960,936
II	Other Income	17	**90,081,144**	68,027,896
III	**Total Income (I +II)**		**674,500,250**	542,988,832
IV	**Expenditure**			
	Welfare Project Expenses		**492,729,180**	444,089,750
	Employee Benefit Expenses	18	**43,114,862**	-
	Depreciation and Amortisation Expense		**14,174,564**	6,538,522
	Other Expenses	19	**127,677,620**	93,389,381
	Total Expenditure		**677,696,226**	544,017,653
V	**Surplus / (Deficit)**		**(3,195,976)**	(1,028,821)
	See accompanying notes forming part of the financial statements			

As per our attached report of even date

For B K Khare & Co.	**For Tech Mahindra Foundation**		
Firm Registration No.: 105102W			
Chartered Accountants	**Mr. Keshub Mahindra** **Director**	**Mr. Anand Mahindra** **Director**	**Mr. Vineet Nayyar** **Director**
R.D. Onkar **Partner** **M No. 045716**			
Place : Pune **Date : May 20, 2019**	**Mr. Ulhas Yargop** **Director**	**Mrs. M. Rajyalakshmi Rao** **Director**	**Mr. C.P. Gurnani** **Director**
	Place : Mumbai **Date : May 20, 2019**		

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2019

Amount in Rupees

A. Equity Share Capital

Balance as of April 1, 2017	Changes in equity share capital during the period	Balance as at March 31, 2018
500,000	-	500,000

Balance as of April 1, 2018	Changes in equity share capital during the period	Balance as at March 31, 2019
500,000	-	500,000

B. Other Equity

Amount in Rupees

Particulars	Retained Earnings	Total
Balance as at 1 April 2017	952,096,734	952,096,734
Surplus for the period	(1,028,821)	(1,028,821)
Total Income	**(1,028,821)**	**(1,028,821)**
Corpus Donations received	80,000,000	80,000,000
Balance as at March 31, 2018	**1,031,067,913**	**1,031,067,913**

Amount in Rupees

Particulars	Retained Earnings	Total
Balance as at April 1, 2018	1,031,067,913	1,031,067,913
Surplus for the period	(3,195,976)	(3,195,976)
Total income	**(3,195,976)**	**(3,195,976)**
Corpus Donations Received	125,000,000	125,000,000
Balance as at March 31, 2019	**1,152,871,937**	**1,152,871,937**

As per our attached report of even date
For B K Khare & Co.
Firm Registration No.: 105102W
Chartered Accountants

R.D. Onkar
Partner
M No. 045716
Place : Pune
Date : May 20, 2019

For Tech Mahindra Foundation

Mr. Keshub Mahindra
Director

Mr. Anand Mahindra
Director

Mr. Vineet Nayyar
Director

Mr. Ulhas Yargop
Director

Mrs. M. Rajyalakshmi Rao
Director

Mr. C.P. Gurnani
Director

Place : Mumbai
Date : May 20, 2019

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2019

Amount in Rupees

		For the year ended March 31, 2019	For the year ended March 31, 2018
A	**Cash Flow from Operating Activities**		
	Surplus / (Deficit)	**(3,195,976)**	(1,028,821)
	Adjustments for :		
	Depreciation and Amortization Expense	**14,174,564**	6,538,522
	Interest Income	**(72,957,586)**	(61,065,067)
		(61,978,998)	(55,555,366)
	Changes in working capital :		
	Trade Receivables and Other Assets	**(3,576,481)**	(5,926,449)
	Trade Payables, Other Liabilities and Provisions	**(1,827,285)**	(1,898,595)
		(5,403,766)	(7,825,044)
	Cash generated from operating activities before taxes	**(67,382,764)**	(63,380,410)
	Income taxes paid, net	**-**	-
	Net cash generated from operating activities (A)	**(67,382,764)**	(63,380,410)
B	**Cash Flow from Investing Activities**		
	Purchase of Property, Plant and Equipment, Intangible Assets and Investment property	**(33,853,888)**	(25,011,957)
	Purchase of Treasury Bonds and Bills and Term Deposit (Net)	**(768,400,050)**	(169,760,000)
	Fixed Deposit / Margin Money Placed (Net)	**675,980,188**	148,629,812
	Interest income received	**34,960,417**	61,891,376
	Net cash (used in) investing activities (B)	**(91,313,333)**	15,749,231
C	**Cash Flow from Financing Activities**		
	Transfer to Corpus	**125,000,000**	80,000,000
	Net cash (used in) financing activities (C)	**125,000,000**	80,000,000
	Net increase / (decrease) in cash and cash equivalents during the period (D) = (A+B+C)	**(33,696,097)**	32,368,821
	Cash and Cash Equivalents at the beginning of the year (F)	**61,128,348**	28,759,527
	Cash and cash equivalents at the end of the year	**27,432,251**	61,128,348
	Net increase / (decrease) in cash and cash equivalents	**(33,696,097)**	32,368,821

As per our attached report of even date

For B K Khare & Co.
Firm Registration No.: 105102W
Chartered Accountants

R.D. Onkar
Partner
M No. 045716
Place : Pune
Date : May 20, 2019

For Tech Mahindra Foundation

Mr. Keshub Mahindra
Director

Mr. Anand Mahindra
Director

Mr. Vineet Nayyar
Director

Mr. Ulhas Yargop
Director

Mrs. M. Rajyalakshmi Rao
Director

Mr. C.P. Gurnani
Director

Place : Mumbai
Date : May 20, 2019

NOTES FORMING PART OF THE BALANCE SHEET AND INCOME EXPENDITURE ACCOUNT

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019

1. Company Overview:

Tech Mahindra Foundation (''the Company'), a company registered under section 25 of the Companies Act, 1956 (now governed by Section 8 of the Companies Act, 2013) was incorporated on March 20, 2006 and granted registration under section 12A of the income tax act,1961 with effect from March 21, 2006.

The primary objects of the Company are:

To provide needy students and/or children with fees, books equipment, freeships and/or scholarships based on merits, food, shelter, training and other help; assist mentally retarded, crippled and other physically handicapped children in their rehabilitation through appropriate therapy, education, vocational training and other programmes; render assistance to orphaned, indigent and other less privileged children for their subsistence, shelter, education and medical care.

To render assistance to indigent men, women and children for treatment, medical care, health care, preventive medical services which they otherwise cannot afford; to set up and/or operate or to help in setting up and/or operating, hospitals / nursing homes, shelters for the needy; to develop or adopt village(s) or other centre(s) for general progress and welfare; to render assistance for appropriate literacy, and vocational training programs for needy persons, provide assistance and social service at times of natural calamities like famine, fire, flood, earthquakes; to render assistance to handicapped, destitute and needy persons.

To conduct education in public health care, sanitation, cleanliness; and to work or provide assistance for such causes; to work for the health, welfare and upliftment of men, women and children in general without any distinction as to community, background, caste, race, language or religion.

2. 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 ("Indian 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, 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) Use of Estimates:

The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities if any) and the reported income and expenses during the year. The management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialized.

c) Revenue recognition:

i) Donations received with a specific direction from the donors that they shall form part of the corpus have been accounted for accordingly. Donations received during the year 2018-19 and 2017-18 are as follows:

Amount in Rupees

Particular	**2018-19**	2017-18
Corpus Donations		
Tech Mahindra Limited	**125,000,000**	80,000,000
Donations		
Tech Mahindra Limited	**524,100,000**	425,500,000
Comviva Technologies Limited	**12,688,422**	13,386,388
Tech Mahindra Business Services Ltd.	**23,730,684**	28,454,268
Satyam Venture Engineering Services Pvt. Ltd.	**6,400,000**	6,600,000
Sofgen India Private Limited	**-**	1,020,280
Mahindra & Mahindra Limited	**17,500,000**	-
Total	**709,419,106**	554,960,936

ii) Interest income is recognized on time proportion basis.

iii) Other items of income are accounted for as per the terms of the contract.

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:

Depreciation on fixed assets is charged based on straight line method as per the life of the assets as assessed 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. Estimate of useful life so made is more conservative than estimated useful life as prescribed in schedule II to the Companies Act, 2013.

Computers and Project specific software	3 years
Plant and Machinery	5 years
Furniture and Fixtures	5 years
Office Equipments	5 years
Vehicles	5 years

f) Investments:

Long-term investments (including current portion thereof) are carried at cost less any other-than temporary diminution in the value, determined separately for each individual investment.

Current investments are carried at the lower of cost and fair value. Any reduction in the carrying amount and any reversals of such reductions are charged or credited to the Statement of Profit and Loss.

g) Cash and Cash Equivalents:

Cash and cash equivalents comprise cash at bank and in hand and short term bank deposits, if any with original maturity of three months or less.

h) Defined benefit plans and compensated absences:

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The policy for the same is s below.

Defined benefit plans:

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is reflected immediately in the balance sheet with a charge or credit recognised in income and expenditure account in the period in which they occur. 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 last drawn salary and the tenure of the employment.

Defined contribution plans:

(i) Provident fund:

The eligible employees of the Company are entitled to receive the benefits of Provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently at 12% of the basic salary) which are charged to the statement of profit and loss on accrual basis. The provident fund contributions are paid to the Regional Provident Fund Commissioner by the Company.

(ii) Superannuation and ESIC:

Contributions to Superannuation fund and employees' state insurance scheme (ESI), which are defined contribution schemes, are charged to the statement of profit and loss on an accrual basis.

The Company has no further obligations for future superannuation fund benefits other than its annual contributions.

(iii) Compensated absences:

The Company provides for compensated absences subject to Company's rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment or availment. The liability is accrued based on the number of days of unavailed leave at each Balance Sheet date and the awards are accrued based on number years of service of an employee. It is measured at the balance sheet date on the basis of an independent actuarial valuation using the Projected Unit Credit method.

Actuarial gains and losses are recognised in full in the statement of profit and loss in the period in which they occur.

Note 3 : Property, Plant and Equipment

Particulars	Gross Block				Accumulated Depreciation / Amortisation				Net Block
	Cost as at April 01, 2018	**Additions**	**Deletions**	**Balance as at March 31, 2019**	**As at April 01, 2018**	**Depreciation for the year**	**On Deletions**	**Upto March 31, 2019**	**As at March 31, 2019**
Computers	11,620,830	9,653,332	-	21,274,162	3,856,955	5,409,743	-	9,266,698	12,007,464
	6,553,926	*5,066,904*	-	*11,620,830*	*1,292,112*	*2,564,844*	-	*3,856,956*	*7,763,874*
Plant and Equipment	15,672,460	14,866,406	-	30,538,866	2,765,527	4,106,622	-	6,872,149	23,666,717
	3,821,255	*11,851,205*	-	*15,672,460*	*960,820*	*1,804,707*	-	*2,765,527*	*12,906,933*
Furniture and Fixtures	8,212,455	4,001,241	-	12,213,696	2,219,441	1,870,054	-	4,089,495	8,124,201
	4,901,197	*3,311,258*	-	*8,212,455*	*1,019,507*	*1,199,934*	-	*2,219,441*	*5,993,014*
Vehicles	2,380,191	1,766,993	-	4,147,184	612,952	628,578	-	1,241,530	2,905,654
	1,096,812	*1,283,379*	-	*2,380,191*	*237,643*	*375,309*	-	*612,952*	*1,767,239*
Total	**37,885,936**	**30,287,972**	**-**	**68,173,908**	**9,454,875**	**12,014,997**	**-**	**21,469,872**	**46,704,036**
	16,373,190	*21,512,746*	-	*37,885,936*	*3,510,082*	*5,944,794*	-	*9,454,876*	*28,431,060*

Numbers in Italics pertain to the previous year.

Note 4 : Intangible Assets

		Amount in Rupees
Description of Assets	**Software**	**Total**
I. Gross carrying value		
As at April 1, 2017	589,639	589,639
Additions during the year	3,499,211	3,499,211
Disposals	-	-
As at March 31, 2018	4,088,850	4,088,850
Additions during the year	3,565,916	3,565,916
Disposals	-	-
Balance as at March 31, 2019	**7,654,766**	**7,654,766**
II. Accumulated amortisation		
Balance as at April 1, 2017	79,457	79,457
Amortisation expense for the year	593,728	593,728
Disposals	-	-
Balance as at March 31, 2018	673,185	673,185
Amortisation for the year	2,159,568	2,159,568
Disposals	-	-
Balance as at March 31, 2019	**2,832,753**	**2,832,753**
Net Block as at March 31, 2019 (I - II)	**4,822,013**	**4,822,013**
Net Block as at March 31, 2018 (I - II)	3,415,665	3,415,665

Note 5 : Investments : Non Current

Particulars	As at March 31, 2019	As at March 31, 2018
	Amount in Rupees	
In Bonds,unquoted		
Bonds issued by Banks	**548,400,050**	250,000,000
Total	**548,400,050**	250,000,000

Note 6 : Other Financial Assets : Non Current

Particulars	As at March 31, 2019	As at March 31, 2018
	Amount in Rupees	
Security Deposits		
- Unsecured, considered good	**1,537,000**	1,537,000
	1,537,000	1,537,000
Term Deposits with Financial Institutions having maturities of more than 12 months	**120,000,000**	-
Total	**121,537,000**	1,537,000

Note 7 : Investments : Current

Particulars	As at March 31, 2019	As at March 31, 2018
	Amount in Rupees	
- Investments		
Term Deposits with Financial Institutions (carried at amortised cost)	**350,000,000**	-
Total	**350,000,000**	-

Note 8 : Cash and Cash Equivalents

Particulars	As at March 31, 2019	As at March 31, 2018
	Amount in Rupees	
Balances with banks:		
In Current Account	**27,432,251**	61,128,348
Total	**27,432,251**	61,128,348

Note 9 : Other Balances with Banks

Particulars	As at March 31, 2019	As at March 31, 2018
	Amount in Rupees	
In Deposit Accounts	**-**	675,980,188
Total	**-**	675,980,188

Note 10 : Other Financial Assets : Current

Particulars	As at March 31, 2019	As at March 31, 2018
	Amount in Rupees	
(Unsecured, considered good unless otherwise stated)		
Interest Receivable		
On bank deposits	**-**	4,323,551
On Term Deposits with Financial Institutions	**14,872,901**	-
On Treasury Bonds and Bills	**28,255,465**	807,646
	43,128,366	5,131,197
Others	**3,859,290**	1,508,120
Total	**46,987,656**	6,639,317

Note 11 : Equity Share Capital

			Amount in Rupees	
Particulars	**March 31, 2019**		March 31, 2018	
	Number	**Rupees**	Number	Rupees
Authorised				
Equity shares of ₹ 10/- each	**50,000**	**500,000**	50,000	500,000
Issued, Subscribed and Paid up	**50,000**	**500,000**	50,000	500,000
Adjusted : Issued, Subscribed and Paid up Share Capital	**50,000**	**500,000**	50,000	500,000
Reconciliation of number of Equity Shares and amount outstanding				
Shares outstanding at the beginning of the period	**50,000**	**500,000**	50,000	500,000
Total	**50,000**	**500,000**	50,000	500,000
Adjusted : Issued, Subscribed and Paid up Share Capital	**50,000**	**500,000**	50,000	500,000

Number of shares held by each shareholder holding more than 5 percent of the Equity Shares of the Company are as follows:

Name of Shareholder	**As at March 31, 2019**		As at March 31, 2018	
	No. of Shares held	**% of Holding**	No. of Shares held	% of Holding
Tech Mahindra Limited	**50,000**	**100**	50,000	100

The shares held by Tech Mahindra Limited represent the initial capital contributed by Tech Mahindra Limited as a Settlor of the Trust. Tech Mahindra Limited does not exercise any control over the company

Note 12 : Other Equity

Particulars	**As at March 31, 2019**	As at March 31, 2018
		Amount in Rupees
Corpus Fund		
Opening balance	**1,031,621,656**	951,621,656
Add:		
Corpus donations received during the year	**125,000,000**	80,000,000
Closing Balance	**1,156,621,656**	1,031,621,656
Retained Earnings		
Opening balance	**(553,743)**	(1,028,821)
Add :		
Surplus / (Deficit) for the year	**(3,195,976)**	475,078
Closing Balance	**(3,749,719)**	(553,743)
Total	**1,152,871,937**	1,031,067,913

Note 13 : Provisions : Non Current

Particulars	**As at March 31, 2019**	As at March 31, 2018
		Amount in Rupees
Provision for employee benefits		
- Gratuity	**750,000**	-
- Compensated absences	**404,000**	-
Other Provisions	**-**	-
Total	**1,154,000**	-

Note 14: Other Financial Liabilities : Current

Particulars	**As at March 31, 2019**	As at March 31, 2018
		Amount in Rupees
- Accrued Salaries and Benefits	**7,297**	-
Total	**7,297**	-

Note 15 : Other Current Liabilities

Particulars	**As at March 31, 2019**	As at March 31, 2018
		Amount in Rupees
- Statutory Dues	**2,744,169**	1,946,124
Total	**2,744,169**	1,946,124

Note 16 : Provisions : Current

Particulars	**As at March 31, 2019**	As at March 31, 2018
		Amount in Rupees
Provision for employee benefits		
	244,000	-
	192,000	-
Provision for employee separation compensation (refer note)		
Total	**436,000**	-

Note 17 : Other Income

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
	Amount in Rupees	
Interest Income		
- On Bank deposits	**72,957,586**	61,065,067
Gain/(Loss) on sale of investments	**(2,342,837)**	-
Student Fees and Miscellaneous Income	**19,466,395**	6,962,829
Total	**90,081,144**	68,027,896

Note 18 : Employee Benefit Expenses

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
	Amount in Rupees	
Salaries and wages	**40,260,646**	-
Contribution to provident and other funds	**1,447,350**	-
Gratuity	**279,383**	-
Staff welfare expenses	**1,127,483**	-
Total	**43,114,862**	-

Note 19 : Other Expenses

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
	Amount in Rupees	
Power and Fuel	**1,759,290**	-
Rent	**16,230,226**	12,002,154
Communication Expenses	**1,323,575**	666,641
Travelling Expenses	**6,539,443**	2,039,406
Training	**898,260**	-
Legal and Other Professional Fees	**72,220,064**	52,475,684
Repair and Maintenance Expenses	**365,395**	276,523
Insurance Charges	**97,267**	-
Advertisement, Promotion & Selling Expenses	**17,800,417**	11,788,274
General Office Expenses	**10,355,461**	10,016,710
Miscellaneous Expenses	**88,222**	4,123,989
Total	**127,677,620**	93,389,381

20) Details of dues to micro and small enterprises as defined under The Micro,Small and medium enterprises Development (MSMED) Act 2006:

Based on the information available with the Company, there are no outstanding amounts payable to creditors who have been identified as "suppliers" within the meaning of "Micro, Small and Medium Enterprises Development (MSMED) Act, 2006".

Amount in Rupees

	As at March 19		As at March 18	
Particulars	**Principle**	**Interest**	Principle	Interest
Amounts due to vendor	-	-	-	-
Principle amounts paid (includes unpaid) beyond appointed date	-	-	-	-
interest due and payable for the year	-	-	-	-
interest accrued and remaining unpaid	-	-	-	-

21) The Foundation in the wake of the recent Supreme Court ruling in the case of Vivekanand Vidyamandir and other bunch of appeals on the issue of determination of liability of employer towards incremental Provident Fund contribution linked to the Basic Wages under the Employees' Provident Fund and Miscellaneous Provisions Act 1952, has reviewed the components of pay which could be said to be includible in basic salary of its employees for the purpose of determining incremental liability and based on its review and supported by legal advice believes that there would be no additional liability and accordingly no provision is required to be made in the financial statements of the foundation for the year ended 31st March, 2019.

22) Previous year figures have been regrouped wherever necessary.

As per our attached report of even date

As per our attached report of even date

For B K Khare & Co.	**For Tech Mahindra Foundation**		
Firm Registration No.: 105102W			
Chartered Accountants	**Mr. Keshub Mahindra** **Director**	**Mr. Anand Mahindra** **Director**	**Mr. Vineet Nayyar** **Director**
R.D. Onkar **Partner** **M No. 045716**			
Place : Pune **Date : May 20, 2019**	**Mr. Ulhas Yargop** **Director**	**Mrs. M. Rajyalakshmi Rao** **Director**	**Mr. C.P. Gurnani** **Director**
	Place : Mumbai **Date : May 20, 2019**		

MAHINDRA EDUCATIONAL INSTITUTIONS

Board of Directors
Vineet Nayyar
Chander Prakash Gurnani
Rakesh Soni
Milind Kulkarni
Shivanand Raja

Auditors
M/s M. Bhaskara Rao & Co.,
5-D, Fifth Floor, ‘Kautilya’
6-3-652, Somajiguda
Hyderabad-500082

Bankers
HDFC Bank Limited
Kotak Mahindra Bank Limited

Registered Office:
Tech Mahindra Limited
Survey No: 62/1A,
Bahadurpally, Jeedimetla, Hyderabad-500043
Telangana, India

DIRECTORS' REPORT

Your Directors present their Sixth Annual Report of your Company for the year ended 31st March 2019.

FINANCIAL RESULTS

Particulars	**For the year ended March 31, 2019 (₹ in Lakhs)**	For the year ended March 31, 2018 (₹ in Lakhs)
Expenditure on the objects of the Company	**6,973.07**	5,908.45
Donations received for University Corpus fund and Building & Equipment fund	**2,100.00**	2,100.00

REVIEW OF ACTIVITIES – 2018-19

Mahindra École Centrale (MEC), College of Engineering, established by Tech Mahindra in collaboration with École Centrale Paris (now CentraleSupélec) and JNTU Hyderabad, is set to graduate its second batch of students this year, after a successful five-year presence on the technical education landscape of the country, characterized by its rising popularity.

This high impact, Indo-French collaboration in engineering education has emerged as a disruptive player with its keen focus on Industry-aligned and industry-sponsored education; all Ph.D. faculty roster; global internships; international placements; and a distinct curriculum that includes the French language. The then Indian Ambassador to France, Shri Arun Kumar Singh, at the inauguration of MEC in Paris, March 2015, had called MEC a ''Jewel of Indo-French Synergy in Higher Education in India''.

The Executive Council of MEC features leaders both from Tech Mahindra and the Mahindra Group. The MEC campus, surrounded by the sprawling green Tech Mahindra Technology Centre in Hyderabad, India, is equipped with state-of-the-art academic infrastructure. To support its strong research vision MEC has set up relevant high technology laboratories like the Robotics Lab, Super Computer Lab and Incubation Centre; in addition to Media and Design Thinking labs. Many eminent dignitaries and leaders have visited MEC in the recent years, including Nobel Laureate Prof. Serge Haroche, Sir David Payne, His Excellency Late Shri Dr. APJ Abdul Kalam, TEDx Million winner Prof Sugata Mitra, Dr. Siva Banda, plus a host of leading academicians.

Year 2018-19 MEC has signed MoU's with multiple universities in the USA like University of Florida, University of Nebraska at Omaha and yet to sign MoU's with University of Texas at Austin, Georgia Tech, Atlanta, University of Wisconsin at Madison and many more. These MoU's are opening doors to MEC students to undertake 8-10 weeks of summer internships and help in faculty development programs, overseas. We have also signed a Joint Research Agreement with Japanese leader in LogiTech®, GROUND Inc. in Field Programmable Gate Arrays (AI Semiconductor Solutions) for Logistics domain.

MEC has hosted many corporates like Amazon, Mahindra Electric, Telstra, Deloitte, SAAB & Roche pharma at MEC, corporates express surprise and delight at the presence of MEC and its pedagogy aimed at shaping world class engineers, with global relevance and a strong European influence.

MEC continued the legacy of annual techno-cultural festivals like **AETHER, ECOLE-TYOHAR**, **TEDx**-Mahindra Ecole Centrale which was attended by many eminent speakers from areas like Entrepreneurship, Academics, Fashion, Space Research, etc. The three day annual sports extravaganza **AIRO**, hosted by MEC has seen more than 500 student athletes who came to showcase their skills and talents from multiple collages around the country.

Mr. SashiKumar Sreedharan, Managing Director Microsoft India, delivered the keynote address at the **second Centrale Connect Conclave** with theme 'Perspective and Perception', was hosted at MEC with the motive of enabling students to discover and explore the career advancement possibilities lying ahead. The conclave hosted a series of keynote addresses and panel discussions chaired by eminent personalities from sectors like technology, corporate and government.

Students of MEC, have won the Smart India Hackathon(SIH) 2019, SIH saw the coming together of 1 lakh+ students from 3000+ technical Institutes and 200+ organizations from across India. Students had a brilliant experience by having visiting multiple industries such as Ramagundam Super Thermal Power Station, Srisailam Hydro Electric Power Plant, PARAM Yuva – II (529 TF/s), C-DAC's National Supercomputing Facility in Pune and many more.

MATERIAL CHANGES AND COMMITMENTS

There are no material changes and commitments 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 was no change in the nature of business.

SIGNIFICANT AND MATERIAL ORDERS

During the year under review, there were no 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 deposits and as such, no amount of principal or interest was outstanding on the date of the Balance Sheet.

AUDITORS

M/s. M. Bhaskara Rao & Co., Chartered Accountants, (Firm Registration No. 000459S) were appointed as statutory auditors of the Company for a period of five years from the conclusion of the 4th Annual General Meeting held on 28 August, 2017 until the conclusion of the Annual General Meeting of the Company for the financial year 2021-22, on such remuneration as may be determined by the Board of Directors.

The members may note that the Ministry of Corporate Affairs vide notification dated May 07, 2018, has done away with the requirement of yearly ratification of appointment of Statutory Auditors, at the Annual General Meeting.

AUDITOR'S REPORT

There are no qualifications, reservations and adverse remarks reported in the Auditor's Report for the financial year 2018-19 to comment upon by your Directors.

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 ₹ 10/- each.

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 EARNINGS AND OUTGO

The particulars prescribed as per Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014.

a) Conservation of Energy: The operations of the Company are not energy-intensive and hence, the provisions are not applicable.

b) Research and Development: ₹ 5.90 Lakh was spent on Research and development during the year under review.

c) Foreign Exchange earnings and outgo: i) Earnings: NIL, ii) Expenses: NIL

DIRECTORS

Pursuant to the provisions of section 152(6)(c) of the Companies Act 2013, Mr. Rakesh Soni, Director (DIN: 02973741) is liable to retire by rotation and being eligible offer himself 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.

During the year ended March 2019, two Board Meetings were held on, May 24, 2018 and December 18, 2018. The Company being a Section 8 Company, intervening gap between the meetings was as prescribed under the Companies Act, 2013.

LOANS/ GUARANTEES / INVESTMENTS

The Company has not given / accepted any loans or guarantees during the year under review.

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 were approved by the Board. Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014, **Form AOC 2** is annexed to this report as **Annexure A**.

DIVIDENDS

No dividend was recommended by the Board of Directors for the financial year 2018-19.

COMMITTEES OF THE BOARD

The Company being formed under Section 8 of Companies Act 2013, the provisions of forming and disclosing details of Committees under Section 134, 135(2), 177(8), 178 of Companies Act, 2013 and the Rules are not applicable.

KEY MANAGERIAL PERSONNEL

The provisions of Section 203 of the Companies Act, 2013 are not applicable to the Company.

INTERNAL AUDIT

Your company doesn't fall in the ceiling limit specified under Section 138 of Companies Act, 2013 and The Companies (Accounts) Rules, 2014.

However, internal auditor has not been appointed during financial year under review.

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) and under Section 134(3)(p) of the Companies Act, 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The company doesn't fall in the ceiling limit specified by Section 135 of Companies Act, 2013 and applicable Rules. Hence the aforesaid section and applicable rules thereunder are not applicable to your Company.

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 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.

SECRETARIAL AUDIT

The company falls below the ceiling limit specified by the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, hence the provisions of Section 204 of the Companies Act, 2013 is not applicable.

PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013, READ WITH THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES 2014

The Company had no employee who was in receipt of remuneration of not less than rupees one crore and two lakhs during the year ended 31st March, 2019 or not less than eight lakh fifty thousand per month during any part of the said year.

OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company at group level has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up a Committee for implementation of the said policy. During the year under review the Company has not received any complaint of harassment.

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 2019 and of the deficit 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

Vineet Nayyar
Chairman
(DIN: 00018243)

Place: Hyderabad
Date: May 10, 2019

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 fourth 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, 2019, 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 Limited

      Relationship: Holding Company

   2) **Related Party:** Mahindra and Mahindra Limited

      Relationship: Enterprise having significant influence over holding company

   (b) **Nature of contracts/arrangements/transactions:**

   Tech Mahindra Ltd: Receipt of Donations, payment of lease rentals/professional fees and Reimbursement of Expenses

   Mahindra & Mahindra Ltd: Receipt of Donations

   (c) **Duration of the contracts / arrangements/transactions: FY 2018-19**

   (d) **Salient terms of the contracts or arrangements or transactions including the value, if any:**

   Donations Received: (₹ in Lakhs)

   Tech Mahindra Limited : 2,100

   Mahindra & Mahindra Ltd : Nil

   Expenses Reimbursed:

   Tech Mahindra Limited : 2.06

   Rent Paid:

   Tech Mahindra Limited : 701.29

   Professional fees:

   Tech Mahindra Limited : 39.36

   Reimbursement:

   Tech Mahindra Limited : Nil

   Software:

   Tech Mahindra Limited : 36.16

   (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
(DIN: 00018243)

Place: Hyderabad
Date: May 10, 2019

Annexure B

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31/03/2019

[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 –

Sl. No.	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									
a) Individual/ HUF									
b) Central Govt									
c) State Govt (s)									
d) Bodies Corp.	NIL	10000	10000	100	NIL	10000	10000	100	NIL
e) Banks / FI									
f) 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	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 of ₹ 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	**NIL**	**10000**	**10000**	**100**	**NIL**	**10000**	**10000**	**100**	**NIL**
(A+B+C)									

(ii) Shareholding of Promoters

Sl. no.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding 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
ii) Interest due but not paid	NIL	NIL	NIL	NIL
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	NIL	NIL	NIL	NIL
· Reduction	NIL	NIL	NIL	NIL
Net Change	NIL	NIL	NIL	NIL
Indebtedness at the end of the financial year				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
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

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	NIL	NIL	NIL	NIL	NIL
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	NIL	NIL	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL	NIL
4	Commission					
	- as % of profit	NIL	NIL	NIL	NIL	NIL
	- others, specify…	NIL	NIL	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL	NIL	NIL
	Total (A)	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
	Ceiling as per the Act	NIL	NIL	NIL	NIL	NIL

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of directors				Total Amount
	Independent Directors					
1.	• Fee for attending board / committee meetings	NIL	NIL	NIL	NIL	NIL
	• Commission	NIL	NIL	NIL	NIL	NIL
	• Others, please specify	NIL	NIL	NIL	NIL	NIL
	Total (1)	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
2.	Other Non-Executive Directors					
	• Fee for attending board / committee meetings	NIL	NIL	NIL	NIL	NIL
	• Commission	NIL	NIL	NIL	NIL	NIL
	• Others, please specify	NIL	NIL	NIL	NIL	NIL
	Total (2)	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
	Total (B)=(1+2)	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
	Total Managerial					
	Remuneration	NIL	NIL	NIL	NIL	NIL
	Overall Ceiling as per the Act	NIL	NIL	NIL	NIL	NIL

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key managerial Personnel			Total Amount
1	Gross salary	**CEO**	**Company secretary**	**CFO**	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	NIL	NIL	NIL
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	NIL	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL
4	Commission				
	- as % of profit	NIL	NIL	NIL	NIL
	- Others, specify…	NIL	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL	NIL
	Total (A)	**NIL**	**NIL**	**NIL**	**NIL**
	Ceiling as per the Act	NIL	NIL	NIL	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

For and on behalf of the Board

Vineet Nayyar
Chairman
(DIN: 00018243)

Place: Hyderabad
Date: May 10, 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of

Mahindra Educational Institutions

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Mahindra Educational Institutions ("the Company"), which comprise the Balance Sheet as at 31 March 2019, and the Statement of Income and Expenditure, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. (here after referred to as "the standalone financial statements")

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 Companies Act, 2013 ("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 31 March 2019, deficit, changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the "Code of Ethics" issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information obtained at the date of this auditor's report is Directors Report but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained upto the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

This report does not include a statement on matters specified in paragraph 3 and 4 of the Companies (Auditor's Report) Order, 2016 ("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 explanation given to us, the said Order is not applicable to the Company, at present.

1. 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, the statement of changes in equity and the cash flow statement dealt by this report are in agreement with the books of account;

   d. in our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act;

   e. on the basis of the written representations received from the directors as on 31 March 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019, from being appointed as a director in terms of Section 164 (2) of the Act;

f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and

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. there are no pending litigations on or by the Company, the impact of which needs to be disclosed in the financial statements;

   ii. the Company does not have any material foreseeable losses relating to long term contracts, there were no derivative contracts entered into by the Company as at 31 March 2019; and

   iii. there are no amounts which were required to be transferred to the Investor Education and Protection Fund during the year ended 31 March 2019.

***for* M. Bhaskara Rao & Co.,**
Chartered Accountants
Firm Registration No. 000459S

M. V. Ramana Murthy
Partner
Membership No.206439

Hyderabad, 10 May 2019

Annexure A to the Independent Auditor's report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Mahindra Educational Institutions)

We have audited the internal financial controls over financial reporting of Mahindra Educational Institutions ("the Company") as of 31 March 2019, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

***for* M.Bhaskara Rao & Co.,**
Chartered Accountants
Firm Registration No.000459S

M V Ramana Murthy
Partner
Membership No. 206439

Hyderabad, 10 May 2019

BALANCE SHEET AS AT 31ST MARCH, 2019

All amounts are Rupees in lakhs unless otherwise stated

Particulars	Note No	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	**3,155.89**	3,487.51
Capital work-in-progress	4	**2,760.48**	650.20
Other intangible assets	5	**-**	-
Financial assets			
Other financial assets	6	**44.31**	143.31
Non-Current tax asset (net)	7	**70.84**	33.47
Other non current assets	8	**278.67**	23.69
Total non-current assets		**6,310.19**	4,338.18
Current assets			
Financial assets			
Trade receivables	9	**95.14**	72.34
Cash and cash equivalents	10	**297.34**	513.90
Other bank balances	11	**3,982.00**	5,061.00
Other financial assets	12	**240.90**	294.03
Other current assets	13	**94.60**	74.92
Total current assets		**4,709.98**	6,016.19
Total assets		**11,020.17**	10,354.37
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	**1.00**	1.00
Other equity	15	**7,921.64**	7,365.68
Total Equity		**7,922.64**	7,366.68
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Other financial liabilities	16	**118.77**	106.44
Provisions	17	**98.31**	59.25
Total non-current liabilities		**217.08**	165.69
Current liabilities			
Financial liabilities			
Trade payables	18		
(a) total outstanding dues of micro enterprises and small enterprises		**-**	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		**1,218.88**	1,322.15
Other financial liabilities	19	**48.28**	44.50
Other current liabilities	20	**1,596.42**	1,445.71
Provisions	21	**16.87**	9.64
Total current liabilities		**2,880.45**	2,822.00
Total equity and liabilities		**11,020.17**	10,354.37

See accompanying notes form an intergral 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 10, 2019

for and on behalf of Board of Directors
Mahindra Educational Institutions
CIN: U80300TG2013NPL086878

Vineet Nayyar
Director
DIN:00018243

C.P. Gurnani
Director
DIN:00018234

Milind Kulkarni
Director
DIN:00012888

STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 31 MARCH 2019

All amounts are Rupees in lakhs unless otherwise stated

Particulars	Note No.	**Year ended 31 March 2019**	Year ended 31 March 2018
Income			
Fee from Academic Courses	22	**5,069.00**	4,758.26
Donations		**525.00**	-
Other Income	23	**365.64**	444.72
Total		**5,959.64**	5,202.98
Expenses			
Academic Expenses	24	**569.66**	393.37
Employee Benefits Expense	25	**1,868.27**	1,417.00
Finance Cost	26	**12.03**	8.95
Depreciation and Amortization Expense	27	**819.10**	918.77
Other expenses	28	**3,704.02**	3,170.36
Total		**6,973.07**	5,908.45
Surplus / (Deficit) Before Tax		**(1,013.43)**	(705.47)
Tax Expense			
Current Tax		**-**	-
Deferred Tax		**-**	-
Surplus / (Deficit) for the year		**(1,013.43)**	(705.47)
Other comprehensive income			
A. Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit liabilities / (asset)		**(5.59)**	(1.11)
Income tax on items that will not be reclassified to profit or loss			-
		(5.59)	(1.11)
B. Items that may be reclassified to profit or loss		**-**	-
Total other comprehensive income / (loss) for the year		**(5.59)**	(1.11)
Total comprehensive income / (loss) for the year		**(1,019.02)**	(706.58)
Earnings per equity share	33		
Basic - (In ₹ per share)		**(10,134.31)**	(7,054.74)
Diluted - (In ₹ per share)		**(10,134.31)**	(7,054.74)

See accompanying notes form an intergral 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 10, 2019

for and on behalf of Board of Directors
Mahindra Educational Institutions
CIN: U80300TG2013NPL086878

Vineet Nayyar	**C.P. Gurnani**	**Milind Kulkarni**
Director	Director	Director
DIN:00018243	DIN:00018234	DIN:00012888

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2019

All amounts are Rupees in lakhs unless otherwise stated

		Year ended 31 March 2019	Year ended 31 March 2018
A.	**Cash flow from operating activities**		
	Surplus before tax	**(1,013.43)**	(705.47)
	Adjustments for		
	Depreciation and Amortization Expense	**819.10**	918.77
	Interest Income	**(364.59)**	(360.00)
	Operating profit before working capital changes	**(558.92)**	(146.70)
	Changes in working capital:		
	Adjustments for (increase) / decrease in operating assets:		
	Other Non-Current Financial Assets	**(1.00)**	(0.16)
	Other Non-Current Assets	**(254.98)**	-
	Trade receivables	**(17.10)**	69.49
	Other Current Assets	**(19.68)**	(60.54)
	Adjustments for increase / (decrease) in operating liabilities:		
	Other Non-Current Financial Liability	**12.33**	18.86
	Long Term Provisions	**39.06**	13.44
	Trade Payables	**(108.80)**	189.37
	Other Current Financial Liability	**3.78**	44.50
	Other Current Liabilities	**150.71**	574.86
	Short Term Provisions	**1.52**	8.94
	Cash generated from operations	**(753.08)**	712.06
	Income Tax paid (Net)	**(37.37)**	(25.03)
	Net cash flow from operating activities (A)	**(790.45)**	687.03
B.	**Cash flow from investing activities**		
	Capital Expenditure on Fixed Assets & Intangible Assets	**(2,597.83)**	(2,624.36)
	Investments in Bank Deposits	**(5,628.00)**	(3,576.00)
	Redemption or Maturity of Bank Deposits	**6,807.00**	297.00
	Interest Received	**417.72**	102.20
	Net cash flow used in investing activities (B)	**(1,001.11)**	(5,801.16)
C.	**Cash flow from financing activities**		
	Amounts received towards Building and Equipment Fund	**1,575.00**	600.00
	Amounts received towards University Corpus Fund	**-**	1,500.00
	Amounts received towards Corpus Fund	**-**	-
	Net cash flow from financing activities (C)	**1,575.00**	2,100.00
	Net increase / (decrease) in cash and cash equivalents	**(216.56)**	(3,014.13)
	Cash and cash equivalents at the beginning of the year	**513.90**	3,528.03
	Cash and cash equivalents at the end of the year	**297.34**	513.90

See accompanying notes form an intergral 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 10, 2019

for and on behalf of Board of Directors
Mahindra Educational Institutions
CIN: U80300TG2013NPL086878

Vineet Nayyar	**C.P. Gurnani**	**Milind Kulkarni**
Director	Director	Director
DIN:00018243	DIN:00018234	DIN:00012888

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

All amounts are Rupees in lakhs unless otherwise stated

A. Equity Share Capital	Amount
Issued and paid up equity share capital	
Balance as at 01 April 2017	**1.00**
Changes in equity share capital during the year	-
Balance as at 31 March 2018	**1.00**
Changes in equity share capital during the year	-
Balance as at 31 March 2019	**1.00**

B. Other Equity

Particulars	Reserves & Surplus				Items of Other Comprehensive Income (OCI)	Total
	Corpus Fund	University Corpus Fund	Building and Equipment Fund	Retained Earnings	Remeasurements of net defined benefit plans	
Balance as at 31 March 2017	1,166.00	-	6,010.00	(769.55)	13.81	6,420.26
Surplus for the year	-	-	-	(705.47)	-	(705.47)
Other Comprehensive Income (net of income tax)	-	-	-	-	(1.11)	(1.11)
Total comprehensive income for the year	**-**	**-**	**-**	**(705.47)**	**(1.11)**	**(706.58)**
Contributions received during the year	**-**	**1,500.00**	**600.00**	**-**	**-**	**2,100.00**
Balance as at 31 March 2018	**1,166.00**	**1,500.00**	**6,610.00**	**(1,475.02)**	**12.70**	**7,813.68**
Surplus for the year	-	-	-	(1,013.43)	-	(1,013.43)
Other Comprehensive Income (net of income tax)	-	-	-	-	(5.59)	(5.59)
Total comprehensive income for the year	**-**	**-**	**-**	**(1,013.43)**	**(5.59)**	**(1,019.02)**
Contributions received during the year	-	-	1,575.00	-	-	1,575.00
Balance as at 31 March 2019	**1,166.00**	**1,500.00**	**8,185.00**	**(2,488.45)**	**7.11**	**8,369.66**

See accompanying notes form an intergral 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 10, 2019

for and on behalf of Board of Directors
Mahindra Educational Institutions
CIN: U80300TG2013NPL086878

Vineet Nayyar
Director
DIN:00018243

C.P. Gurnani
Director
DIN:00018234

Milind Kulkarni
Director
DIN:00012888

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

All amounts are Rupees in lakhs unless otherwise stated

1. Corporate Information

Mahindra Educational Institutions ("the Company") incorporated 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 Statement of Compliance

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

The financial statements for the year ended 31 March 2019 were approved by the Board of Directors and authorised to issue on 10 May 2019.

2.2 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. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purpose in these standalone financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Use of Estimates

The preparation of these standalone 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.

2.4 Property, Plant & Equipment and Other Intangible assets

Property, Plant & Equipment and Other 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.

Depreciation / amortization of Property, Plant & Equipment and Other Intangible assets

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on Property, Plant & Equipment including assets taken on lease, other than freehold land is charged based on straight line method on an estimated useful life as assessed based on Part C of Schedule II to the Companies Act 2013 except in respect of Library books which have been depreciated in the year of purchase based on their condition, usability etc., as per the technical estimates of the Management. The cost of software purchased for internal use is capitalized and depreciated in full in the year in which it is put to use. The estimated useful lives and residual values of the tangible and intangible assets are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

2.5 Leases

"Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating 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."

i) Finance lease

Where the Company, as a lessor, leases assets under finance lease, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is based on constant rate of return on the outstanding net investment. Assets taken on finance lease are accounted as Property, Plant & Equipment at fair value. Lease payments are apportioned between finance charge and reduction of outstanding liability.

ii) 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 Income and Expenditure on a straight line basis over the lease term.

2.6 Impairment of Assets

i) Financial assets

Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets 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.

Impairment loss on financial assets carried at amortised cost is measured at 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. In a subsequent period, if the amount of impairment loss decreases and the decreases can be related objectively to an event, the previously recognised impairment is reversed through Statement of Income and Expenditure.

ii) Non-financial assets

Property, Plant & Equipment and Other Intangible assets

Property, Plant and Equipment and Other intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the Statement of Income and Expenditure.

2.7 Revenue recognition

Effective 01 April 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of 01 April 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant.

Revenue is recognized upon transfer of control of promised services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Arrangements with customers for services i.e. students are mainly on a time bound fixed price basis.

Revenue from fixed-price, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as deferred revenues).

"In arrangements for educational services with customers, the company has applied the guidance in Ind AS 115, Revenue from contract with customer, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering educational services and other related services as distinct performance obligations. For allocating the transaction price, the company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the company is unable to determine the standalone selling price, the company uses the expected cost plus margin approach in estimating the standalone selling price. For time and material related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses."

The company accounts for discounts and pricing incentives to customers as a reduction of revenue based on the rateable allocation of the discounts/ incentives amount to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive. Also, when the level of discount / incentive varies with increases in levels of revenue transactions, the company recognizes the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognized until the payment is probable and the amount can be estimated reliably. The company recognizes changes in the estimated amount of obligations for discounts in the period in which the change occurs.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

The Company presents revenues net of indirect taxes in its statement of Profit and loss.

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

A receivable is a right to consideration that is unconditional upon passage of time.

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

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

2.8 Donations / Funds received

Donations received are accounted as contributions to corpus fund or treated as revenue based on the directions from the donor.

a) Corpus Fund

Donations received from donors with a direction for utilisation towards capital expenditure are treated as corpus fund.

b) Building and Equipment Fund

Donations received from donors with a direction for utilisation towards development of infrastructure facilities including buildings and equipment are treated as building and equipment fund.

2.9 Foreign currency transactions

The functional currency of the Company is Indian Rupees (INR).

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities of foreign operations are restated into the functional currency using exchange rates prevailing on the date of the Balance Sheet. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are included in the Statement of Income and Expenditure.

2.10 Foreign Operations

For the purpose of these financial statements, the assets and liabilities of the Company's foreign operations are translated using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising on translation are recognised in other comprehensive income and accumulated in equity.

2.11 Financial Instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in Statement of Income and Expenditure.

i) Non-derivative financial instruments

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value

Financial asset not measured at amortised cost is carried at fair value through profit or loss (FVTPL) on initial recognition, unless the company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income.

The Company, on initial application of IND AS 109 Financial Instruments, has made an irrevocable election to present in other comprehensive income subsequent changes in fair value of equity instruments not held for trading.

Financial asset at FVTPL are measured at fair values at the end of each reporting period, with any gains or losses arising on remeasurement recognised in Statement of Income and Expenditure.

Financial liabilities

Financial liabilities at fair value through profit and loss are stated at fair value, with any gains or losses arising on remeasurement recognised in Statement of Income and Expenditure.

For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

2.12 Employee Benefits

a) Gratuity

The Company accounts for its gratuity liability, a defined retirement benefit plan covering eligible 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. Liabilities with regard to a Gratuity plan are determined based on the actuarial valuation carried out by an independent actuary as at the Balance Sheet date using the Projected Unit Credit method for the Company. Actuarial gains and losses are recognised in full in other comprehensive income and accumulated in equity in the period in which they occur.

b) Provident fund

The eligible employees of the Company are entitled to receive the benefits of Provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently at 12% of the basic salary) which are charged to the Statement of Income and Expenditure on accrual basis. The provident fund contributions are paid to the Regional Provident Fund Commissioner. The Company has no further obligations for future provident fund and superannuation fund benefits other than its annual contributions.

c) Compensated absences

The employees are entitled to accumulate leave subject to certain limits. The liability is provided based on the number of days of unavailed leave at each Balance Sheet date on the basis of an independent actuarial valuation using the Projected Unit Credit method for the Company. The liability which is not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised based on actuarial valuation as at the Balance Sheet date. Actuarial gains and losses are recognised in full in the Statement of Other Comprehensive Income in the period in which they occur.

2.13 Taxation

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.

Minimum Alternative Tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability is considered as an asset if there is convincing evidence that the Company will pay normal tax after the tax holiday period. Accordingly, it is recognized as an asset in the Balance Sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

Deferred income taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax asset are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

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

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

The Company recognises interest levied and penalties related to income tax assessments in income tax expenses.

Tax on distributed profits payable in accordance with the provisions of the Income-Tax Act, 1961 is disclosed in accordance with the Guidance Note on Accounting for Corporate Dividend Tax issued by the Institute of Chartered Accountants of India (ICAI)

2.14 Earnings per Share

Basic earnings/ (loss) per share are calculated by dividing the net surplus / (deficit) 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 surplus / (deficit) 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.

2.15 Provision, Contingent Liabilities and Contingent Assets

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. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent Liabilities and Contingent Assets are not recognized in the financial statements.

2.16 Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations, that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year

Useful lives of property, plant and equipment

The company reviews the estimated useful lives of property plant and equipment at the end of each reporting period. During the current year, there has been no change in life considered for the assets.

Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for the financial reporting purposes.

In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1inputs are not available, the Company engages third party qualified valuers to perform the valuation . Finance team works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The Chief Executive Officer reports to the board of fluctuations in the fair value of the assets and liabilities.

Provision for employee benefits

The Company uses actuarial assumptions to determine the obligations for employee benefits at each reporting period. These assumptions include the discount rate, expected long-term rate of return on plan assets, rate of increase in compensation levels and mortality rates.

Provision for taxes

Significant judgments are required in determining the provision for income taxes, including the amount expected to be paid/ recovered for uncertain tax positions.

2.17 New Accounting Standards, Amendments to Existing Standards, Annual Improvements and Interpretations Effective Subsequent to 31 March 2019

On 30 March 2019, Ministry of Corporate Affairs issued Companies (Indian Accounting Standards) Amendment Rules, 2019 notifying Ind AS 116 - "Leases". Ind AS 116 will replace Ind AS 16. Ind AS 116 introduces major changes in the principles for measuring, recognizing and presenting leases in the financial statements of lessees. As of 01 April 2019, Ind AS 116 requires lessees to recognize most leases using a single accounting model, i.e., the same model as that used to recognize finance leases under Ind AS 17. The lessee will recognize:

- a non-current asset representing its right to use the leased asset, in the statement of financial position;
- a financial liability representing its obligation to pay for the right to use the asset, in the statement of financial position;
- amortization of the right-of-use asset and interest expenses on the lease liability, in the statement of income.

The main measures included in Ind AS 116 to simplify application and adopted by the Company are:

- exclusion of short-term leases;
- exclusion of leases of low-value assets.

The Company will apply Ind AS 116 using the modified retrospective approach. This simplified approach does not require restatement of financial statements published before the date Ind AS 116 is first applied.

Within the scope of its transition to Ind AS 116, the Company has elected the following main options to simplify application:

- exclusion of leases with a residual term of 12 months or less at the transition date, along with leases of low-value assets;
- application of Ind AS 116 only to contracts previously identified as leases;
- use of the initial lease term to determine the discount rate at the transition date;
- exclusion of initial direct costs from the measurement of the right-of-use asset at the date of initial application.

The Company is currently finalizing its assessment of the impact of applying Ind AS 116 on its financial statements, based on the leases identified and an analysis of their main terms and conditions. The Company mainly has lease contracts for land and buildings which are currently accounted for as operating leases and for which it will be required to recognize a right-of-use asset under Ind AS 116.

All amounts are Rupees in lakhs unless otherwise stated

3. Property, Plant and Equipment

	As at 31 March 2019	As at 31 March 2018
Buildings [Refer note 36]	**2,031.57**	2,200.90
Plant and Machinery [Refer note 36]	**242.38**	771.98
Computers	**163.09**	164.19
Office Equipment	**106.19**	111.42
Furniture and Fixtures	**209.12**	238.97
Library Books	**0.60**	0.05
Vehicles	**19.54**	-
Lab Equipments	**383.40**	-
	3,155.89	3,487.51

	Buildings	Plant and Machinery	Computers	Office Equipment	Furniture and Fixtures	Library Books	Vehicle	Lab Equipments	Total
3.1 Cost or deemed Cost									
Balance as at 01 April 2017	543.22	827.84	467.99	121.08	30.79	155.97	-	-	2,146.88
Additions	1,889.25	453.88	104.65	58.10	317.87	4.61	-	-	2,828.36
Disposals/Adjustments	-	-	(0.52)	-	-	(0.01)	-	-	(0.52)
Balance as at 31 March 2018	**2,432.47**	**1,281.72**	**572.12**	**179.18**	**348.66**	**160.57**	**-**	**-**	**4,974.72**
Additions	28.13	27.36	118.78	32.00	35.24	19.74	20.22	86.53	368.00
Disposals/Adjustments	-	(948.65)	-	-	-	(4.48)	-	948.65	(4.48)
Balance as at 31 March 2019	**2,460.60**	**360.43**	**690.90**	**211.17**	**383.90**	**175.83**	**20.22**	**1,035.19**	**5,338.24**
3.2 Accumulated depreciation									
Balance as at 01 April 2017	50.28	279.77	281.30	37.07	13.54	116.30	-	-	778.25
Depreciation	181.29	229.98	127.15	30.69	96.15	44.23	-	-	709.49
Disposals / Adjustments	-	-	(0.52)	-	-	(0.01)	-	-	(0.52)
Balance as at 31 March 2018	**231.57**	**509.75**	**407.94**	**67.76**	**109.68**	**160.52**	**-**		**1,487.22**
Additions	197.46	65.96	119.87	37.23	65.10	19.12	0.67	194.13	699.54
Disposals/Adjustments	-	(457.65)	-	-	-	(4.41)	-	457.65	(4.41)
Balance as at 31 March 2019	**429.03**	**118.06**	**527.81**	**104.99**	**174.78**	**175.23**	**0.67**	**651.78**	**2,182.35**
3.3 Carrying Amount									
Balance as at 01 April 2017	492.94	548.07	186.69	84.02	17.25	39.67	-	-	1,368.63
Balance as at 31 March 2018	**2,200.90**	**771.98**	**164.19**	**111.42**	**238.97**	**0.05**	**-**	**-**	**3,487.51**
Balance as at 31 March 2019	**2,031.57**	**242.38**	**163.09**	**106.19**	**209.12**	**0.60**	**19.54**	**383.40**	**3,155.89**

All amounts are Rupees in lakhs unless otherwise stated

		As at 31 March 2019	As at 31 March 2018
4	**Capital work-in-progress**	**2,760.48**	650.20
	Capital work-in-progress		
	Total	**2,760.48**	650.20
5	**Other intangible assets**		
	Software	**-**	-
	Total	**-**	-

		Software	Total
5.1	**Cost or Deemed Cost**		
	Balance as at 01 April 2017	**176.35**	176.35
	Additions	**209.28**	209.28
	Disposals/Adjustments	**-**	-
	Balance as at 31 March 2018	**385.62**	385.62
	Additions	**119.55**	119.55
	Disposals/Adjustments	**-**	-
	Balance as at 31 March 2019	**505.18**	505.18
5.2	**Accumulated depreciation**		
	Balance as at 01 April 2017	**176.35**	176.35
	Depreciation	**209.28**	209.28
	Disposals / Adjustments	**-**	-
	Balance as at 31 March 2018	**385.62**	385.62
	Additions	**119.55**	119.55
	Disposals/Adjustments	**-**	-
	Balance as at 31 March 2019	**505.18**	505.18
5.3	**Carrying Amount**		
	Balance as at 01 April 2017	**-**	-
	Balance as at 31 March 2018	**-**	-
	Balance as at 31 March 2019	**-**	-

		As at 31 March 2019	As at 31 March 2018
6	**Other financial assets**		
	(unsecured, considered good)		
	Investments in term deposits	**30.00**	130.00
	(with remaining maturity of more than twelve months)		
	Security Deposits	**14.31**	13.31
	Total	**44.31**	143.31
7	**Non-Current tax asset (net)**		
	Tax Deducted at Source	**70.84**	33.47
	Total	**70.84**	33.47
8	**Other non current assets**		
	Capital Advances	**278.67**	23.69
	Total	**278.67**	23.69

All amounts are Rupees in lakhs unless otherwise stated

		As at 31 March 2019	As at 31 March 2018
9	**Trade Receivables**		
	Unsecured, considered good	**100.85**	72.34
	Doubtful	**-**	-
		100.85	72.34
	Allowance for doubtfull debts	**(5.71)**	-
	Total	**95.14**	72.34
9.1	**Of the above, trade receivables from:**		
	Related parties	**-**	-
	Others	**95.14**	72.34
	Total	**95.14**	72.34
9.2	**Classification of trade receivables**		
	Non-Current	**-**	-
	Current	**95.14**	72.34
	Total	**95.14**	72.34
10	**Cash and Cash Equivalents**		
	Balances with scheduled banks		
	In Savings accounts	**295.48**	507.99
	In Current accounts	**1.86**	5.91
	Total	**297.34**	513.90
11	**Other bank balances**		
	Balances with scheduled banks		
	In Deposit accounts	**3,982.00**	5,061.00
	Total	**3,982.00**	5,061.00
12	**Other financial assets**		
	(unsecured, considered good)		
	Interest Receviable on deposits	**240.90**	294.03
	Total	**240.90**	294.03
13	**Other current assets**		
	(unsecured, considered good)		
	Loans and Advances to Employees	**4.60**	1.88
	Prepaid expenses	**80.48**	55.12
	Others	**9.52**	17.92
	Total	**94.60**	74.92

All amounts are Rupees in lakhs unless otherwise stated

14 Equity Share capital

	As at 31 March 2019		As at 31 March 2018	
	Number of Shares	**Amount**	Number of Shares	Amount
Authorised Share Capital				
Equity share capital of ₹ 10 each	**10,000**	**1.00**	10,000	1.00
Issued, Subscribed and Fully Paid up				
Equity share capital of ₹ 10 each	**10,000**	**1.00**	10,000	1.00

14.1 Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the reporting period.

	As at 31 March 2019		As at 31 March 2018	
	Number of Shares	**Amount**	Number of Shares	Amount
Equity share capital of ₹ 10 each				
Balance as at beginning of the period	**10,000**	**1.00**	10,000	1.00
Issued during the period			-	-
Balance as at end of the period	**10,000**	**1.00**	10,000	1.00

14.2 Shares held by holding/ultimate holding Company and/or their subsidiaries/associates

	As at 31 March 2019		As at 31 March 2018	
	Number of Shares	**Amount**	Number of Shares	Amount
Equity shares of ₹ 10 each fully paid held by				
Tech Mahindra Limited*	**10,000**	**1.00**	10,000	1.00

* 200 equity shares are held by jointly with the directors.

14.3 Details of shares held by each shareholders holding more than 5% shares in the Company

	As at 31 March 2019		As at 31 March 2018	
	Number of Shares	**% of Holding**	Number of Shares	Amount
Equity shares of ₹ 10 each fully paid held by				
Tech Mahindra Limited*	**10,000**	**100%**	10,000	100%

* 200 equity shares are held by jointly with the directors

14.4 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. Repayment of the capital in the event of wining up of the Company will inter alia be subject to the provisions of Companies Act, 2013 and the Articles of Association of the Company and the same shall not be distributed amongst the members of the Company but shall be given or transferred to such other Company having objects similar to the objects of the Company to be determined by the members of the Company at or before the time of dissolution.

All amounts are Rupees in lakhs unless otherwise stated

		As at 31 March 2019	As at 31 March 2018
15	**Other equity**		
	Corpus Fund	**1,166.00**	1,166.00
	University Fund	**1,500.00**	1,500.00
	Building and Equipment Fund [Refer note 36]	**8,185.00**	6,610.00
	Retained Earnings	**(2,936.47)**	(1,923.02)
	Items of Other Comprehensive Income		
	Remeasurement of defined benefit plans	**7.11**	12.70
	Total	**7,921.64**	7,365.68
15.1	**Corpus Fund**		
	Opening balance	**1,166.00**	1,166.00
	Contributions received during the year	**-**	-
	Closing balance	**1,166.00**	1,166.00
15.2	**University Fund**		
	Opening balance	**1,500.00**	-
	Contributions received during the year	**-**	1,500.00
	Closing balance	**1,500.00**	1,500.00
15.3	**Building and Equipment Fund [Refer note 36]**		
	Opening balance	**6,610.00**	6,610.00
	Contributions received during the year	**1,575.00**	-
	Closing balance	**8,185.00**	6,610.00
15.4	**Retained Earnings**		
	Opening balance	**(1,923.04)**	(1,217.55)
	Surplus / (Deficit) for the year	**(1,013.43)**	(705.47)
	Closing balance	**(2,936.47)**	(1,923.02)
15.5	**Other Comprehensive Income accumulated in Other Equity, net of tax**		
	Remeasurement of defined benefit plans		
	Opening balance	**12.70**	13.81
	Surplus / (Deficit) for the year	**(5.59)**	(1.11)
	Closing balance	**7.11**	12.70

15.6 Capital Management

Equity share capital and other equity are considered for the purpose of Company's capital management. The Company manages its capital so as to safeguard its ability to continue as a going concern. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

All amounts are Rupees in lakhs unless otherwise stated

		As at 31 March 2019	As at 31 March 2018
16			
	Caution Deposit from students	**118.77**	106.44
	Total	**118.77**	106.44
17	**Provisions (Non-Current)**		
	Provision for Employee Benefits [Refer note 34]		
	Compensated Absences	**41.29**	16.48
	Gratuity	**57.02**	42.77
	Total	**98.31**	59.25
18			
	Acceptances	**-**	-
	Other than Acceptances	**1,218.88**	1,322.15
	Total	**1,218.88**	1,322.15

Trade payables include ₹ 778.87 Lakhs (31 March 2018: ₹ 986.83 Lakhs) due towards related party. [Refer note 31]

		As at 31 March 2019	As at 31 March 2018
19			
	Caution Deposit from students	**48.28**	44.50
	Total	**48.28**	44.50
20			
	Statutory payables	**74.63**	80.71
	Deferred revenue	**1,298.90**	1,295.54
	Fee recevied in advance	**65.75**	17.48
	Others	**157.14**	51.98
	Total	**1,596.42**	1,445.71
21	**Provisions (Current)**		
	Provision for Employee Benefits [Refer note 34]		
	Compensated Absences	**11.06**	5.59
	Gratuity	**5.81**	4.05
	Total	**16.87**	9.64

All amounts are Rupees in lakhs unless otherwise stated

		As at 31 March 2019	As at 31 March 2018
22	**Fee from Academic Courses**		
	Academic Fee	**3,488.37**	3,327.28
	Application Fee	**22.98**	14.71
	Hostel Fee	**1,333.46**	1,202.58
	Gymkhana Fee	**224.19**	213.69
	Total	**5,069.00**	4,758.26
23	**Other Income**		
	Interest on Bank Deposits	**323.53**	301.14
	Interest on savings account	**41.06**	58.86
	Interest Income from other financial assets (measured at amortised cost)	**-**	21.90
	Provisions no longer required written back	**-**	60.20
	Miscellaneous income	**1.05**	2.62
	Total	**365.64**	444.72
24	**Academic Expenses**		
	Tution Fees	**-**	2.87
	Affiliation Fees	**275.65**	279.98
	Ecole Centrale Paris Charges	**211.35**	50.07
	Seminars and Conferences	**10.08**	4.93
	Laboratory expenses	**36.11**	36.40
	Research expenses	**5.90**	-
	Other expenses	**30.57**	19.12
	Total	**569.66**	393.37
25	**Employee Benefits Expense**		
	Salaries and wages	**1,706.47**	1,302.89
	Contribution to provident and other funds	**114.20**	88.02
	Gratuity	**28.41**	22.09
	Staff welfare	**19.19**	4.01
	Total	**1,868.27**	1,417.00
26	**Finance Costs**		
	Other Borrowing Costs		
	Interest on Caution Deposit	**12.03**	8.95
	Total	**12.03**	8.95
27	**Depreciation and Amortisation**		
	On Tangible assets	**699.54**	709.49
	On Intangible assets	**119.55**	209.28
	Total	**819.10**	918.77

All amounts are Rupees in lakhs unless otherwise stated

		As at 31 March 2019	As at 31 March 2018
28	**Other Expenses**		
	Rent	**1,524.21**	1,470.60
	Rates and taxes	**13.99**	169.46
	Power and fuel	**176.77**	158.34
	Printing and Stationery	**25.00**	14.07
	Books and Periodicals	**27.58**	-
	Travelling and Conveyance	**130.21**	33.84
	Communication	**53.49**	36.09
	Advertisement and Publicity	**225.23**	27.78
	Recruitment expenses	**7.16**	6.07
	Repair and Maintenance	**410.31**	245.48
	Debit balance written off	**-**	29.00
	Security Charges	**112.58**	92.65
	General Office Expenses	**232.57**	190.69
	Legal and Professional Charges [Refer note 28.1]	**158.05**	87.44
	Catering expenses	**592.96**	601.00
	Exchange loss	**-**	1.58
	Provision for Doubtful Debts	**5.71**	-
	Bank Charges	**0.22**	0.52
	Miscellaneous expenses	**5.43**	4.55
	Honarorium	**2.55**	1.20
	Total	**3,704.02**	3,170.36
28.1	**Auditors' Remuneration included under Legal and Professional Charges (excluding service tax/Good and service tax)**		
	for Statutory Audit	**3.50**	1.75
	for Tax Audit	**1.50**	1.00
	for Other Matters	**-**	-
	Total	**5.00**	2.75
29	**Commitments and Contingencies**		
29.1	Estimated amount of contracts remaining to be executed on capital account and not provided for	**2,400.96**	4016.44
29.2	Contingent Liabilities	**Nil**	Nil

30 Operating Leases

30.1 Rental expenses of ₹ 1,524.21 Lakhs [31 March 2018 : ₹ 1,470.60 Lakhs] has been charged to Statement of Income and Expenditure in respect of cancellable operating leases.

30.2 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.

	Year Ended 31 March 2019	Year Ended 31 March 2018
Future Minimum Lease Payments		
Not later than one year	**1,193.10**	1,466.53
Later than one year and not later than five years	**4,772.40**	6,198.00
Later than five years		
Total	**5,965.50**	7,664.53
Lease payments recognised in the statement of income and expenditure	**1,524.21**	1,470.60

All amounts are Rupees in lakhs unless otherwise stated

31 Related Party Transactions

31.1 Following is the list of related parties and their relationships

	Party Name	Relationship	Relationship
1	Tech Mahindra Limited	**Holding Company**	Holding Company

31.2 Related party transactions for the year ended 31 March 2019 are as follows:

	Year Ended 31 March 2019	Year Ended 31 March 2018
Tech Mahindra Limited		
Donations Received	**(1,575.00)**	(1,500.00)
Expenses Reimbursed	**2.06**	9.07
Rent Paid	**701.29**	1,472.38
Professional fees	**39.36**	65.84
Software	**36.16**	-
Credit Balances at the end of the year		
Tech Mahindra Limited	**778.87**	986.83

32 Segment Information

Based on the assessment of the chief operating decision maker ('CODM'), for the purpose of resource allocation and assessment of segment performance, the Company has only one business segment viz, of providing educational services. Hence there are no reportable segments under Ind AS. 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.

33 Earnings Per Equity Share	Year Ended 31 March 2019	Year Ended 31 March 2018
Net surplus / (deficit) after tax	**(1,013.43)**	(705.47)
Shares - [in Numbers]		
Number of shares at the beginning of the year	**10,000**	10,000
Total number of equity shares outstanding at the end of the year	**10,000**	10,000
Weighted average number of equity shares outstanding during the year - Basic and Diluted	**10,000**	10,000
Earnings per share in ₹ - Par value of ₹ 10 per share		
Basic and Diluted* [in ₹ per share]	**(10,134.31)**	(7,054.74)

* The Company has no dilutive instruments.

34 Employee benefit plans

The gratuity scheme is a final salary Defined Benefit Plan that provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benfits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The plan design mean the risks commonly affecting the liabilities and the financial results are exposed to:

a) Interest rate risk : the defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

b) Salary inflation risk : Higher than expexted increases in salary will increase the defined benefit obligation

c) Demographic risk : For example, as plan is open to new entrants, an increase in membership will increase the defined benefit obligation. Also, the plan only provides benefits upon completion of a vesting criteria. Therefore, if tunover rates increase, then the liability will tend to fall as fewer employees reach vesting period.

I The Principal Assumptions used for the purposes of the acturial valuation as follows

	Details	**31-Mar-19**	31-Mar-18
1	Discount Rate(s)	**7.65%**	8%
2	Expected Rate(s) of salary increase	**4%**	4%
3	Demographic Assumptions		

All amounts are Rupees in lakhs unless otherwise stated

	Mortality Rate	**Indian Assured lives Mortality (2006-08) Ult.**	Indian Assured lives Mortality (2006-08) Ult.
	Withdrawal Rate (per Annum)	**4%**	4%
		-	-
II	**Disclosure of defined benefit cost :**		
	Details	**Year Ended 31 March 2019**	Year Ended 31 March 2018
A	**Amounts Recongnised in Statement of Income and Expenditure**		
1	Current Service Cost	**24.50**	17.04
2	Interest Cost	**3.61**	2.31
3	Settlement cost / (credit)	**-**	-
4	Cost recognised in statement of income and expenditure	**28.11**	19.35

	Details	**Year Ended 31 March 2019**	Year Ended 31 March 2018
B	**Amounts Recongnised in Other Comprehensive Income (OCI)**		
1	Actuarial (gain)loss due to DBO experience	**(8.62)**	(1.45)
2	Actuarial (gain)loss due to DBO assumption changes	**-**	-
3	Actuarial (gain)loss arising during the period	**(8.62)**	(1.45)
4	Return on plan assets (Greater)/Less than discount rate	**-**	-
5	Actuarial (gains)/losses recognised in OCI	**(8.62)**	(1.45)
6	Adjustment for limit on net asset	**-**	-
7	Cumulative Actuarial (Gain)/ Loss Recognized via OCI at Current Period End	**(8.62)**	(1.45)
C	**Defined benefit cost**		
1	Service Cost	**24.51**	17.04
2	Net interest on net defined benefit liability / (asset)	**3.61**	2.31
3	Actuarial (gains)/losses recognised in OCI	**-8.62**	(1.45)
4	Immediate recognition or (gains)/losses - other long term employee benefit plans	**0**	-
5	Defined Benefit Cost	**19.50**	17.90

III **Changes in benefit obligation and assets**

	Details	**As at 31 March 2019**	As at 31 March 2018
A.	**Changes in defined benefit obligation:**		
1	Defined benefit obligation(DBO) at the end of prior period	**46.82**	28.91
2	Current service cost	**24.51**	17.04
3	Interest cost	**3.61**	2.31
4	Curtailment (credit)/ cost	**-**	-
5	Settlement (credit)/ cost	**-**	-
6	Past service cost - plan amendments	**-**	-
7	Acquisitions (credit)/ cost	**-**	-
8	Actuarial (gain)/loss	**(8.62)**	(1.45)
9	Actuarial (gain)/loss - demographic assumptions	**-**	-
10	Actuarial (gain)/loss - financial assumptions	**-**	-
11	Benefits paid directly by the Company	**-**	-
12	Benefits paid from plan assets	**-**	-
13	DBO at end of current period	**66.32**	46.81

All amounts are Rupees in lakhs unless otherwise stated

B.	**Changes in fair value of assets:**		
1	Fair value of assets at end of prior period	**-**	-
2	Acquisition adjustment	**-**	-
3	Interest income on plan assets	**-**	-
4	Employer contributions	**-**	-
5	Return on plan assets greater/(lesser) than discount rate	**-**	-
6	Benefits paid	**-**	-
7	Fair Value of assets at the end of current period	**-**	-

IV Additional Disclosures

		31 March 2019	31 March 2018
A.	**Expected benefit payments for the years ending**		
	2019	**5.81**	2.08
	2020	**3.32**	2.78
	2021	**3.71**	3.12
	2022	**5.48**	3.35
B.	**Current and Non current breakup**		
	Current liability	**5.81**	4.04
	Non current liability	**57.01**	42.77
	Total Liability	**62.82**	46.81

V Sensitivity Analysis

	Details	As at 31 March 2019	As at 31 March 2018
A	**Discount rate**		
	Discount rate as at year end	**8%**	8%
	Effect on DBO due to 1% increase in discount rate	**50.25**	42.37
	Effect on DBO due to 1% decrease in discount rate	**54.64**	52.10
B	**Salary escalation rate**		
	Salary escalation rate as at year end	**4%**	4%
	Effect on DBO due to 1% increase in salary escalation rate	**55.01**	52.53
	Effect on DBO due to 1% decrease in salary escalation rate	**49.87**	41.96
C	**Attrition rate**		
	Salary escalation rate as at year end	**4%**	4%
	Effect on DBO due to 1% increase in attrition rate	**52.24**	48.06
	Effect on DBO due to 1% decrease in attrition rate	**52.46**	45.26

Method used for sensitivity analysis: The sensitivity results above determine their individual impact on the Plan’s end of year Defined Benefit Obligation. In reality, the Plan is subject to multiple external experience items which may move the Defined Benefit Obligation in similar or opposite directons, while the Plan’s sensitivity to such changes can vary over time.

35 Financial Instruments

35.1 Accounting classification and fair values

The carrying amounts and fair values of financial instruments by class are as follows:

	As at 31 March 2019	As at 31 March 2018
Financial Assets		
Financial assets measured at fair value		-
Financial assets measured at amortised cost		
	285.21	437.34
Financial Liabilities		
Financial liabilities measured at fair value	**-**	-
Financial liabilities measured at amortised cost		
	118.77	106.44

The Company has disclosed financial instruments such as cash and cash equivalents, other bank balances, trade receivables, trade payables at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short term nature.

35.2 Fair value hierarchy

The fair value of financial instruments as referred to in note 34.1 above have been classified into three categories depending on the inputs used in the valuation technique. The hirarchy gives the hightest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest periority to unobservable inputs (Level 3 measurements).

The Company does not have any financial assets and liabilities, which are measured at fair value.

Other financial assets and liabilities

Cash and cash equivalents, trade receivables, investments in term deposits, other financial assets, trade payables and other financial liabilities have fair values that approximate to their carrying amounts due to their short-term nature.

35.3 Financial Risk Management

The Company's activities are exposed to liquidity and market risks. The Company's senior management has the overall responsibility for establishing and governing the company's risk management frame work. The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the board annually.

36 The Company has received ₹ 8185.00 Lakhs as contributions towards development of building and equipment till year ended 31 March 2019. The Company has utilised ₹ 6723.03 Lakhs as on 31 March 2019 out of the funds received for the construction of buildings and purchase of equipments.

37 Trade payable other than acceptances include dues to Micro and Small Enterprises, under the Micro, Small and Medium Enterprises Development Act, 2006 that have been determined based on the information available with the company and the required disclosures are given below:

All amounts are Rupees in lakhs unless otherwise stated

		Year ended 31 March 2019	Year ended 31 March 2018
a)	Principal amount remaining unpaid	-	-
b)	Interest due thereon	-	-
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	-	-
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.	-	-
e)	Interest accrued and remaining unpaid	-	-
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.	-	-

38 Provision for current tax and deffered tax has not been made since the income of Company is exempted U/s 11 and 12 of the Income Tax Act, 1961. Tax assessment upto AY 14-15 are complete granting exemption to the income of the Company.

for and on behalf of Board of Directors
Mahindra Educational Institutions
CIN: U80300TG2013NPL086878

Vineet Nayyar	**C.P. Gurnani**	**Milind Kulkarni**
Director	Director	Director
DIN:00018243	DIN:00018234	DIN:00012888

Hyderabad, May 10, 2019

PF Holdings B.V.

Board of Directors

Mr. Vikram Nair
Mr. Tanveer Hussain
Mr. Sandeep Phadke
Mr. Rajan Wadhera
Mr. AnishShah

Registered Office

Maanplein 20, 2516 CK, The Hague, the Netherlands

Bankers

JP Morgan Chase Bank
BNP Paribas
BANCA Intermobiliare Di Investimenti E Gestioni

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF PF Holdings B.V.
Report on the Audit of Special Purpose Financial Statements

Report on the Audit of Special Purpose Financial Statements Opinion

We have audited the accompanying special purpose financial statements of PF Holdings B.V.("the Company"), which comprise the Balance Sheet as at March 31, 2019 and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements give a true and fair view in conformity with the Indian Accounting Standards, of the state of affairs of the Company as at March 31, 2019, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis of Preparation and Restriction on Use and distribution

Without modifying our opinion, we draw attention to Note 2.1 of the special purpose financial statements, which describes the basis of preparation. These special purpose financial Statements have been prepared by the Management of the Company solely for its Ultimate Parent Company (Tech Mahindra Limited) to assist them in preparation of its Consolidated Financial Statements. Our report is intended solely for the use of management and Board of Directors for the above purpose and should not be distributed to or used by any other parties.

Basis for Opinion

We conducted our audit of the special purpose financial statements in accordance with the Standards on Auditing issued by Institute of Chartered Accountants of India (ICAI).

Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Special Purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the special purpose financial statements.

Management's Responsibility for the Special Purpose Financial Statements

The Company's Board of Directors is responsible for the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance including other comprehensive loss, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013. This includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the special purpose financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the special purpose financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the special purpose financial statements.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For Deloitte Haskins & Sells LLP Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Hemant M. Joshi
Partner
(Membership No. 38019)

Place: Pune
Date: June 4, 2019

BALANCE SHEET AS AT 31-MARCH-19

Balance Sheet	Note No.	31-Mar-19	Amount in Euro 31-Mar-18
ASSETS			
Non-Current Assets			
(a) Financial Assets			
(i) Investments	3	**61,366,282**	61,366,282
(ii) Other Financial Assets	4	**9,920,503**	11,464,633
Total Non-Current Assets		**71,286,785**	72,830,915
Current Assets			
(a) Financial Assets			
(i) Cash and Cash Equivalents	5	**201,579**	235,248
(ii) Other Financial Assets	6	**1,544,130**	1,544,130
Total Current Assets		**1,745,709**	1,779,378
Total Assets		**73,032,494**	74,610,293
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	7	**61,730,024**	61,730,024
(b) Other Equity		**(185,532)**	(140,860)
Total Equity		**61,544,492**	61,589,164
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Other Financial Liabilities	8	**9,920,503**	11,464,633
Total Non-Current Liabilities		**9,920,503**	11,464,633
Current liabilities			
(a) Financial Liabilities			
(i) Trade Payables	9	**23,370**	12,366
(ii) Other Financial Liabilities	10	**1,544,130**	1,544,130
		1,567,499	1,556,496
Total Current Liabilities			
Total Equity and Liabilities		**73,032,494**	74,610,293
See accompanying notes forming part of the financial statements	1 to 17		

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No. 117366W/ W- 100018

For PF Holdings B.V.

Hemant M. Joshi
Partner
Membership No. 38019

Director

Director

Place: Pune
Date: June 4, 2019

Date: June 4, 2019

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31-MARCH-19

Amount in Euro

	Statement of Profit and Loss	Note No.	31-Mar-19	31-Mar-18
I	Revenue from Operations		**-**	-
II	Other Income	11	**1,544,202**	1,554,981
III	**Total Revenue (I +II)**		**1,544,202**	1,554,981
IV	**EXPENSES**			
	Finance Cost	12	**-**	2,748
	Other Expenses	13	**1,588,874**	1,586,713
	Total Expenses		**1,588,874**	1,589,461
V	**Loss before Tax (III-IV)**		**(44,672)**	(34,480)
VI	**Tax Expense**			
	Current Tax		**-**	-
	Deferred Tax		**-**	-
	Total Tax Expense		**-**	-
VII	**Loss after tax (V-VI)**		**(44,672)**	(34,480)
VIII	**Other Comprehensive Income**			
A	I. Items that will not be reclassified to Profit or Loss			
	(a) Remeasurements of the Defined Benefit Liabilities - gain / (loss)		**-**	-
	(b) Equity Instruments through Other Comprehensive Income - gain / (loss)		**-**	-
	II. Income Tax relating to items that will not be reclassified to Profit or Loss		**-**	-
B	I. Items that will be reclassified to Profit or Loss			
	(a) Effective portion of gain / (loss) on Designated Portion of Hedging Instruments in a Cash Flow Hedge (net)		**-**	-
	II. Income Tax relating to items that will be reclassified to Profit or Loss		**-**	-
	Total Other Comprehensive Income (A+B)		**-**	-
IX	**Total Comprehensive Loss (VII + VIII)**		**(44,672)**	(34,480)
	Earnings per Equity Share (Face Value Euro 1) in Euro	15		
	Basic		**(0.001)**	(0.001)
	Diluted		**(0.001)**	(0.001)
	See accompanying notes forming part of the financial statements	1 to 17		

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No. 117366W/ W- 100018

For PF Holdings B.V.

Hemant M. Joshi
Partner
Membership No. 38019

Director

Director

Place: Pune
Date: June 4, 2019

Date: June 4, 2019

STATEMENTS OF CHANGES IN EQUITY

A. Equity Share Capital

Amount in Euro

1-Apr-17	Changes in equity share capital during the year	31/Mar/18
57,730,024	4,000,000	61,730,024

1-Apr-18	Changes in equity share capital during the year	31/Mar/19
61,730,024	-	61,730,024

B. Other Equity -Reserves and Surplus - Retained Earnings

Amount in Euro

Particulars	31/Mar/19	31/Mar/18
Balance as at the beginning of reporting year	(140,860)	(106,380)
Loss for the Year	(44,672)	(34,480)
Other Comprehensive Income (net)	-	-
Total Comprehensive Loss	**(185,532)**	**(140,860)**

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No. 117366W/ W- 100018

For PF Holdings B.V.

Hemant M. Joshi
Partner
Membership No. 38019

Director

Director

Place: Pune
Date: June 4, 2019

Date: June 4, 2019

PF HOLDINGS B.V.

CASH FLOW STATEMENT

Cash Flow Statement	31-Mar-19	31-Mar-18
A Cash Flow from Operating Activities		
Loss Before Tax	**(44,672)**	(34,480)
Adjustments for:		
Financial Guarantee Contracts:		
Interest Income	**(1,544,130)**	(1,554,018)
Amortisation of corporate guarantee expenses	**1,544,130**	1,546,775
Movement in working capital:		
Other Financial Assets	**1,544,130**	1,615,372
Trade Payable	**11,003**	(38,860)
Other Financial Liabilities	**(1,544,130)**	(1,544,129)
Cash Flow from Operations	**(33,669)**	(9,340)
Income Tax Refund / (Paid) (net)	**-**	-
Net Cash Flow from Operating Activities (A)	**(33,669)**	(9,340)
B Cash Flow from Investing Activities		
Investment in Subsidiaries (Refer note 3)	**-**	(20,211,678)
Loan received back	**-**	16,000,000
Interest Paid	**-**	(2,029)
Net Cash (used in) Investing Activities (B)	**-**	(4,213,707)
C Cash Flow from Financing Activities		
Proceeds from Issue of Equity Shares (Refer note 7)	**-**	4,000,000
Net Cash Flow from Financing Activities (C)	**-**	4,000,000
Net Increase in Cash and Cash Equivalents (A+B+C)	**(33,669)**	(223,047)
Opening Cash and Cash Equivalents	**235,248**	458,295
Cash and Cash Equivalents (Refer note below)	**201,579**	235,248

Note:

Cash and Cash Equivalents Comprises of	**31/Mar/19**	31/Mar/18
Balances with Banks:		
In Current Accounts	**201,579**	235,248
	201,579	235,248

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No. 117366W/ W- 100018

For PF Holdings B.V.

Hemant M. Joshi
Partner
Membership No. 38019

Director

Director

Place: Pune
Date: June 4, 2019

Date: June 4, 2019

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Corporate Information

The company was incorporated on April 29, 2016. The principal place of business of the Company is at 2516, CK, The Hague, Maanplein, 20, The Netherlands. The financial statements are expressed in EURO (EUR).

The principal activities of the company are financing of the acquisition and constitution of the Subsidiary Company and enabling the shareholders to fulfill the terms of acquistion in documents including the further capitalisation of the subsidiary and the proposed mandatory tender offer in relation to acquisition of public shareholding of the subsidiary.

The company is a 60% subsidiary of Tech Mahindra Limited (India).

The financial statements of the company for the year ended March 31, 2019 were authorised for issue by the Board of Directors on June 4, 2019.

2. SIGNIFICANT ACCOUNTING POLICIES:

2.1. Statement of Compliance:

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules,2016 issued by the Ministry of Corporate Affairs, except additional disclosures required by the Companies Act 2013 (as the Company is not incorporated in India and these financial statements are not statutory financial statements, full compliance with the above Act is not required).

2.2. Basis of preparation of financial statements

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

In estimating the fair value of an asset or liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The functional currency of the Company is Euro (EUR). The Financial statements have been prepared as per section 129 (1) of the Act to assist the Tech Mahindra Limited (Parent Company) for preparation of consolidated financial statements and for the purpose of compliance with the provision of section 129 and Section 136 read with Schedule III of the Companies Act, 2013.

2.3. 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. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

2.4. Cash and cash equivalents (for purposes of Cash Flow Statement)

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.

2.5. 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.

2.6. Revenue recognition

On March 28, 2018, the Ministry of Corporate Affairs (MCA) has notified Indian Accounting Standard (Ind AS) 115 – Revenue from contracts with customers. The Company has adopted Ind AS 115 with effect from April 1, 2018 by using cumulative catch-up transition method applied to contracts that were not completed as on April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted.

The effect on adoption of Ind AS 115 was not applicable since the Company does not have any revenue generating activities of its own.

Interest income is recognised using the effective interest rate method.

2.7. Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.8. Foreign currency transactions:

The functional currency of the company is Euro (EUR).

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the dates of Balance Sheet. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are recognized in the profit or loss.

2.9. Financial Instruments:

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in profit or loss.

Non-derivative financial instruments:

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest rate method or at fair value through profit and loss (FVTPL). Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised in a business combination, or is held for trading or it is designated as FVTPL. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit and loss.

For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

2.10. 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, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with the local tax laws existing in the country.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the income taxes are recognised in other comprehensive income or directly in equity, respectively.

Advance taxes and provisions for current income taxes are presented in the statement of financial position after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

Deferred income taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

Deferred income tax asset are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

2.11. Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the 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. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

2.12. Investment in subsidiaries

Investment in subsidiaries is carried at cost less impairment as per Ind AS 27 Separate Financial Statements.

2.13. Critical accounting estimates

Impairment testing

Investments in subsidiary is tested for impairment at least annually and when events occur or changes in circumstances indicate that the recoverable amount of the cash generating units to which these pertain is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to dispose. The calculation of value in use of a cash generating unit involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

2.14. New Accounting Standards yet to be adopted

Ind AS - 116 - Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company will adopt Ind AS 116, effective annual reporting period beginning April 1, 2019. The Company will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the Company will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. In accordance with the standard, the Company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

On transition, the Company will be using the practical expedient provided the standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application.

With effect from April 01, 2019, the Company will recognise new assets and liabilities for its operating leases of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to a) amortization change for the right-to-use asset, and b) interest accrued on lease liability.

Previously, the Company recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

As a lessor, sublease shall be classified an operating lease if the head lease is classified as a short term lease. In all other cases the sublease shall be classified as a finance lease.

The Company has not entered in any lease contracts and hence the impact and disclosure is not appliacble.

Ind AS 12 Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company has evaluated the effect of this on the financial statements and the impact is not material.

Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company has evaluated the effect of this on the financial statements and the impact is not applicable.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company has evaluated the effect of this on the financial statements and the impact is not applicable.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The said amendment is not applicable to the Company.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The said amendment is not applicable to the Company.

Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The said amendment is not applicable to the Company.

Note 3: Investments: Non Current

Amount in Euro

Particulars		**As at 31-Mar-19**		As at 31-Mar-18
In Subsidiary- quoted				
41,342,165 Equity Shares of Euro 1 each fully paid-up of Pininfarina S.p.A. (Refer Note 14.b)	**4,54,76,383**		4,54,76,383	
Increase on account of Financial Guarantee (Refer Note 7)	**1,58,89,899**	**6,13,66,282**	1,58,89,899	6,13,66,282
Total		**6,13,66,282**		6,13,66,282

Note 4: Other Financial Assets: Non Current

Amount in Euro

Particulars	**As at 31-Mar-19**	As at 31-Mar-18
Financial Guarantee Contracts	**9,920,503**	11,464,633
Total	**9,920,503**	11,464,633

Note 5: Cash and Cash Equivalents

Amount in Euro

Particulars	As at 31-Mar-19	As at 31-Mar-18
Balances with banks		
In Current Accounts	**201,579**	235,248
Total	**201,579**	235,248

Note 6: Other Financial Assets: Current

Amount in Euro

Particulars	As at 31-Mar-19	As at 31-Mar-18
Financial Guarantee Contracts	**1,544,130**	1,544,130
Total	**1,544,130**	1,544,130

Note 7 : Equity Share Capital

Particulars	31-Mar-19 Number	Amount in Euro	31-Mar-18 Number	Amount in Euro
Authorised				
Equity shares of Euro 1/- each with voting rights	**45,840,125**	**45,840,125**	45,840,125	45,840,125
Issued, Subscribed and Paid up				
Balance as at beginning of reporting year	**45,840,125**	**45,840,125**	41,840,125	41,840,125
Shares Issued during the year	**-**	**-**	4,000,000	4,000,000
Increase on account of financial Guarantee (Refer Note (i) Below)	**-**	**15,889,899**	-	15,889,899
Adjusted: Issued, Subscribed Share Capital	**45,840,125**	**61,730,024**	45,840,125	61,730,024
Reconciliation of number of Equity Shares and amount outstanding				
Shares outstanding at the beginning of the year	**45,840,125**	**61,730,024**	41,840,125	57,730,024
Shares issued during the year	**-**	**-**	4,000,000	4,000,000
Total	**45,840,125**	**61,730,024**	45,840,125	61,730,024
Less: Shares issued to ESOP Trust but not allotted to employees	**-**	**-**	-	-
Adjusted: Issued, Subscribed Share Capital	**45,840,125**	**61,730,024**	45,840,125	61,730,024

Note: i) Share Capital amount has been increased by an amount of Euro 15,889,899, being financial guarantee given by Tech Mahindra Limited to bankers of Pininfarina S.p.A. accounted as equity contribution in accordance with Ind AS 109.

ii) Each Equity Share entitles the holder to one vote and carries an equal right to dividend.

iii) Capital Management: The Company manages its capital to ensure that it will be able to continue as going concern while maximizing the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company currently consists of total equity of the Company. The Company is not subject to any externally imposed capital requirements. The Company's management reviews the capital structure of the Company on an ongoing basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital.

Number of shares held by each shareholder holding more than 5 percent of the Equity Shares of the Company are as follows:

Name of Shareholder	As at 31/Mar/19 No. of Shares held	% of Holding	As at 31/Mar/18 No. of Shares held	% of Holding
Tech Mahindra Limited	**27,504,075**	**60%**	27,504,075	60%
Mahindra & Mahindra Limited	**18,336,050**	**40%**	18,336,050	40%

i) Each Equity Share entitles the holder to one vote and carries an equal right to dividend.

Note 8: Other Financial Liabilities: Non Current

Amount in Euro

Particulars	As at 31-Mar-19	As at 31-Mar-18
Financial Guarantee Contracts	**9,920,503**	11,464,633
Total	**9,920,503**	11,464,633

Note 9: Trade Payables

Amount in Euro

Particulars	As at 31-Mar-19	Amount in Euro As at 31-Mar-18
Trade Payables (Refer Note 14b)	**23,370**	12,366
Total	**23,370**	12,366

Note 10: Other Financial Liabilities: Current

Amount in Euro

Particulars	As at 31-Mar-19	As at 31-Mar-18
Financial Guarantee Contracts	**1,544,130**	1,544,130
Total	**1,544,130**	1,544,130

Note 11: Other Income

Amount in Euro

Particulars	31-Mar-19	31-Mar-18
Interest Income		
- On Other financial assets carried at amortised cost	**72**	352
- On Financial Guarantee Contracts	**1,544,130**	1,554,018
Foreign Exchange gain/(loss) net	**-**	611
Total	**1,544,202**	1,554,981

Note 12: Finance Cost

Amount in Euro

Particulars	31-Mar-19	31-Mar-18
Interest on loan from related party (Refer Note 14.b)	-	2,748
Total	**-**	2,748

Note 13: Other Expenses

Amount in Euro

Particulars	31-Mar-19	31-Mar-18
Rates and taxes	**21,274**	22,210
Legal and other professional costs	**23,067**	17,728
Amortisation of corporate guarantee expenses (Refer Note 14.b)	**1,544,130**	1,546,775
Foreign Exchange (gain)/loss net	**403**	-
Total	**1,588,874**	1,586,713

14. Related party transactions

14.a Details of related parties:

Description of relationship	Names of related parties
Holding Company	Tech Mahindra Limited
Shareholder having significant influence	Mahindra and Mahindra Limited
Subsidiary Company	Pininfarina S.p.A.
Fellow Subsidiary Company	Tech Mahindra GmbH

14.b Details of related party transactions during the year ended March 31, 2019 and balances outstanding as at March 31, 2019:

Amount in Euro

Particulars	Holding Company	Shareholder having significant influence	Subsidiary Company	Fellow Subsidiary Company	Total
Investment made	-	-	-	-	-
	(-)	(-)	(20,211,678)	(-)	(20,211,678)
Interest Income on financial guarantee contracts	-	-	1,544,130	-	1,544,130
	(-)	(-)	(1,554,018)	(-)	(1,554,018)
Repayment of loan given	-	-	-	-	-
	(-)	(-)	(16,000,000)	(-)	(16,000,000)
Amortisation of corporate guarantee expenses	925,557	618,573	-	-	1,544,130
	(928,065)	(618,710)	(-)	(-)	(1,546,775)
Interest Expenses	-	-	-	-	-
	(-)	(-)	(-)	(2,748)	-

Balances outstanding at the end of the year

Investment	-	-	61,366,282	-	61,366,282
	(-)	(-)	(61,366,282)	(-)	(61,366,282)
Financial Guarantee Asset	6,878,780	4,585,853	-	-	11,464,633
	(7,805,257)	(5,203,505)	(-)	(-)	(13,008,762)
Financial Guarantee Liability	-	-	11,464,633	-	11,464,633
	(-)	(-)	(13,008,762)	(-)	(13,008,762)
Payable balance on account of reimbursement of expenses	11,129	-	-	-	11,129
	(-)	(-)	(-)	(-)	(-)

Previous years figures are in brackets.

15. Earnings Per Share is calculated as follows:

Amount in Euro

Particulars	31-Mar-19	31-Mar-18
Loss after taxation	**(44,672)**	(34,480)
Equity Shares outstanding as at the end of the year (in nos.)	**45,840,125**	45,840,125
Weighted average Equity Shares outstanding as at the end of the year (in nos.)	**45,840,125**	43,308,618
Nominal Value per Equity Share (in EUR)	**1**	1
Earnings Per Share:		
Earnings Per Share (Basic) (in EUR)	**(0.001)**	(0.001)
Earnings Per Share (Diluted) (in EUR)	**(0.001)**	(0.001)

16. Financial Instruments and Risk Review

The Company's activities expose it to a variety of financial risks i.e. market risk, credit risk and liquidity risk. The Company operates a risk management policy and program that performs close monitoring of and responding to each risk factors.Following are the financial risk factors:

(a) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk which is not significant.

(b) Liquidity Risk:

Liquidity risk refers to the risk that the company cannot meet its financial obligation. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirement.

The table below provides details regarding the contractual maturities of significant financial liabilities as on March 31, 2019.

Particulars	Less than 1 year	1-3 years	3-5 years	5 years and above
Trade Payables	23,370	-	-	-
Total	**23,370**	**-**	**-**	**-**

The table below provides details regarding the contractual maturities of significant financial liabilities as on March 31, 2018:

Particulars	Less than 1 year	1-3 years	3-5 years	5 years and above
Trade Payables	12,366	-	-	-
Total	**12,366**	**-**	**-**	**-**

The carrying value and fair value of financial instruments by categories as of March 31, 2019 is as follows:

Amount in Euro

Particulars	Amortised cost	Carrying value	Fair value
Assets:			
Other Financial Assets: Non Current	9,920,503	9,920,503	9,920,503
Cash and cash equivalents	201,579	201,579	201,579
Other Financial Assets: Current	1,544,130	1,544,130	1,544,130
	11,666,212	**11,666,212**	**11,666,212**
Liabilities:			
Other Financial Liabilities: Non Current	9,920,503	9,920,503	9,920,503
Trade and other payables	23,370	23,370	23,370
Other Financial Liabilities: Current	1,544,130	1,544,130	1,544,130
	11,488,003	**11,488,003**	**11,488,003**

The carrying value and fair value of financial instruments by categories as of March 31, 2018 is as follows:

Amount in Euro

Particulars	Amortised cost	Carrying value	Fair value
Assets:			
Other Financial Assets: Non Current	11,464,633	11,464,633	11,464,633
Cash and cash equivalents	235,248	235,248	235,248
Other Financial Assets: Current	1,544,130	1,544,130	1,544,130
	13,244,010	**13,244,010**	**13,244,010**
Liabilities:			
Other Financial Liabilities: Non Current	11,464,633	11,464,633	11,464,633
Trade and other payables	12,366	12,366	12,366
Other Financial Liabilities: Current	1,544,130	1,544,130	1,544,130
	13,021,128	**13,021,128**	**13,021,128**

17. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

For PF Holdings B.V.

Director Director

Place:
Date: June 4, 2019

TECH MAHINDRA FINTECH HOLDINGS LIMITED

Board of Directors
Vivek Satish Agarwal
Patrick Michael Byrne
Ian David Larkin
Vikram Narayanan Nair

REGISTERED OFFICE
401, Grafton Gate,
Milton Keynes,
MK9 1AQ

BANKERS
HSBC Bank

AUDITOR
KPMG LLP
3 Assembly Square
Britannia Quay
Cardiff, CF 10 4AX
United Kingdom

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2019

The directors have pleasure in presenting their report and the financial statements for the year ended 31 March 2019.

Principal activities

The principal activity of the company is to hold an investment in Target Topco Limited which controls the Target group of companies.

Results and Dividend

The results of the operations for the year under review are set out in the Profit and Loss Account provided in the ensuing pages.

The directors do not recommend the payment of any dividend. (2018 : £Nil)

Directors

The directors who held office during the year were as follows:

Mr. Vivek Satish Agarwal

Mr. Patrick Michael Byrne

Mr. Ian David Larkin

Mr. Vikram Narayanan Nair

Political contributions

There were no political contributions made during the current or prior year.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company 's auditor is aware of that information .

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

Director
Registration Number: 10203355

401, Grafton Gate,
Milton Keynes MK9 1AQ
Date: July 9, 2019

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2019

The Directors present their strategic report for the year ended 31 March 2019.

Principal activities

The principal activity of the company is to hold an investment in Target Topco Limited which controls the Target group of companies.

Business performance

In August 2016 the Company purchased 100% of the share capital of Target Topco Limited, the ultimate UK parent of Target Group Limited. The investment value reflecting this acquisition was reduced during the year to reflect the revised estimate of the total consideration payable.

During the year your company received interest on deposits with bank and loans amounting to £1K (2018:£111K) and interest paid on borrowing amounted to £51K (2018:£154K), primarily on account of borrowing at lower interest rate. Loss before tax credit was £150K (2018:£198K). The company received positive tax benefit of £37K (2018:£15K) from parent company on account of utilisation of loss of the company. The Net loss amounted to £113K (2018:£183K)

Risks & uncertainties

As a holding company the directors haven't identified any specific risks or uncertainties, other than the ability to meet liabilities as they fall due which is covered by the financial support offered by the parent company.

Position of the company at the year end

At the end of the year the company has a cash balance of which is deemed to be sufficient to meet current liabilities as they fall due. Any shortfall would be covered by the financial support offered by the parent company as mentioned in the risks above.

By order of the board

Director
Registration Number: 10203355

401, Grafton Gate,
Milton Keynes MK9 1AQ
Date: July 9, 2019

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company Law requires the directors to prepare financial statements for each financial period. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures
- disclosed and explained in the financial statements; and
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TECH MAHINDRA FINTECH HOLDINGS LIMITED

Opinion

We have audited the financial statements of Tech Mahindra Fintech Holdings Limited ("the company") for the year ended 31 March 2019 which comprise the Profit and Loss Account and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as the recoverability of investments and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;

- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 6, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

Jeremy Thomas (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
3 Assembly Square
Britannia Quay
Cardiff
CF10 4AX

PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME

Particulars	Note	Year ended 31 March 2019 £'000	Year ended 31 March 2018 £'000
Administrative Expenses		(100)	(155)
Operating Loss		(100)	(155)
Interest receivable and similar Income	5	1	111
Interest payable and similar expense	6	(51)	(154)
Loss before Tax		(150)	(198)
Tax on Loss	7	37	15
Loss after tax for the period, being total comprehensive loss		(113)	(183)

The notes on pages 10 to 23 form part of these financial statements.

There was no other comprehensive income for the period, other than the loss for the period.

TECH MAHINDRA FINTECH HOLDINGS LIMITED

BALANCE SHEET

	Note	As at 31 March, 2019 £000	As at 31 March, 2018 £000
INVESTMENTS	8	**105,213**	108,113
CURRENT ASSETS			
Debtors	9	**394**	448
Cash at bank and in hand		**86**	3,572
		480	4,019
CREDITORS: amounts falling due within one year	10	**(4,403)**	(6,229)
NET CURRENT LIABILITIES		**(3,923)**	(2,209)
TOTAL ASSETS LESS NET CURRENT LIABILITIRS		**101,290**	105,903
CREDITORS: amounts falling due after one year	11	**-**	(4,500)
NET ASSETS		**101,290**	101,403
CAPITAL AND RESERVES			
Called up share capital	13	**10**	10
Share premium Account		**102,632**	102,632
Profit and Loss Account		**(1,352)**	(1,239)
SHAREHOLDERS FUNDS		**101,290**	101,403

These financial statements were approved by the board of directors on July 9, 2019 and were signed on its behalf by:

Director **Director**

Company registration number: 10203355

STATEMENT OF CHANGES IN EQUITY

Particulars	Called Up Share Capital £000	Share Premium Account £000	Profit and Loss Account £000	Tota Equity l £000
Balance as at 1st April 2017	10	102,632	(1,056)	101,586
Total Comprehensive Income for the period				
Loss for the period			(183)	- 183
Total Comprehensive loss for the period	-	-	(183)	- 183
Balance as at 31st March 2018	10	102,632	(1,239)	101,403
Balance as at 1st April 2018	10	102,632	(1,239)	101,403
Total Comprehensive Income for the period				
Loss for the period			(113)	(113)
Total Comprehensive loss for the period	-	-	(113)	(113)
Balance as at 31st March 2019	**10**	**102,632**	**(1,352)**	**101,290**

NOTES

(FORMING PART OF THE FINANCIAL STATEMENTS)

1. Accounting policies

Tech Mahindra Fintech Holdings Limited ('the Company') is a private company limited by shares, incorporated, registered and domiciled in England and Wales, in the United Kingdom.

These financial statements were prepared in accordance with Financial Reporting Standard 102 The

Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The amendments to FRS 102 issued in July 2015 have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company's ultimate parent undertaking, Tech Mahindra Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Tech Mahindra Limited are prepared in accordance with Indian Accounting Standards and are available to the public and may be obtained from the National Stock Exchange of India Ltd (NSE), The BSE Limited (BSE) and the company's website (www.techmahindra.com). In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year, are discussed in note 16.

1.1 Measurement Convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: contingent consideration.

1.2 Going concern

The company was formed to acquire the share capital of Target Topco Limited ("Target Group") and this transaction completed during the year 2016-17. The company does not carry on any activities other than holding an investment in Target Group.

The directors have prepared these financial statements on the going concern basis despite having net current liabilities, as the parent company has indicated that they will provide necessary funding to support the company to meet its obligations as they fall due for at least twelve months from the approval of these financial statements.

1.3 Foreign Currency

Transactions in foreign currencies are translated to the companies' functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non- monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.4 Classification of financial instruments issued by the Company

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- where the instrument will or may be settled in the company's own equity instruments, it is either a non- derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative

that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

1.5 Basic financial instruments

Trade and other debtors and creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses. In the Company balance sheet, investments in subsidiaries acquired for consideration are measured by reference to purchase price less any impairment.

Investments in subsidiaries

These are separate financial statements of the company. Investments in subsidiaries are carried at cost less impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand are included within liabilities.

1.6 Impairment

Financial assets

For financial assets carried at amortised cost, the amount of an impairment is 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. For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Non-financial assets

The carrying amounts of the entity's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its Cash Generating Unit (CGU) exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

1.7 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

1.8 Interest receivable and Interest payable

Interest payable and similar expenses include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

1.9 Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet dte where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Unrelievedtax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

2. Auditor's remuneration

Auditor's remuneration:

	Year ended 31 March 2019 £000	Year ended 31 March 2018 £000
Audit of these financial statements	**11**	16
Amounts receivable by the company's auditor and its associates in respect of:		
Audit -related services	**-**	3
	11	19

3. Staff numbers and costs

During the reporting period, the company had no employees (2018 :Nil)

4. Directors' remuneration

No remuneration or benefits were paid to any of the directors during the period. The directors are remunerated by other group companies, however none of their remuneration was in respect of this company, due to its nature as a non-trading holding company.

5. Interest receivable and similar income

	Year ended 31 March 2019 £000	Year ended 31 March 2018 £000
Interest on intercompany loans	**-**	26
Other interest	**1**	85
Total interest receivable and similar income	**1**	111

6. Interest payable and similar expenses

	Year ended 31 March 2019 £000	Year ended 31 March 2018 £000
Interest on loans	**51**	149
Other interest	**-**	5
Total interest payable and similar expenses	**51**	154

7. Taxation

Total tax credit recognised in the profit and loss account

	Year ended 31 March 2019 £000	Year ended 31 March 2018 £000
Current tax		
Current tax on income for the period	**-**	-
Group tax relief claimed	**-37**	-15
Total Tax	**-37**	-15

Reconciliation of effective tax rate

	Year ended 31 March 2019 £000	Year ended 31 March 2018 £000
Loss for the year	**(113)**	(183)
Total tax credit	**37**	15
Loss before tax	**(150)**	(198)
Tax using the UK corporation tax rate of 19% (2018:19.25%)	**(29)**	(38)
Movement in deferred tax not recognised	**29**	38
Group tax relief claimed	**37**	15
Total tax credit included in profit or loss	**37**	15

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the Company's future current tax charge accordingly.

No deferred tax has been recognised on the carried forward losses, as due to the nature of the company it cannot be estimated when these will be utilised.

8. Fixed asset investments

	Year ended 31 March 2019 £000	Year ended 31 March 2018 £000
Cost		
At 1 April	**108,113**	117,943
Adjustment to acquisition cost	**(2,900)**	(9,830)
At 31 March	**105,213**	108,113
Net Book Value		
At 1 April	**108,113**	117,943
At 31 March	**105,213**	108,113

The fixed asset investment relates to 100% of the share capital of Target Topco Limited. As the consideration included both cash and contingent consideration, there has been an adjustment to the cost of investment, reflecting the fair value of the future contingent consideration. See note 16 for further details.

The company's wholly owned subsidiaries as at 31 March 2019 were as below

Subsidiary underdaking	Registered Office	Class of Shared held	% Held
Target Topco Limited*	Target House, Cowbridge Road East, Cardiff, S Glamorgan, CF11 9AU	Ordinary	100%
Target TG Investments Limited	Target House, Cowbridge Road East, Cardiff, S Glamorgan, CF11 9AU	Ordinary	100%
Target Group Limited	Target House, Cowbridge Road East, Cardiff, S Glamorgan, CF11 9AU	Ordinary	100%
Elderbridge Limited	Target House, Cowbridge Road East, Cardiff, S	Ordinary	100%
Target Servicing Limited	Target House, Cowbridge Road East, Cardiff, S Glamorgan, CF11 9AU	Ordinary	100%
Target Financial Systems Limited	Target House, Cowbridge Road East, Cardiff, S Glamorgan, CF11 9AU	Ordinary	100%
Harlosh Limited	Target House, Cowbridge Road East, Cardiff, S Glamorgan, CF11 9AU	Ordinary	100%
Harlosh New Zealand Limited	C/o Urlich Lander Limited, 21 Broderick Road,	Ordinary	100%
	Johnsonville, Wellington, 6037, New Zealand		

**Directly owned by the company*

9. Debtors

	Year ended 31 March 2019 £000	Year ended 31 March 2018 £000
Amounts owed by group undertakings	**52**	15
Prepayments	**342**	432
	394	447

Debtors are all due within one year.

10. Creditors: amounts falling due within one year

	Year ended 31 March 2019 £000	Year ended 31 March 2018 £000
Other creditors	**11**	16
Obligations under Share Purchase agreement	**1,600**	0
Amounts owed to group companies (See Note 12)	**2,792**	6,213
	4,403	6,229

The obligation under the share purchase agreement relates to the acquisition of Target Topco Limited in the prior period and is the second and final contingent consideration payable in respect of the acquisition, which is due before end of March 2020.

11. Creditors: amounts falling due after more than one year

	Year ended 31 March 2019 £000	Year ended 31 March 2018 £000
Obligations under Share Purchase agreement	**0**	4,500
	0	4,500

See Note 16 for further information.

12. Interest bearing loans and borrowings

Unsecured loans falling due within one year

	Year ended 31 March 2019 £000	Year ended 31 March 2018 £000
Loan payable to immediate related company :		
Principal	**2,792**	5,972
Interest	**0**	241
	2,792	6,213

Terms and debt repayment schedule

	Currency	Nominal interest rate	Date of maturity	Repayment schedule	Amount (principal) £000
Sister related party	EUR	0.76%	30 Oct 2019	Bullet	2,792

13. Share capital

	Number of shares	
	31 March 2019	**31 March 2018**
Balance at 1 April	**1,000,001**	963,126
Issued during the year	**Nil**	36,875
Balance as at 31 March	**1,000,001**	1,000,001

Types of Shares	No of shares	Face Value £
Ordinary shares of £0.010 each	**875,001**	8,750
A1 shares of £0.0001 each	**62,500**	6
A2 voting shares of £0.0200 each	**62,500**	1,250
	1,000,001	10,006

A1 Shares have no voting rights attached, are non-redeemable and are not entitled to dividends.

A2 Shares are entitled to the greater of: two votes per share held, and such number of votes that would give the holder 5% of voting rights in the company (reducing other classes accordingly). The shares are non-redeemable and are not entitled to dividends.

Ordinary shares are entitled to one vote, and are entitled to dividends.

Reserves

The share premium reserve contains the premium arising on issue of equity shares.

The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

14. Ultimate controlling party

The Company is a subsidiary undertaking of Tech Mahindra Limited. The ultimate controlling party is Tech Mahindra Limited and its registered office is Gateway Building, Apollo Bunder, Mumbai – 400001, India.

The largest group in which the results of the company are consolidated is that headed by Tech Mahindra Limited, Gateway Building, Apollo Bunder, Mumbai – 400001, India . The consolidated financial statements of Tech Mahindra Limited are available to the public on the National Stock Exchange of India Ltd (NSE), The BSE Limited (BSE) and the company's website (www.techmahindra.com).

15. Related party transactions

At 31 March 2019, £2,855k (Principal £2,855k & Interest £Nil) (2018: £6,213k (Principal £5,972k & Interest £241k)) was due in relation to an intercompany loan and £52k (2018: £15K) is receivable in relation to group tax relief from the immediate parent company, Tech Mahindra Limited.

Interest expenses of £16k (2018: £149k) accrued on the intercompany loan with Tech Mahindra Limited and Interest expenses of £35k (2018: £Nil) accrued on the intercompany loan with Tech Mahindra GmbH.

Interest income of £Nil (2018: £26k) accrued / paid on the intercompany loan with Target Topco Limited.

16. Accounting estimates and judgements

In the application of the Company's accounting policies, which are described in note 1, the directors are 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 results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Contingent consideration

As part of the acquisition of Target Topco Limited, an element of contingent consideration payable based on future results of the Target Business was included. The first contingent consideration was paid in 2017, with a final contingent consideration payable to remaining shareholders in 2020.

In order to calculate the fair value of this liability, the directors engaged valuation specialists to calculate the estimated fair value using a Monte Carlo simulation. The key input into this valuation was the forecast revenues and EBITDA for the coming years, which was benchmarked against revenue and profit growth of comparable companies to derive a realistic forecast.

The discount rate used was based on Tech Mahindra’s actual cost of debt of 5.66% (2018: 5.45%), which the directors believe to be appropriate.

Based on the share purchase agreement, the second and final consideration would be paid based on the results / achievements of the Target Business. The directors expect this to be paid out in next 12 months.

The valuation of investment will be revised annually as updated information becomes available, however the directors believe that the inputs and factors used in the calculation are the current best estimates, and therefore the contingent consideration liability is correctly stated.

THE BIO AGENCY LIMITED

Directors
Vikram N Nair
Peter Veash
Vivek Agarwal (Appointed 14 November 2018)

Company number - 05787984

Registered Office
70 Wilson Street
London
EC2A 2DB

Independent auditor
Saffery Champness LLP
71 Queen Victoria Street
London
EC4V 4BE

STRATEGIC REPORT FOR THE PERIOD ENDED 31 MARCH 2019

The directors present the strategic report for the period ended 31 March 2019.

Fair review of the business

As an award-winning top 10 digital agency, the last financial year (11 months) saw the business consolidating and focusing on long term strategic growth opportunities.

With this in mind, the business has set up a number of potential revenue pillars to drive the business forward over the next 2-3 years. Current opportunities in North America has seen the business set up a hub in order to capitalise on this with the potential of replicating this in other geographic areas.

As part of the Tech Mahindra Group, the company has also set up joint initiatives with other TM Group companies in order to go to market with a joint offering. The company has continued to invest in the infrastructure of the business in order to support the business plan of accelerated growth and development over the next 2-3 years.

The agency continues to work with blue chip clients including: BT, Vodafone, Three Network, Arrow Electronics, Scotia Bank, Savills, GSK. The work undertaken being both local as well as big global engagements.

Principal risks and uncertainties

Talent acquisition still continues to be a key challenge, however with the agencies strong reputation in the market, BIO are able to attract the top talent from the sector both locally as well as internationally. The company continues to invest in its training and development programme to ensure all staff learn and develop consistently and evolve their skills in an ever-changing market.

Employees

The company continues to foster an open culture with its staff and works hard to keep everyone informed on company plans. It hosts an AGM where all employees are invited to participate to share the annual business plan and targets. Monthly staff meetings are held to keep everyone updated on progress and regular social activities are organised to ensure that as the business grows, the culture is still maintained which is an important facet of the agencies ongoing success. Regular anonymous staff surveys are completed in order for everyone to give honest feedback and to continue to improve how the agency operates as a business.

Key performance indicators

The business is managed by monitoring its key performance indicators which span across each facet of the business covering financials, new business conversion, clients and retention, employee engagement and its marketing strategy. These KPI's are tracked on a quarterly basis to ensure the agency is performing consistently across all pillars of the business.

On behalf of the board

Peter Veash
Director

Date: May 7, 2019

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2019

The directors present their annual report and financial statements for the period ended 31 March 2019.

Principal activities

The principal activity of the company is that of provision of strategic, creative and technical consultancy and delivery to create digitial business change for premium brand clients.

Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

Vikram Nair

Peter Veash

Manoj Bhat – (Resigned 12 November 2018)

Vivek Agarwal – (Appointed 14 November 2018)

Results and dividends

The results for the period are set out in the income statement provided in the ensuing pages.

Auditor

Saffery Champness LLP have expressed their willingness to continue in office.

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Peter Veash
Director

Date: May 7, 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BIO AGENCY LIMITED

Opinion

We have audited the financial statements of The BIO Agency Limited (the 'company') for the period ended 31 March 2019 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its loss for the period 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

Lorenzo Mosca (Senior Statutory Auditor)

for and on behalf of Saffery Champness LLP

Chartered Accountants
Statutory Auditor

71 Queen Victoria Street
London
EC4V 4BE

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2019

	Notes	**Period ended 31 March 2019**	Year ended 30 April 2018
		£	£
Turnover	3	**8,306,748**	14,696,460
Cost of sales		**(30,141)**	(58,345)
Gross profit		**8,276,607**	14,638,115
Administrative expenses		**(8,609,734)**	(12,778,466)
Operating (loss)/profit	4	**(333,127)**	1,859,649
Interest receivable and similar income	6	**11,234**	4,745
(Loss)/profit before taxation		**(321,893)**	1,864,394
Tax on (loss)/profit	7	**73,000**	72,268
(Loss)/profit for the financial period		**(248,893)**	1,936,662

The Income Statement has been prepared on the basis that all operations are continuing operations.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

	Notes	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Tangible assets	**8**		**792,351**		726,951
Current assets					
Debtors	10	**7,684,233**		9,160,043	
Cash at bank and in hand		**2,332,507**		2,806,769	
		10,016,740		11,966,812	
Creditors: amounts falling due within one year	11	**(1,332,824)**		(2,965,689)	
Net current assets			**8,683,916**		9,001,123
Total assets less current liabilities			**9,476,267**		9,728,074
Provisions for liabilities	12		**(31,606)**		(34,520)
Net assets			**9,444,661**		9,693,554
Capital and reserves					
Called up share capital	15		**600**		600
Other reserves			**45,423**		45,423
Profit and loss reserves			**9,398,638**		9,647,531
Total equity			**9,444,661**		9,693,554

The financial statements were approved by the board of directors and authorised for issue on May 7, 2019 and are signed on its behalf by:

Peter Veash
Director

Company Registration No. 05787984

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2019

	Notes	Share capital	Other reserves	Profit and loss reserves	Total
		£	£	£	£
Balance at 1 May 2017		600	45,423	7,710,869	7,756,892
Period ended 30 April 2018:					
Profit and total comprehensive income for the period		-	-	1,936,662	1,936,662
Balance at 30 April 2018		600	45,423	9,647,531	9,693,554
Period ended 30 April 2018:					
Loss and total comprehensive income for the period		-	-	(248,893)	
Balance at 31 March 2019		600	45,423	9,398,638	9,444,661

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2019

		2019		2018	
	Notes	**£**	**£**	£	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	19		(394,186)		1,067,680
Income taxes refunded/(paid)			106,750		(165,747)
Net cash (outflow)/inflow from operating activities			(287,436)		901,933
Investing activities					
Purchase of tangible fixed assets		(206,966)		(727,381)	
Proceeds on disposal of tangible fixed assets		8,906		-	
Interest received		11,234		4,745	
Net cash used in investing activities			(186,826)		(722,636)
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(474,262)		179,297
Cash and cash equivalents at beginning of period			2,806,769		2,627,472
Cash and cash equivalents at end of period			2,332,507		2,806,769

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2019

1 ACCOUNTING POLICIES

Company information

The BIO Agency Limited is a private company limited by shares incorporated in England and Wales. The registered office is 70 Wilson Street, London, EC2A 2DB.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Reporting period

During the year, the company shortened their reporting period to 31 March 2019 in order to align the year end with that of the parent company. The current period to 31 March 2019 only represents 11 months and so comparative amounts presented in the financial statements (including the related notes) are not entirely comparable.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. Revenue is recognised on an accrual basis when goods and services are provided to a customer in relation to a contract.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Leasehold	10 years on straight line basis
Fixtures, fittings & equipment	4 years on straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, 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.

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 a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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 (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in 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.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or 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 (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in 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.

1.6 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 ‘Basic Financial Instruments’ and Section 12 ‘Other Financial Instruments Issues’ of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company’s statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

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 have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset’s original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Other financial liabilities, including debt instruments that do not meet the definition of a basic financial instrument, are measured at fair value through profit or loss.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments may be designated as being measured at fair value though profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

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.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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 results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2019	2018
	£	£
Turnover analysed by geographical market		
United Kingdom	**2,746,570**	8,440,748
USA	**3,311,243**	5,817,210
Canada	**2,248,935**	387,604
Europe	**-**	50,898
	8,306,748	14,696,460

4 Operating (loss)/profit

	2019	2018
	£	£
Operating (loss)/profit for the period is stated after charging/(crediting):		
Exchange (gains)/losses	**(266,507)**	257,644
Fees payable to the company's auditor for the audit of the company's financial statements	**21,200**	15,750
Depreciation of owned tangible fixed assets	**141,566**	137,295
Profit on disposal of tangible fixed assets	**(8,906)**	-
Operating lease charges	**692,834**	784,442

Exchange differences recognised in profit or loss during the period, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £266,507 (2018 - £257,644).

5 Employees

The average monthly number of persons (including directors) employed by the company during the period was:

	2019	2018
	Number	Number
Average monthly number of employees	61	70

Their aggregate remuneration comprised:

	2019	2018
	£	£
Wages and salaries	**3,762,831**	4,507,330
Social security costs	**514,185**	529,844
Pension costs	**110,076**	89,489
	4,387,092	5,126,663

6 Interest receivable and similar income

	2019	2018
	£	£
Interest income		
Interest on bank deposits	**11,234**	534
Other interest income	**-**	4,211
Total income	**11,234**	4,745

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	**11,234**	534

7 Taxation

	2019	2018
	£	£
Current tax		
UK corporation tax on profits for the current period	**-**	336,364
Adjustments in respect of prior periods for research and development tax credit	**-**	(444,132)
Total UK current tax	**-**	(107,768)
Adjsutment in respect of prior years	**(39,899)**	(987)
Total current tax	**(39,899)**	(108,755)
Deferred tax		
Origination and reversal of timing differences	(33,101)	36,487
Total tax charge	(73,000)	(72,268)

The actual credit for the period can be reconciled to the expected (credit)/charge for the period based on the profit or loss and the standard rate of tax as follows:

	2019	2018
	£	£
(Loss)/profit before taxation	**(321,893)**	1,864,394
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	**(61,160)**	354,235
Tax effect of expenses that are not deductible in determining taxable profit	**24,764**	14,146
Change in unrecognised deferred tax assets	**8,135**	8,763
Effect of change in corporation tax rate	**(297)**	(4,293)
Capital allowances in excess of depreciation	**-**	36,156
Research and development tax credit	**-**	(481,275)
Under/(over) provided in the year	**(11,341)**	-
Deferred tax movement	**(33,101)**	-
Tax expense for the period	**(73,000)**	(72,268)

8 Tangible fixed assets

	Land and buildings Leasehold	**Fixtures, fittings & equipment**	**Total**
	£	**£**	**£**
Cost			
At 1 May 2018	548,156	679,808	1,227,964
Additions	184,797	22,169	206,966
Disposals	-	(51,135)	(51,135)
At 31 March 2019	732,953	650,842	1,383,795
Depreciation and impairment			
At 1 May 2018	39,181	461,832	501,013
Depreciation charged in the period	63,604	77,962	141,566
Eliminated in respect of disposals	-	(51,135)	(51,135)
At 31 March 2019	102,785	488,659	591,444
Carrying amount			
At 31 March 2019	630,168	162,183	792,351
At 30 April 2018	508,975	217,976	726,951

Capitalised website development costs have been fully depreciated during the year and are included within Fixtures, fittings & equipment.

9 Financial instruments

	2019	2018
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	**6,875,769**	8,616,939
Carrying amount of financial liabilities		
Measured at amortised cost	**1,172,308**	2,684,869

10 Debtors

	2019	2018
	£	£
Amounts falling due within one year:		
Trade debtors	**280,074**	784,447
Corporation tax recoverable	**250,000**	449,330
Amount due from parent undertaking	**453,857**	833,731
Other debtors	**553,718**	579,652
Prepayments and accrued income	**6,113,630**	6,510,116
	7,651,279	9,157,276
Amounts falling due after one year:		
Deferred tax asset (note 13)	**32,954**	2,767
Total debtors	**7,684,233**	9,160,043

11 Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	**285,574**	1,563,285
Corporation tax	**-**	132,319
Other taxation and social security	**159,667**	148,521
Other creditors	**19,470**	20,641
Accruals and deferred income	**868,113**	1,100,923
	1,332,824	2,965,689

12 Provisions for liabilities

	Notes	2019	2018
		£	£
Deferred tax liabilities	13	**31,606**	34,520

13 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2019 £	Liabilities 2018 £	Assets 2019 £	Assets 2018 £
Balances:				
Accelerated capital allowances	31,606	34,520	-	-
Tax losses	-	-	30,569	-
Short term timing differences as a result of provisions	-	-	2,385	2,767
	31,606	34,520	32,954	2,767

	2019 £
Movements in the period:	
Liability at 1 May 2018	**31,753**
Credit to profit or loss	**(33,101)**
Liability/(Asset) at 31 March 2019	**(1,348)**

14 Retirement benefit schemes

Defined contribution schemes	2019 £	2018 £
Charge to profit or loss in respect of defined contribution schemes	**110,076**	89,489

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

15 Share capital

	2019 £	2018 £
Ordinary share capital		
Issued and fully paid		
102,000 A Ordinary Shares of 0.5p each	**510**	510
18,000 B Ordinary Shares of 0.5p each	**90**	90
	600	600

The Ordinary A shares have attached to them no voting or capital distribution (including on winding up) rights and carry no right to dividends except at the discretion of the Ordinary B shareholders. They do not confer any rights of redemption.

The Ordinary B shares have attached to them full voting, dividend and capital distribution (including on winding up) rights. They do not confer any rights of redemption.

16 Operating lease commitments

Lessee

Operating lease payments represent rentals payable by the company for premises and equipment.

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019	2018
	£	£
Within one year	**864,488**	763,588
Between two and five years	**3,432,354**	3,436,455
In over five years	**2,739,832**	3,529,346
	7,036,674	7,729,389

17 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, who are also directors, is as follows:

	2019	2018
	£	£
Aggregate compensation	**275,000**	300,000

The amounts above are in relation to the highest paid director.

No guarantees have been given or received.

The BIO Agency Limited have performed services during the year to the value of £8,703,097 (2018: £8,267,089) for Tech Mahindra Limited, the controlling entity. At the period end the unbilled value of services is £5,254,397 (2018: £4,568,066) and is recorded as accrued income, and the billed value of services is £3,448,700 (2018: £3,689,501) and is recorded as amounts owed by the parent company.

18 Controlling party

The company is controlled by Tech Mahindra Limited, a listed company incorporated in India. Tech Mahindra's group accounts are available from their registered office at 63 Queen Victoria Street, London EC4N 4UA.

19 Cash generated from operations

	2019	2018
	£	£
(Loss)/profit for the period after tax	**(248,893)**	1,936,662
Adjustments for:		
Taxation credited	**(73,000)**	(72,268)
Investment income	**(11,234)**	(4,745)
Gain on disposal of tangible fixed assets	**(8,906)**	-
Depreciation and impairment of tangible fixed assets	**141,566**	137,295
Movements in working capital:		
Decrease/(increase) in debtors	**1,306,673**	(1,549,894)
(Decrease)/increase in creditors	**(1,500,392)**	620,630
Cash (absorbed by)/generated from operations	**(394,186)**	1,067,680

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 MARCH 2019

		Period ended 31 March 2019		Year ended 30 April 2018
	£	£	£	£
Turnover				
Sales		**8,306,748**		14,696,460
Cost of sales				
Direct costs	**30,141**		58,345	
		(30,141)		(58,345)
Gross profit		**8,276,607**		14,638,115
Administrative expenses		**(8,609,734)**		(12,778,466)
Operating (loss)/profit		**(333,127)**		1,859,649
Investment revenues				
Bank interest received	**11,234**		534	
Other interest received	**-**		4,211	
		11,234		4,745
(Loss)/profit before taxation		**(321,893)**		1,864,394

This page does not form part of the financial statements on which the auditors have reported.

SCHEDULE OF ADMINISTRATIVE EXPENSES FOR THE PERIOD ENDED 31 MARCH 2019

	Period ended 31 March 2019 £	Year ended 30 April 2018 £
Administrative expenses		
Wages and salaries	**3,458,316**	4,176,064
Employer's N.I. contributions	**514,185**	529,844
Staff healthcare costs	**29,515**	31,266
Staff welfare	**80,833**	95,208
Staff recruitment	**73,965**	109,169
Staff pension costs	**110,076**	89,489
Redundancy costs - staff	**22,000**	-
Directors' remuneration	**275,000**	300,000
Rent	**692,834**	784,442
Service charges	**86,215**	103,222
Rates	**202,923**	218,617
Cleaning	**40,244**	41,737
Light and heat	**32,889**	3,828
Repairs and maintenance	**(9,642)**	9,520
Insurance	**41,125**	39,059
Computer and internet expenses	**112,418**	148,450
Travelling expenses	**66,140**	83,307
Subscriptions	**103,113**	103,629
Legal and professional fees	**100,953**	51,109
Consultancy fees	**2,162,234**	4,789,937
Accountancy	**100,643**	83,830
Non audit remuneration paid to auditors	**4,000**	35,700
Audit fees	**21,200**	15,750
Bank charges	**3,192**	3,548
Bad and doubtful debts	**100,000**	-
Printing, postage and stationery	**14,885**	13,523
Books and publications	**-**	55
Advertising	**162,507**	209,295
Telephone	**20,718**	32,860
Entertaining	**7,237**	20,146
Sundry expenses	**34,842**	28,074
Financial consultant fees	**77,000**	84,000
Office set up costs	**2,021**	148,849
Depreciation	**141,566**	137,295
Profit or loss on sale of tangible assets	**(8,906)**	-
Profit or loss on foreign exchange	**(266,507)**	257,644
	8,609,734	12,778,466

TECH MAHINDRA SWEDEN AB

Board of Directors
Mr. Ola Hammarlund
Mr. Kishan Chuckun
Mr. Sundar Sankaralingam

Registered Office
C/o. Ola Hammarlund
Room 501 & 538, Norrtullsgatan 6
113 29 STOCKHOLM

Bankers
Citibank Plc

Auditors
Deloitte AB

BOARD OF DIRECTORS REPORT

The annual accounts are prepared in SEK.

Business Concept & Overview

Tech Mahindra Sweden AB is wholly owned subsidiary of Tech Mahindra Limited, CIN Number: L64200MH1986PLC041370. The entire share capital of the company is held by Tech Mahindra Limited (www.techmahindra.com), having its registered office at Gateway Building, Apollo Bunder, Mumbai 400 001, India.

The company's business activities focus on providing consulting technology and outsourcing services to all the sectors. In general, the company renders services to its parent company under Service Provider agreement. This form of transactions implies that the contracts are concluded between the parent company and the end customer. Sweden AB thereby acts as a sub-contractor for the parent company and does not bear any risks. The compensation for such services rendered is based on the reimbursement of cost incurred plus a mark-up.

The company's registered office is in Stockholm, Sweden.

Multi-year comparison*

The amounts in Multi-year comparison are shown in KSEK

	2018/2019	2017/2018	2016/2017
Net sales	**62,649**	52,483	28,760
Profit/loss after financial items	**3,453**	2,485	1,369
Balance sheet total	**10,959**	7,607	8,735
Equity-assets ratio (%)	**51,52**	39,47	12,57

* For definitions of key ratios, please see notes

Ownership conditions

Tech Mahindra Limited is an international IT company offering development and marketing of software for computer systems and consulting services in global systems integration and adaption of software solutions.

Tech Mahindra Limited represents the connected world, offering innovative and customer-centric information technology experiences, enabling Enterprises, Associates and the Society to Rise. We are a USD 4.9 billion company with 121,000+ professionals across 90 countries, helping over 938 global customers including Fortune 500 Companies. Our convergent, digital, design experiences, innovation platforms and reusable assets connect across a number of technologies to deliver tangible business value and experience to our customers. Tech Mahindra is highest ranked in Non-U.S. company in the Forbes Global Digital 100 list (2018) and in the Forbes fab 50 companies in Asia (2018)

Tech Mahindra is a part of the USD 21 billion Mahindra Group that employs more than 200,000 people in over 100 countries. The Group operates in the key industries that drive economic growth, enjoying a leadership position in tractors, utility vehicles, after-market, and information technology and vacation ownership.

Tech Mahindra Limited have also offices in several cities in India, USA, UK, Singapore, Australia, New Zeeland, Germany, Malaysia, Thailand, United Arab Emirates, Indonesia, Belgium and Canada..

Business Highlights

- Tech Mahindra Launches “netOps .ai” its Network Automation and Managed Services Framework based on CI/CD (Continuous Integration I Continuous Deployment) principles to accelerate 5G Network adoption by automating all the key network life cycle stages.

- Tech Mahindra has been recognized as a gold winner for being the Most Innovative Cybersecurity Company for GDPR compliant offering- PDPAAS- Privacy and Data Protection as a Service at the Cybersecurity Excellence Awards 2019

- Tech Mahindra won Best Crisis and Reputation Communication of the Year 2019 at 1st edition of Corporate Communication PR Summit & Awards organized by Kamikaze B2B Media

- Tech Mahindra has been selected as Brand of the Decade 2019 by BARC Asia, a media research and rating agency. The parameters for judging included- Trust, Image, Sustainability, Goodwill, Positioning, Recall, Growth, Reach, Innovation.

Changes in equity

	Share capital	Statutory Fund	Non-restricted equity
Opening amount	50,000	-	2,953,098
Profit for the year			2,643,540
Closing amount	50,000	-	5,596,638

Appropriation of profit/loss

Proposed treatment of the company's profit

At the disposal of the general meeting:	
profit brought forward	2,953,097
profit for the year	2,643,540
	5,596,637
The board of directors proposes the following:	
to be carried forward	5,596,637
	5,596,637

For information about the company’s earnings and financial position in other respects, please refer to the income statements, balance sheets and accompanying notes set out below.

AUDITOR'S REPORT

To the general meeting of the shareholders of Tech Mahindra Sweden AB corporate identity number 559063-4043

Report on the annual accounts

Opinions

We have audited the annual accounts of Tech Mahindra Sweden AB for the financial year 2018-04-01 - 2019-03- 31.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of Tech Mahindra Sweden AB as of 31 march 2019 and its financial performance for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of Tech Mahindra Sweden AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required

to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors and the Managing Director of Tech Mahindra Sweden AB for the financial year 2018-04-01 - 2019-03-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit to be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of Tech Mahindra Sweden AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the 2(2 company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a

basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

Kalmar the XX July 2019 Deloitte AB

Linn Palmgren Authorized Public Accountant

Tech Mahindra Sweden AB

corporate identity number 559063-4043

INCOME STATEMENT

	Note	2018-04-01 2019-03-31	2017-04-01 2018-03-31
Operating income etc.			
Net turnover		**62,648,871**	52,483,482
Other operating income		**-**	303
		62,648,871	52,483,785
Operating expenses			
Other external expenses		**(2,503,847)**	(1,987,796)
Personnel costs	2	**(56,683,524)**	(47,995,016)
Depreciation and write-down of tangible and intangible assets		**(8,739)**	(1,457)
		(59,196,110)	(49,984,269)
Operating profit/loss		**3,452,761**	2,499,516
Profit/loss from financial items			
Interest expense to group companies		**-**	(14,956)
		-	(14,956)
Profit after financial items		**3,452,761**	2,484,560
Profit before tax		**3,452,761**	2,484,560
Tax on profit for the year		**(809,221)**	(580,169)
Profit/loss for the year		**2,643,540**	1,904,391

BALANCE SHEET

	Note	**2019-03-31**	2018-03-31
ASSETS			
Fixed assets			
Tangible assets			
Equipment, tools, fixtures and fittings	3	**16,026**	24,765
		16,026	24,765
Total fixed assets		**16,026**	24,765
Current assets			
Current receivables			
Receivables from group companies		**7,139,250**	5,161,052
Current tax asset		**243,241**	320,028
Other receivables		**681,469**	422,024
		8,063,960	5,903,104
Cash and bank			
Cash and bank		**2,879,379**	1,679,059
Total cash and bank		**2,879,379**	1,679,059
Total current assets		**10,943,339**	7,582,163
Total Assets		**10,959,365**	7,606,928
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital		**50,000**	50,000
		50,000	50,000
Non-restricted equity			
Profit or loss carried forward		**2,953,097**	1,048,707
Profit for the year		**2,643,540**	1,904,391
		5,596,637	2,953,098
Total equity		**5,646,637**	3,003,098
Current liabilities			
Trade payables		**-**	9,624
Liabilities to group companies		**-**	14,700
Other liabilities		**79,394**	21,992
Accrued expenses and deferred income		**5,233,334**	4,557,514
Total current liabilities		**5,312,728**	4,603,830
Total Equity and Liabilities		**10,959,365**	7,606,928

NOTES

1. ACCOUNTING POLICIES

The annual report has been prepared in accordance with the Annual Accounts Act and general advice from the Swedish Accounting Standards Board BFNAR 2012:1 Annual accounts and consolidated accounts.

The policies are unchanged compared with the previous year.

Receivables

Receivables are recorded in the amounts at which they are expected to be received.

Other assets, provisions and liabilities

Other assets, provisions and liabilities are recorded at cost of acquisition unless otherwise stated below.

Revenue recognition

Revenue is recorded at fair value of what has been received or will be received. Consequently the company records revenue at nominal value (invoice amount) if the payment is received in cash or cash equivalents directly on delivery. Deduction is made for discounts given.

Tangible fixed assets

Tangible fixed assets are recorded at cost of acquisition less accumulated depreciation and any write-downs. The assets are depreciated on a straight-line basis over the estimated useful life, apart from land, which is not depreciated. The useful life is reviewed as at every balance sheet date. The following useful lives are applied:

Income tax

Current tax is income tax for the current financial year that refers to the year’s taxable earnings and the as yet unreported part of previous financial years’ income tax.

Current tax is stated at the probable amount according to the tax rates and tax rules applicable on the balance sheet date.

Employee benefits

Pensions

Receivables and liabilities in foreign currency

Monetary receivables and liabilities in foreign currencies have been restated at the closing rate.

Exchange differences arising on settlement or restatement of monetary items are recognised in the income statement in the financial year in which they occur, either as an operating item or a financial item, on the basis of the underlying business transaction.

NOTES TO FINANCIAL STATMENTS

2. AVERAGE NUMBER OF EMPLOYEES

	2018/2019	2017/2018
Average number of employees		
The average number of employees is based on hours worked related to normal working hours paid for by the company.		
The average number of employees was	**83,00**	74,00

3. EQUIPMENT, TOOLS, FIXTURES AND FITTINGS

	2019-03-31	2018-03-31
Opening cost of acquisition	**26,222**	-
Purchases	**-**	26,222
Closing accumulated cost of acquisition	**26,222**	26,222
Opening depreciation	**(1,457)**	-
Depreciation for the year	**(8,739)**	(1,457)
Closing accumulated depreciation	**(10,196)**	(1,457)
Closing carrying amount	**16,026**	24,765

4. DEFINITIONS OF BUSINESS AND FINANCIAL RATIOS

Equity-assets ratio

Adjusted equity as a percentage of the balance sheet total

Stockholm

Kishan Kumar Chuckun Ola Hammarlund
Managing Director

Meenakshi Sundaram Sankaralingam

Our auditor’s report was submitted on,

Deloitte AB

Linn Palmgren

Auktoriserad revisor

TECH MAHINDRA NORWAY AS

Board of Directors

Mr. Gaurav Gupta
Mr. Greger Lundstrom

RegisteredOffice

Capus TS
Martin Linges Vei 25
1364 Fornebu
Oslo, Norway

Bankers

Citibank PLC

Auditors

Deloitte AS
Dronning Eufemias gate 14, 0191 Oslo, Norway

INDEPENDENT AUDITOR'S REPORT

To the General Meeting of Tech Mahindra AS

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Tech Mahindra ASshowing a profit of NOK 3 395 176. The financial statements comprise the balance sheet as at 31 March 2019, the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as at 31 March 2019, and its financial performance for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (management) are responsible for the preparation in accordance with law and regulations, including fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit 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.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 1 July 2019

Deloitte AS

Vidar Nilsen

State Authorised Public Accountant (Norway)

BALANCE SHEET AS AT MARCH 31, 2019

NOTE	ASSETS	31.03.2019	31.03.2018
	Non-current assets		
	Tangible fixed assets		
5	Fixtures and fittings	**14 154 587**	9 328 235
	Total tangible fixed assets	**14 154 587**	9 328 235
	Total non-current assets	**14 154 587**	9 328 235
	Current assets		
	Receivables		
6	Accounts receivable	**8 478 041**	16 711 078
6	Other receivables	**9.657.917**	7.068.809
	Total receivables	**18.135.958**	23.779.887
9	Cash and cash equivalents	**3 217 211**	28 441 021
	Total current assets	**21 353 169**	52 220 907
	TOTAL ASSETS	**35 507 755**	61 549 142

NOTE	SHAREHOLDERS EQUITY AND LIABILITIES	31.03.2019	31.03.2018
	Shareholders equity		
	Paid-in equity		
3, 8	Share capital (30.000 shares at NOK 1)	30 000	30 000
	Total paid-in capital	**30 000**	**30 000**
8	Retained earnings	4 721 196	1 326 020
	Other equity		
	Total retained earnings	4 721 196	1 326 020
	Total shareholders equity	4 751 196	1 356 020
7	Liabilities	529 326	377 525
	Provisions for liabilities and charges		
	Deferred tax		
	Total provisions for liabilities and charges	529 326	377 525
6	Current liabilities	18 739 737	55 933 240
	Accounts payable		
7	Current income taxes payable	749 958	26 638
	Other taxes and withholdings	1 050 658	1 212 500
	Other current liabilities	9 686 879	2 643 220
	Total current liabilities	30 227 232	59 815 597
	Total liabilities	30 756 558	60 193 122
	TOTAL SHAREHOLDERS EQUITY AND LIABILITIES	35 507 755	61 549 142

Oslo,

Board of Tech Mahindra AS

Gaurav Gupta	Stig J. Greger Lundstrom
Styrets leder/Daglig leder	Styremedlem

PROFIT AND LOSS STATEMENT

NOTE	OPERATING REVENUE AND OPERATING EXPENSES	2018/2019	2016/2018
	Revenue	**74 548 718**	70 476 177
	Other operating revenue	**2 332 395**	556 953
	Total operating revenue	**76 881 113**	71 033 130
2, 4	Payroll and related costs	**11 343 237**	15 827 196
5	Depreciation and amortisation of fixed and intangible assets	**3 983 774**	994 225
	Other operating expenses	**57 170 369**	52 467 207
	Total operating expenses	**72 497 380**	69 288 627
	Operating profit/(loss)	**4 383 733**	1 744 503
	FINANCIAL INCOME AND FINANCIAL EXPENSES		
	Other financial income	**347**	0
	Other financial expenses	**113 782**	14 319
	Financial items, net	**113 435**	14 319
	Profit/(loss) on ordinary activities before taxation	**4 270 297**	1 730 183
7	Tax on ordinary income	**875 121**	404 163
	Profit/(loss) on ordinary activities	**3 395 176**	1 326 020
	PROFIT/(LOSS) FOR THE FINANCIAL YEAR	**3 395 176**	1 326 020
	ALLOCATION OF NET PROFIT/(LOSS) AND EQUITY TRANSFERS		
	Transferred to other equity	**3 395 176**	1 326 020
	Total allocations and equity transfers	**3 395 176**	1 326 020

NOTES TO THE ACCOUNTS, YEAR ENDED 31 MARCH 2019

Note 1 - Accounting policies

The financial statements have been prepared in accordance with the Norwegian Accounting Act of 1998 and generally accepted accounting principles for small entities in Norway.

Valuation and classification of assets and liabilities

Assets intended for permanent ownership or use in the business are classified as non-current assets. Other assets are classified as current assets. Receivables due within one year are classified as current assets. The classification of current and non-current liabilities is based on the same criteria.

Current assets are valued at the lower of historical cost and fair value.

Fixed assets are carried at historical cost, but are written down to their recoverable amount if this is lower than thecarrying amount and the decline is expected to be permanent. Fixed assets with a limited economic life are depreciated in accordance with a reasonable depreciation schedule.

Foreign currency

All balance sheet items denominated in foreign currencies are translated into NOK at the exchange rate prevailing at the balance sheet date.

Receivables

Trade receivables and other receivables are carried at face value less an allowance for expected losses. An estimate is made for doubtful debts based on a review of all amounts outstanding at the balance sheet date.

Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits and other monetary instruments with a maturity of less than three months at the date of purchase.

Pensions

The company has a defined contribution plan and pays fixed contributions to an insurance company. After the contribution

has been made the company has no further commitment to pay contributions relating to employee service in the current and prior periods. When employee services are rendered, the company recognizes the contribution payable in exchange for that service as a liability after deducting any contribution already paid.

Prepaid contributions are reflected as an asset (pension fund) to the degree the contribution can be refunded or will reduce future payments.

Revenues

Arising form delivery of services:

Revenue is recognised when the service is performed. Revenue is measured at the fair value of the consideration received or receivable.

Cost of sales and other expenses

In principle, cost of sales and other expenses are recognised in the same period as the revenue to which they relate. In instances where there is no clear connection between the expense and revenue, the apportionment is estimated. Other exceptions to the matching criteria are disclosed where appropriate.

Income taxes

Tax expenses are matched with operating income before tax. Tax related to equity transactions e.g. group contribution, is recognised directly in equity.

Tax expense consists of current income tax expense and change in net deferred tax. The tax expense

is allocated to ordinary income and the effect of extraordinary items in accordance with the respective taxable income. Deferred tax liabilities and deferred tax assets are presented net in the balance sheet.

Note 2 - Number of employees, benefits, loan to employees etc.

Average number of employees during the year:13

Directors' remuneration

	Salaries,fees	Pensions	Other benefits
Managing Director/Chief Executive Officer		-	-
Board of Directors		-	-

CEO is paid by Tech Mahindra Limited Branch

Auditor's remuneration

Remuneration to Deloitte AS and their associates is in 2016/2018 was kr 131.600,- exclusive of VAT. Remuneration for other services was kr 65.000,- exclusive of VAT.

Note 3 - Share capital and shareholder information

The share capital in the company at 31 March 2019 consists of the following classes:

Ownership structure

All shares are owned by Tech Mahindra GMBH.

		Sum	Ownership share	Voting share
Tech Mahindra GMBH	30 000	30 000	100 %	100 %
Total number of shares	**30 000**	**30 000**	**100 %**	**100 %**

Note 4 - Payroll costs

Payroll costs	**2018/2019**	2016/2018
Wages and salaries	9 779 354	12 796 600
Social security tax	1 282 475	1 814 942
Pension costs	263 556	498 501
Other benefits	17 852	717 153
Total	**11 343 237**	15 827 196

The company is required to have an occupational pension plan in accordance with Norwegian legislation on occupational pensions ("lov om obligatorisk tjenestepensjon"). The company's pension plan meets the requirements of this legislation.

Defined contribution plan

The company has a defined contribution plan which covers a total of 13 employees. The contribution for employee services rendered in the period is recognised as pension costs.

Note 5 - Tangible fixed assets

	Fixtures and Fittings	**Contruction in progress**	**Total**
Cost at 1 April 2018	8 785 463	1 536 997	10 322 460
Additions	11 884 120	-	-
Disposals	1 536 997	1 536 997	3 073 994
Cost at 31 March 2019	19 132 586		19 132 586
Acc. amortisation at 1 April 2018	994 225	-	994 225
Ordinary amortisation	3 983 774	-	3 983 774
Accumulated and reversed amortisation and impairment at 31 March. 2019	4 977 999	-	4 977 999
Balance at 31 March 2019	14 154 587	-	14 154 587
Current year amortisation charge	3 983 774	-	994 225
Current year impairment charge		-	-
Current year reversal of impairment charges		-	-
Economic life	3/5 years		
Amortisation method	straight-line		

Note 6 - Inter-company balances

	Accounts receivable	Accounts receivable	Other receivables 2018/2019	Other receivables 2016/2018
Group companies	4 074 228	5 950 093	-	
Total	**4 074 228**	**5 950 093**	-	

	Accounts payable 2018/2019	Accounts payable 2016/2018	Other non-current liabilities 2018/2019	Other non-current liabilities 2016/2018
Group companies	18 421 427	55 719 061	6 187 486	-
Total	**18 421 427**	**55 719 061**	**6 187 486**	**-**

Note 7 - Income tax expense

Specification of income tax expense:	**2018/2019**	2016/2018
Current income tax payable	**749 958**	26 638
Changes in deferred tax Effect of changes in tax rules	**125 163**	377 525
	-	-
Tax on ordinary profit/(loss)	**875 121**	404 163
Specification of tax payable	**2018/2019**	2016/2018
Current year income tax payable	**749 958**	26 638
Prior year adjustments	**-**	-
Current income tax payable in Balance sheet	**749 958**	26 638

Specification of the tax effect of temporary differences and losses carried forward:

		2018/2019		2016/2018
	Benefit	**Liability**	Benefit	Liability
Fixed assets		**-529 326**		- 377 525
Total		**-529 326**		- 377 525

Note 8 - Equity transactions

This year's change in equity:	**Share capital**	**Other paid-in equity**	**Other equity**	**Total equity**
Equity at 1 April 2018	30 000	**-**	1 326 020	1 356 020
Profit/(loss) of the year	**-**		3 395 176	3 395 176
Equity at 31 March 2019	**30 000**		**4 721 196**	**4 751 196**

Note 9 - Bank deposits

Bank deposits, cash etc. include restricted tax deduction funds with NOK 409.610.

TECH MAHINDRA VIETNAM COMPANY LIMITED

Board of Directors
Mr. Srinivasa Venugopal

Registered Office
Him Lam Business Center, 21st Floor,
Capital Tower, No.109 Tran Hung Dao,
Cua Nam Ward, Hoan Kiem District,
Hanoi City, Vietnam

Auditors
BDO Audit Services Co. Ltd.

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors of Tech Mahindra Vietnam Company Limited ("the Company") is pleased to present its report and the financial statements of the Company for the year ended 31 March 2019, which are audited by independent auditors.

GENERAL INFORMATION

Tech Mahindra Vietnam Company Limited (hereafter referred as "the Company") is a limited liability company with one member incorporated under the Law on Enterprise of Vietnam pursuant to the Investment Certificate No 6557776707 dated 24 January 2017 and Business Registration dated 23 March 2017, which are issued by Hanoi Department of Planning and Investment.

The Company's head office is located at Him Lam Business Center, 21st Floor, Capital Tower, 109 Tran Hung Dao, Cua Nam ward, Hoan Kiem district, Hanoi.

MEMBER OF COUNCIL

Member of Council during the fiscal year and as on the date of the report were:

Name	Position
Mr. Manish Goenka	Chairman
Mr. Makarand Shrikrishna Shete	Member
Mr. Srinivasa Raghavan Venugopal	Member

BOARD OF DIRECTORS

Members of Board of Directors during the fiscal year and as the date of the report were:

Name	Position
Mr. Srinivasa Raghavan Venugopal	Director

LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report was Mr. Srinivasa Raghavan Venugopal - Director.

AUDITORS

BDO Audit Services Co., Ltd was selected to audit the Financial Statements for the year ended 31 March 2019 of Tech Mahindra Vietnam Company Limited.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS FOR THE FINANCIAL STATEMENTS

The Board of Directors of the Company is responsible for preparing the financial statements, which give a true and fair view of the Company's financial position as at 31 March 2019 as well as its operations results and its cash flows for the fiscal year then end. The Board of Directors believes there are no contingent events that may affect the going concern of the Company. In preparing the Financial Statements, the Board of Directors is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State applicable accounting principles that have been followed, any material deviations (if any) discovered and explained in the Financial Statements;
- Prepare the Financial Statements on going concern basis unless it is inappropriate to presume that the Company will continue in business;
- Design and implement effectively the internal control system in order to ensure that the preparation and presentation of the financial statements are free from material misstatements due to frauds or errors.

The Board of Directors is responsible for ensuring that accounting books are kept adequately to give a fair and true view of the financial position of the Company and to ensure that the accompanying financial statements of the Company were prepared in accordance with Vietnamese Accounting Standards, current Corporate Accounting System of Vietnam and relevant legal regulations. The Board of Directors is also responsible for safeguarding the Company's assets and hence for taking reasonable for the prevention and detection of fraud and other irregularities.

The Board of Directors confirms that it has complied with the above requirements in preparing financial statements.

According to the Board of Directors, the accompanying audited Financial Statements give a true and fair view of financial position of the Company as at 31 March 2019, operation results and cash flows for the fiscal year then ended.

Hanoi, 2 May 2019

For and on behalf of the Board of Directors

Srinivasa Raghavan Venugopal
Director

INDEPENDENT AUDITORS' REPORT

Financial Statements of Tech Mahindra Vietnam Co., Ltd for the fiscal year ended 31 March 2019

To: MEMBER OF COUNCIL AND THE BOARD OF DIRECTORS TECH MAHINDRA VIETNAM CO., LTD

We have audited the accompanying financial statements of Tech Mahindra Vietnam Co., Ltd dated 02 May 2019 including: Statement of Financial Position as at 31 March 2019, Statement of Income and Expenditure, Statement of Cash flow and Notes to the Financial Statements for the fiscal year then ended, which are set out on page 06 to page 22.

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation and fair presentation of the Company's financial statements in accordance with Vietnamese accounting standards, Vietnamese Corporate accounting system and other prevailing legal regulations, and for such internal control as the Board of Director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or errors.

Responsibilities of auditors

Our responsibility is to express an opinion on these financial statements based on our audit. We have conducted our audit in accordance with Vietnamese 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' judgments, including the assessment of the risks of material misstatements on the financial statements, whether due to fraud or errors. 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 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 of auditors

In our opinion, in all material respects, the accompanying financial statements give a true and fair view of the financial position of Tech Mahindra Vietnam Co., Ltd as at 31 March 2019, and of its financial performance and its cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and other prevailing legal regulations on preparation and presentation of the Financial Statements.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note VII.4 – Notes to the Financial Statements which indicate that the Company incurred a loss of valued VND 4,155,752,498 for the year and accumulated loss of VND 5,042,588,136 as at 31 March 2019. As at 31 March 2019, the Company's current liabilities exceeded its current assets by VND 3,907,588,136. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. However, parent company (Tech Mahindra Limited) is committed to fund the Company's operations until it could repay its outstanding debts. Therefore, the Company will be able to meet its financial obligations as they fall due and continue to operate as a going concern. The accompanying financial statements were prepared on the assumption that the Company will continue as a going concern.

BDO AUDIT SERVICES CO.,LTD

Pham Tien Hung
Deputy General Director
Certificate for Audit application registration: 0752-2018-038-1

Nguyen Thi Duc
Auditor
Certificate for Audit application registration: 2391-2017-038-1

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

UNIT : VND

ASSETS				Code	Note	Closing balance	Opening balance
A.	CURRENT ASSETS			100		**8,932,901,999**	789,600,962
	I.	**Cash and cash equivalents**		110	V.1	**5,065,535,246**	385,234,385
		1.	Cash	111		**2,065,535,246**	385,234,385
		2.	Cash and cash equivalents	112		**3,000,000,000**	-
	II.	**Short-term financial investments**		120		-	-
		1.	Trading securities	121		-	-
		2.	Allowance for decline in the value of trading securities	122		-	-
		3.	Held to maturity investments	123		-	-
	II.	**Current receivables**		130		**3,745,159,966**	372,814,200
		1.	Trade receivables	131	V.2	**3,745,159,966**	-
		2.	Prepayments to suppliers	132	V.3	-	372,814,200
	III.	**Other current assets**		150		**122,206,787**	31,552,377
		1.	Short-term prepaid expenses	151	V.4	-	12,354,687
		2.	VAT deductible	152		**122,206,787**	19,197,690
B.	NON-CURRENT ASSETS			200		-	-
	I.	**Non-current receivables**		210		-	-
	II.	**Fixed assets**		220		-	-
		1.	Tangible fixed assets	221		-	-
			- Historical cost	222		-	-
			- Accumulated depreciation	223		-	-
		2.	Intangible fixed assets	227		-	-
			- Historical cost	228		-	-
			- Accumulated depreciation	229		-	-
	III.	**Other non-current assets**		260		-	-
		1.	Long-term prepaid expenses	261		-	-
TOTAL ASSETS				270		**8,932,901,999**	789,600,962
C.	LIABILITIES			300		**12,840,490,135**	541,436,600
	I.	**Current liabilities**		310		**12,840,490,135**	541,436,600
		1.	Trade payables	311	V.5	**128,480,318**	50,541,900
		2.	Advance from customers	312		-	-
		3.	Taxes and duties to the State	313	V.6	**487,436,160**	-
		4.	Payables to employees	314		-	-
		5.	Accrued expenses	315	V.7	**547,705,900**	482,109,000
		6.	Other short-term payables	319	V.8	**51,867,757**	8,785,700
		7.	Short-term loans and finance lease liabilities	320	V.9	**11,625,000,000**	-
	II.	**Non-current liabilities**		330		-	-
		1.	Long-term loans and finance lease liabilities	338		-	-
		2.	Long-term provisions	342		-	-
D.	OWNERS' EQUITY			400		**(3,907,588,136)**	248,164,362
	I.	**Owner's equity**		410	V.10	**(3,907,588,136)**	248,164,362
		1.	Contributed capital	411		**1,135,000,000**	1,135,000,000
		2.	Undistributed post-tax profits	421		**(5,042,588,136)**	(886,835,638)
		-	*Undistributed post-tax profits accumulated by end of previous year*	421a		**(886,835,638)**	-
		-	*Undistributed post-tax profits of current year*	421b		**(4,155,752,498)**	(886,835,638)
TOTAL RESOURCES				440		**8,932,901,999**	789,600,962

Hanoi, 02 May 2019

Nguyen Cong Vinh	**Srinivasa Raghavan Venugopal**
Chief Accountant	Director

STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 31 MARCH 2019

UNIT: VND

ITEMS		Code	Note	Current year	Previous year
1.	Revenue from sales of goods and services	01	VI.1	**5,649,216,146**	1,292,000,000
2.	Revenue deductions	02		**-**	-
3.	Net revenue from sales of goods and services	10		**5,649,216,146**	1,292,000,000
4.	Cost of goods sold and services rendered	11	VI.2	**5,194,759,500**	1,162,800,000
5.	Gross revenue from sales of goods and services	20		**454,456,646**	129,200,000
6.	Financial income	21	VI.3	**146,188,950**	1,054,130
7.	Financial expenses	22	VI.4	**510,881,446**	1,498,902
	- In which: Interest expenses	23		**335,881,446**	-
8.	Selling expenses	25		**-**	-
9.	Administrative and general expenses	26	VI.5	**4,244,976,000**	1,015,590,867
10.	Net profit from operating activities	30		**(4,155,211,850)**	(886,835,638)
11.	Other income	31		**-**	-
12.	Other expenses	32		**540,648**	-
13.	Other profit/(loss)	40		**(540,648)**	-
14.	Total pre-tax profit	50		**(4,155,752,498)**	(886,835,638)
15.	Current corporate income tax expenses	51	VI.7	**-**	-
16.	Profit after corporate income tax	60		**(4,155,752,498)**	(886,835,638)

Hanoi, 02 May 2019

Nguyen Cong Vinh	**Srinivasa Raghavan Venugopal**
Chief Accountant	Director

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2019

UNIT: VND

ITEMS	Code	Note	Current year	Previous year
I. CASH FLOWS FROM OPERATING ACTIVITIES				
1. (Loss)/Profit before tax	01		**(4,155,752,498)**	(886,835,638)
2. Adjustments for:				
- Unrealised gain/losses from foreign currency translations	04		**175,000,000**	-
- Gains from investment activities	05		**(146,188,950)**	(1,054,130)
- Interest expenses	06		**335,881,446**	-
3. Operating profit before adjustments to working capital	08		**(3,791,060,002)**	(887,889,768)
- (Increase)/decrease in receivables	09		**(3,475,354,863)**	(392,011,890)
- Increase in inventories	10		**-**	-
- Decrease in payables, excluding interest payable, corporate income tax payable	11		**565,710,051**	541,436,600
- Decrease/(increase) in prepaid expenses	12		**12,354,687**	(12,354,687)
- Interest paid	14		**(227,537,962)**	-
Net cash flows from operating activities	20		**(6,915,888,089)**	(750,819,745)
II. CASH FLOWS FROM INVESTMENT ACTIVITIES				
1. Proceeds from loans, dividends, profit	27		**146,188,950**	1,054,130
Net cash flows from investment activities	30		**146,188,950**	1,054,130
III. CASH FLOWS FROM FINANCIAL ACTIVITIES				
1. Proceeds from equity and owner's equity	31		**-**	1,135,000,000
2. Proceeds from borrowing	33		**11,450,000,000**	-
3. Repayment of borrowing	34		**-**	-
Net cash flows from financial activities	40		**11,450,000,000**	1,135,000,000
NET CASH INFLOWS	50		**4,680,300,861**	385,234,385
Cash and cash equivalents at the beginning of the year	60	V.1	**385,234,385**	-
Impact of exchange rate difference	61		**-**	-
Cash and cash equivalents at the end of the year	70	V.1	**5,065,535,246**	385,234,385

Hanoi, 02 May 2019

Nguyen Cong Vinh
Chief Accountant

Srinivasa Raghavan Venugopal
Director

NOTES TO THE FINANCIAL STATEMENTS

I. CORPORATE INFORMATION

1. Owner's equity

Tech Mahindra Vietnam Co., Ltd (hereafter referred as "the Company") is an one member limited liability company incorporated under the Law on Enterprise of Vietnam with duration of 10 years pursuant to the Investment Certificate No 6557776707 dated 24 January 2017 and Business Registration dated 23 March 2017. Parent Company is Tech Mahindra Limited, with the operating license No. 041370 dated 24/10/1986 in India, the head office is located at Gateway Building, Apollo Bunder, Mumbai – 400001, Maharashtra, India.

The information about investors and equity structure is as follows:

Investors	Under Investment License (USD)	Capital contributed	
		Ownership Proportion	**As at 31 March 2019**
Tech Mahindra Limited	50,000	100%	50,000

2. Principal activities of the Company

- Software manufacturing;
- IT services and other services related to computers;
- Implementing the retailing distribution right (without establishing retail outlets) of the goods with HS code 8471.

3. Normal operating cycle

The operating cycle is the average period of time required for a business to make an initial outlay of cash to produce goods, sell the goods or serives, and receive cash from customers in exchange for the goods or services. Normal operating cycle of the Company is 12 months.

4. Employee

The total number of employees of the Company as at 31 March 2019 is 12 persons (as of 31 March 2018 is 01 person).

II. ACCOUNTING PERIOD, ACCOUNTING CURRENCY

1. Accounting period

The Company's accounting period is from 01 April to 31 March of the next year.

2. Accounting currency

The Company maintains its accounting records in Vietnamese Dong (VND).

III. APPLICABLE ACCOUNTING SYSTEM AND ACCOUNTING STANDARDS

1. Accounting framework

The Company applies Vietnamese Corporate Accounting System issued accompanying with Circulars No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance, and Circular 53/2016 TT-BTC dated 21/03/2016 issued by the Ministry of Finance for modifying, supplementing some articles of Circular No.200/2014/TT-BTC.

Financial statements are prepared under historical cost principle and in accordance with Vietnamese Accounting Standards. The accompanying financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam.

2. Declaration on compliance with accounting standard and accounting system

The Board of Directors ensures that the financial statements have been prepared and presented in accordance with the requirements of the Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and other prevailing legal regulations guiding the preparation and presentation of financial statements.

IV. APPLICABLE ACCOUNTING POLICIES

1. Exchange rates applied in accounting system

- Commercial bank the Company selects to apply exchange rate in accounting is Citibank, N.A, Ha Noi Branch (Citibank);

- Exchange rates applied in transaction recording comprise:

+ Actual exchange rates at the time of incurred transaction

Shall be used to convert into currency recorded in accounting book for transaction of recording revenue, other income, operating expenses, other expenses, assets, other receivables, equity in cash, prepayments to buyers, payables, advance received from customers.

In the case of sale of goods or provision of services related to revenue received in advance or receipts in advance from the buyer: Revenue, income corresponding to the amount received in advance will be applied at the actual transaction exchange rate at the time buyer's pre-emptive point.

In case of buying assets related to prepaid transactions to sellers: The value of assets corresponding to the prepaid amount shall be the actual transaction exchange rates applicable at the time of advances to the sellers.

+ Specific identification actual accounting book exchange rates:

Shall be used to convert transactions into the accounting currency for ones recorded for decrease in: Receivables, Advances from customers due to the transfer of products, goods, fixed asets, services, accepted volume, Collaterals, Prepaid expenses, Payables, Advances to suppliers for products, goods, fixed assets, services received, accepted volume.

+ Moving weighted average bookkeeping rate:

Shall be used to convert into the currency recorded in accounting books in the Credit side of the cash accounts when making a payment in foreign currency.

- Actual exchange rates upon revaluation at the date of the financial statements:

+ For monetary items derived from foreign currencies classified as assets: applied exchange rate is exchange rate of buying of Citibank as at 31 March 2019. For foreign currency deposited in bank, the actual exchange rate upon revaluation is exchange rate of the bank where the Company opens foreign currency accounts.

+ For monetary items derived from foreign currencies classified as liabilities: applied exchange rate in revaluation is selling exchange rate announced by Citibank as at 31 March 2019.

Exchange rate difference in the year and difference from revaluation of monetary items denominated in foreign currencies are recognized as financial income or expenses in the year.

2. Recognition of cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposit and time deposit, cash in transit and short-term investments with maturity of less than three months that can be easily transferred to cash without any risks in transferring at the date of the report. The identification of cash and cash equivalents is in accordance with Vietnam Accounting Standard No. 24 "Cash Flow Statement".

3. Recognition of receivables

The amounts of receivables shall be classified into trade receivables, other receivables following principles below:

- Trade receivables: include commercial receivables generating from purchase - sale related transactions;

- Other receivables: include non - commercial or non - trading receivables such as receivables from loans, deposits, dividends and profit distributed, payments entiled by third party, amounts that the entrusted party must collect for the entrusting party, receivables from lending the property, receivables for fines, compensations, assets awaiting resolution, and etc.

Monitoring receivables

Receivables shall be recorded specifically to original terms and remaining recovery terms as at the reporting date, original currencies and each object. At the financial statements' preparation date, receivables which have remaining recovery terms of less than 12 months or a business cycle are classified as current receivables, receivables which have remaining recovery terms of over 12 months or a business cycle are classified as non - current receivables.

Allowance for doubtful debts

The provision for doubtful debts represents amounts of outstanding receivables at the balance sheet date, which are doubtful of being recovered. Increases and decreases to the provision balance are recorded as general and administrative expense in the Income statement.

4. Recognition of prepaid expenses

Prepaid expenses are expenses which have actually incurred yet are related to operational outputs of many accounting periods and the transfer of these expenses to operating expenses of subsequent accounting periods.

Each prepaid expense incurred shall be recorded in details of maturity. As at the reporting date, prepaid expenses that have maturity of less than 12 months or a business cycle since the date of prepayment are classified as current prepaid expenses, expenses that have maturity of over 12 months or a business cycle since the date of prepayment are classified as non-current prepaid expenses.

5. Recognition of payables

The amount of payable shall be classified into trade payable and other payables following principles below:

- Trade payables: include commercial payables arisen from purchases of goods, services or assets.
- Other payables: include non-commercial payable amounts, or payable amounts that are not related to trading in goods or services (such as payables by a third party, payables arising from borrowing assets, fines and compensation payable, assets awaiting resolution, payables on social insurance, health insurance, unemployment insurance, union funds and etc..).

Monitoring payables

Payables shall be specially recorded to original terms and remaining terms as at the reporting date, original currencies and each object. At Financial Statement's preparation date, payables that have remaining repayment terms of less than 12 months or a business cycle are classified as current payables, payables that have remaining repayment terms of over 12 months or a business cycle are classified as non-current payables.

Recognized payables shall be not lower than payable obligations.

6. Recognition of borrowings and finance lease liabilities

Borrowings and finance lease liabilities shall be specially recorded to each object, terms, original currencies. As at the consolidated financial statement's preparation date, borrowings and finance lease liabilities that have remaining repayment terms of less than 12 months or a business cycle are classified as current borrowings and finance lease, ones that have remaining repayment terms of over 12 months or a business cycle are classified as non-current borrowings and finance lease liabilities.

Recognition of borrowing expenses

Borrowing expenses include interest expenses and expenses directly relating to the borrowings (such as appraisal costs, audit costs, loan application cost and etc.).

Borrowing expenses are recognized as financial expenses during the period as incurred (except capitalization cases according to regulations in Vietnam Accounting Standards No. 16 "Borrowing expenses").

7. Recognition of accrued expenses

Accrued expenses include expenses that have been recored into the operating cost, but not actually paid at the end of the fiscal year to ensure the consistency between revenues and expenses. Accrued expenses are recorded based on the reasonable estimation of amount payable for received goods and services including expenses for audit fee, tax and accounting service fee, and etc.

8. Recognition of owner's equity Recognition of owner's equity

Owner's equity is recognized under actual contribution of investors. The actual amount of contribution capital as at 31/03/2019 is 50,000 USD, which equivalent to 1,135,000,000 VND.

Recognition of retained earnings

Retained earnings reflect the business results (profit, loss) after corporate income tax and profit sharing situation or dealing with loss of the Company. Retained earnings shall be specifically recorded to the operational results of each financial year (previous year, current year) and to each profit sharing content (appropriated funds, additional investment capital of the owner, dividends, profits for shareholders and investors).

9. Recognition of revenue

Revenue from sales of goods

Revenue from sales of goods is recognized when the outcomes of such transactions can be reliably measured and the Company is able to obtain economic benefits from these transactions. Revenue is recognized when the majority of risks and benefits of ownership of the goods have been transferred to the buyer. No revenue is recognized if there are significant uncertainties regarding the recovery of the funds or the possible return of funds.

Revenue from rendering of services

Revenue from the rendering of services is recognized when the outcome of such transactions is reliably determined. When the contract result can be reliably determined, revenue will be recognized based on the level of completion of the work. The level of completion of work is determined by the percentage of number of working hours incurred up to the end of the accounting period in relation to the total estimated hours worked for each contract.

If the contract can not be reliably determined, revenue will only be recognized at the recoverable amount of the costs recognized.

Financial income

Financial income includes interest on deposits, loan interests, dividends and profits distributed, rental income and income from securities trading activities.

Interest on deposits and loan interest is recognized on the basis of the actual time and interest rate in each period, unless the possibility of recovering interest is uncertain.

10. Recognition of cost of goods sold

Cost of goods sold represent cost of goods/service provision in the year. Cost of goods sold is recognized on matching principle between revenue and expenses.

11. Recognition of financial expenses

Financial expenses include: expenses or losses related to borrowing expenses, exchange rate losses, bank fees.

Interest expenses (including accrued interests), losses on the exchange rate differences of the reporting period are fully recognized in the period.

12. Recognintion of Administrative expenses

General and administrative expenses are general management expenses, including salaries and social insurance, health insurance, trade union funds, unemployment insurance for administrative employees (salaries, wages, allowances and etc.); expenses for office supplies, labor tools; rental fee; outsourced services (electricity, water, telephone, fax, audit fee, tax and accounting service fees and etc).

13. Tax accounting principles

Current Corporate Income Tax

Current income tax expense is determined based on taxable income and corporate income tax rate of the current year 20%.

According to the Investment Certificate and current regulations, the Company is entitled to enjoy Corporate Income Tax incentives for the taxable income from “Computer programing” as follows: a preferential tax rate of 10% for the duration of 15 years; exemption from CIT of 4 years; 50% in CIT tax deduction for the next 9 years; the duration of tax exemption and reduction is calculated continuously from the first year the Company has taxable income from newly invested projects which enjoy preferential tax rate. In case the Company does not have taxable income in the first 3 years, since the first year the Company had income from said newly invested projects, then the duration of tax exemption and deduction starts from the 4th year since the 1st year the Company had incomes.

Other taxes

Other taxes are applied according to current tax regulations in Vietnam.

Tax reports of the Company will be subject to inspection of tax authorities. Since the application of laws and regulations on taxation for different transactions can be interpreted in many different ways, the amounts presented in the financial statements could be changed according to the final decision of the tax authorities.

V. ADDITIONAL INFORMATION FOR ITEMS ON THE STATEMENT OF FINANCIAL POSITION

Following items are presented in Vietnam dong (VND).

1. Cash and cash equivalent

Cash on hand	Closing balance	Opening balance
Cash in bank - Citibank, N.A, Ha Noi Branch (Citibank)	**2,065,535,246**	385,234,385
Total	**2,065,535,246**	385,234,385
Cash equivalent (i)	**3,000,000,000**	-
Total cash and cash equivalent	**5,065,535,246**	385,234,385

(i) Cash and cash equivalent as at 31/03/2019 includes:

Content	Duration	Interest	Mature date	Amount
Short-term deposit - Citibank	1 month	3.50%	26/04/2019	3,000,000,000

2. Trade receivables

Current trade receivables	Closing balance	Opening balance
Tech Mahindra Limited	**3,745,159,966**	-
Total	**3,745,159,966**	-

3. Prepayment to suppliers

	Closing balance	Opening balance
Current advances to suppliers		
Elite Technology JSC	**-**	372,814,200
Total	**-**	372,814,200

4. Prepaid expenses

	Closing balance	Opening balance
Short-term prepaid expenses		
- Rental expenses	**-**	12,354,687
Total	**-**	12,354,687

5. Trade payable

5.1 Current trade payable	**Closing balance**		**Opening balance**	
	Original Amount	Amount can be paid off	Original Amount	Amount can be paid off
Tech Mahindra Limited	128,480,318	128,480,318	50,541,900-	50,541,900-
Total	**128,480,318**	**128,480,318**	**50,541,900**	**50,541,900-**

5.2 Trade payables are related parties

Refer to note VII.1

V. ADDITIONAL INFORMATION FOR ITEMS ON THE STATEMENT OF FINANCIAL POSITION (Contd.)

6. Taxes and duties to the State

	Opening balance	Payable in the year	Paid in the year	Closing balance
Value added tax	-	190,405,618	190,405,618	-
Personal income tax	-	1,296,086,316	808,650,156	487,436,160
Foreign contractor tax	-	11,376,899	11,376,899	-
Other tax	-	2,540,648	2,540,648	-
Total	**-**	**1,500,409,481**	**1,012,973,321**	**487,436,160**

7. Accrued expenses

	Closing balance	Opening balance
Current accrued expenses		
Tax, Accounting and Licensing service	217,537,416	271,889,000
Audit services	221,825,000	210,220,000
Loan interest	108,343,484	-
Total	**547,705,900**	**482,109,000**

8. Other payables

7.1 Current other payables

	Closing balance		Opening balance	
	Original Amount	Amount can be paid off	Original Amount	Amount can be paid off
Tech Mahindra Limited	51,867,757	51,867,757	8,785,700	8,785,700
Total	**51,867,757**	**51,867,757**	**8,785,700**	**8,785,700**

V. ADDITIONAL INFORMATION FOR ITEMS ON THE STATEMENT OF FINANCIAL POSITION (continued)

9. Loans and finance lease liabilities

	Opening balance		During the year		Closing balance	
Short-term loans	**Amount**	**Repayable amount**	**Increase**	**Decrease**	**Amount**	**Repayable amount**
Tech Mahindra ICT Service (Malaysia)	-	-	11,625,000,000	-	11,625,000,000	11,625,000,000
Total	-	-	11,625,000,000	-	11,625,000,000	11,625,000,000

Details of loans and debts are as follows

	Balance principal debt				
Creditor	**USD**	**VND**	**Maturity date**	**Interest (%/year)**	**Purpose**
Tech Mahindra ICT Service (Malaysia)					To meet the required financial requirements and business operation
Agreement dated 25 June 2018	500,000	11,625,000,000	25/06/2019	3.78%	
Total	500,000	11,625,000,000			

Note: A letter of Financial Support and Extension of Loan was issued on 16 April 2019 to extend the loan period but the long-term loan contract has not yet been signed at the date of financial report issuance.

V. ADDITIONAL INFORMATION FOR ITEMS ON THE STATEMENT OF FINANCIAL POSITION (continued)

10.1 Changes in owner's equity

Items	Owner's equity	Retained earnings	Total
Opening balance of the previous year	-	-	-
Increase in capital in previous year	1,135,000,000	-	1,135,000,000
Loss in previous year	-	(886,835,638)	(886,835,638)
Balance at the end of the previous year	1,135,000,000	(886,835,638)	248,164,362
Increase in capital in current year	-	-	-
Loss in the current year	-	(4,155,752,498)	(4,155,752,498)
Balance at the end of the current year	1,135,000,000	(5,042,588,136)	(3,907,588,136)

10.2 Details of owner's equity

	Charter capital		
	According to Investment licence *(USD)*	**Ownership ratio**	**Charter capital paid in actual (USD)**
Tech Mahindra India	50,000	100%	50,000
	50,000	100%	50,000

VI. ADDITIONAL INFORMATION FOR ITEMS ON THE STATEMENT OF INCOME AND EXPENDITURE

Following items are presented in Vietnam dong (VND).

1. Revenue from sales of goods and rending of services

	Current year	Previous year
Revenue from sales of goods	**1,904,056,180**	1,292,000,000
Revenue from rendering of services	**3,745,159,966**	-
Total	**5,649,216,146**	1,292,000,000

2. Cost of goods sold and services rendered

	Current year	Previous year
Cost of goods sold	**1,694,610,000**	1,162,800,000
Cost of service rendered	**3,500,149,500**	-
Total	**5,194,759,500**	1,162,800,000

3. Financial income

	Current year	Previous year
Bank interest	**146,188,950**	1,054,130
Total	**146,188,950**	1,054,130

4. Financial expenses

	Current year	Previous year
Realized exchange rate difference	**-**	1,498,902
Unrealized exchange rate difference	**175,000,000**	-
Interest expense	**335,881,446**	-
Total	**510,881,446**	1,498,902

VI. ADDITIONAL INFORMATION FOR ITEMS THE STATEMENT OF INCOME AND EXPENDITURE (continued)

5. General and administrative expenses

	Current year	Previous year
Administrative employee expenses	**3,019,241,632**	-
Office supply expenses	**1,290,000**	1,963,637
Taxes, fees, and charges	**2,000,000**	4,794,500
External service expenses	**1,121,405,722**	1,008,832,730
Other monetary expenses	**101,038,646**	-
Total	**4,244,976,000**	1,015,590,867

6. Production and Operating expenses

Production and Operating expenses	Current year	Previous year
Labour cost	**6,408,772,329**	-
Tool and instrument cost	**1,290,000**	1,963,637
External services expenses	**1,121,405,722**	1,008,832,730
Other monetary expenses	**213,657,449**	4,794,500
Total	**7,745,125,500**	1,015,590,867

7. Current corporate income tax expense

The current tax payable is based on taxable profit for the year. The taxable profit of the Company for the year differs from the profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

Corporate Income tax in the year of the Company:	Current year
Net (loss)/profit before tax	**(4,155,752,498)**
Adjustment of (decrease)/increase in (loss)/profit	**336,422,094**
Adjustments of increase	**336,422,094**
Non-deductible interest expenses	**335,881,446**
Other non-deductible expenses	**540,648**
Adjustments of decrease	**-**
Adjusted pre-tax (loss)/profit without deducting loss in previous years	**(3,819,330,404)**
Loss carried forward	**-**
Estimated taxable income in current period	**-**
Current corporate income tax expense	**-**

VII. OTHER INFORMATION

1. Related parties

Related parties

Parties are considered to be related if one party has the ability to control the other parties or exercise significant influence over the other party in making financial and operating decisions. Related parties comprise enterprises including parent company, subsidiaries, individual directly or indirectly through one or more intermediaries, control or are controlled by, or are under common control with, the reporting enterprise. Associates, individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that give them significant influence over the enterprise, key management personnel, officers, close members of the family of an individual and associate, or the individual's associate are also considered as related parties.

During the fiscal year ended 31 March 2019, related parties of the Company are determined as following:

Related parties	Relationship
Tech Mahindra Limited	Parent Company
Tech Mahindra ICT Service (Malaysia)	Associate

Transaction with related parties

Significant transaction with related parties during the year as following:

In the year	Transaction	Current year	Previous year
Tech Mahindra Limited	Capital contribution	**-**	1,135,000,000
	Share rental fee	**77,938,418**	50,541,900
	Salary paid on behalf of Tech Mahindra Vietnam	**43,082,057**	8,785,700
	Revenue from rendering services	**3,745,159,966**	-
Tech Mahindra ICT Service	Borrowings	**11,450,000,000**	-
	Interest expenses	**335,881,446**	-
	Interest paid	**227,537,962**	

Balances with related parties

Amount due to and from related parties as balance sheet date as following:

Related parties	Content	Closing balance	Opening balance
Tech Mahindra Limited	Trade receivables	3,745,159,966	-
	Trade payables	128,480,318	50,541,900
	Other short-term payables	51,867,757	8,785,700
Tech Mahindra ICT Service	Short-term loans and finance lease liabilities	11,625,000,000	-
	Interest expense payables	108,343,484	-

Pricing policies for transactions between the Company and other related parties

Services provided by related parties are negotiated among parties involved.

2. Subsequent events after balance sheet date

There have been no significant events occuring after the balance sheet date which would require adjustments or disclosures to be made in the financial statements.

3. Comparative figures

Comparative figures are the figures in the financial statements for the fiscal year ended 31 March 2018 audited by BDO Audit Services Company Limited.

4. Going concern

As at 31/03/2019 The Company had significant accumulated losses of 5,042,588,136 VND and current liabilities exceeded its current assets by VND 3,907,588,136 which caused the existence of material uncertainties and doubts on the going concern of the Company. However, the investor of the Company is committed to continuing financial support for the Company to maintain normal operating continuously for 12 months. Therefore, Financial statements of the Company are prepared on the going concern basis.

Hanoi, 02 May 2019

Nguyen Cong Vinh
Chief Accountant

Srinivasa Raghavan Venugopal
Director

TECH MAHINDRA LLC

(a Delaware Corporation)

Board of Managers

Mr. Manish M Vyas

Mr. Arvind Malhotra

Mr. Lakshmanan Chidambaram

Registered Office

251 Little Falls Drive, Wilmington,

New Castle, Delaware, 19808

Bankers

HSBC Bank USA NA

452 5th Ave

New York, NY 10018

Auditors

Catrakilis Kraitzick Hrabova, LLC

CPAs and Advisors

DIRECTORS' REPORT

Your Directors present their Report together with the audited accounts of your Company for the year ended March 31, 2019.

Financial Results:

For the year ended March 31	2019 USD	2019 INR	2018 USD	2018 INR
Income	**4,415**	**305,319**	NA	NA
Profit/(Loss) before tax	**0**	**0**	NA	NA
Profit/(Loss)after tax	**0**	**0**	NA	NA

Note: -

2019 is first year of audit hence no previous year data available.

Review of operations:

During the fiscal year under review, the Company achieved an income of US$ 0.004 Million (equivalent to INR 0.03 Crores).

Board:

Mr. Manish Vyas, Mr. Arvind Malhotra, Mr. Lakshmanan Chidambaram are the members of the Board of Managers.

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.

Manish Vyas
Director

Place: Texas
Date: May 17, 2019

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Tech Mahindra, LLC.
a Delaware Corporation,
a wholly owned subsidiary of Tech Mahindra Limited,
an India Corporation
Plano, Texas

We have audited the accompanying financial statements of Tech Mahindra, LLC, (the "Company") a wholly owned subsidiary of Tech Mahindra Limited, an India corporation, which comprises the balance sheet as of March 31, 2019, the related statements of operations, members' equity, 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.

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 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, LLC., (the "Company") a wholly owned subsidiary of Tech Mahindra Limited, as of March 31, 2019, 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 Note 4 to the financial statements, the Company has had numerous transactions with the parent company.

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 page 11 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

May 16, 2019

TECH MAHINDRA LLC

BALANCE SHEET

	Note		March 31, 2019
ASSETS:			
Current assets:			
Cash		$	457,842
Accounts receivable, net	3		3,577,123
Total current assets			4,034,965
Total Assets		$	4,034,965
LIABILITIES AND MEMBERS' EQUITY:			
Current liabilities:			
Accrued expenses and other current liabilities			4,025
Due to related parties	4		4,030,940
Total current liabilities			4,034,965
Members' equity			-
Total Liabilities and Members' Equity		$	4,034,965

STATEMENT OF OPERATIONS FOR THE PERIOD ENDED MARCH 31, 2019

	Schedule		
REVENUES	I	**$**	**4,415**
COST OF REVENUES	II		**-**
GROSS PROFIT			**4,415**
OPERATING EXPENSES:			
General and administrative	III		**4,415**
Total operating expenses			**4,415**
Operating loss			**-**
INCOME TAX EXPENSE			**-**
NET LOSS			**-**

STATEMENT OF CHANGES IN MEMBERS' EQUITY FOR THE PERIOD ENDED MARCH 31, 2019

	Members' Equity	Accumulated (Deficit)	Total Members' Equity
Balance at June 14, 2018	$ -	$ -	$ -
Net loss for the period	-	-	-
Balance at March 31, 2019	$ -	$ -	$ -

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED MARCH 31, 2019

CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Loss	$	-
Adjustments to reconcile net loss to net cash provided by operating activities:		
Changes in operating assets and liabilities:		
Accounts receivable, net		(3,577,123)
Due to parent company		4,030,940
Accrued expenses and other current liabilities		4,025
Net Cash Provided in Operating Activities		457,842
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net Cash Used in Investing Activities		-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net Cash Used in Financing Activities		-
Net increase in cash		457,842
Cash, beginning of period		-
Cash, end of period	$	457,842
Supplemental disclosure:		
Cash paid for interest	$	-
Cash paid for income taxes	$	-

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2019

1. NATURE OF OPERATIONS

Tech Mahindra LLC. (the "Company" or "TMLLC") is a wholly owned subsidiary of Tech Mahindra Ltd. ("TML"). The Company was incorporated in the State of Delaware on June 14, 2018. The Company is engaged in the business of providing sofware development services onsite for clients across the United States of America.

In terms of an signed agreement between the company and Tech Mahindra Limited ("TML"), the company will enter into contracts with customers based in the United States of America for the development or modification of software and other related services. The company will then outsource all of these services to TML, who will accept the responsibility of fulfilling the terms of these agreements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PREPARATION

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. BASIS OF ACCOUNTING

These financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

C. ACCOUNTING 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

D. REVENUE AND EXPENSES

Effective December 17, 2018, the Company has entered into a contract with Tech Mahindra Ltd.("TML") to outsource all services to TML. Under the contract with TML, the Company has agreed to outsource all of the services to TML at the price agreed between the Company and it's customers. Revenue derived from the outsource of these services is recognized on time and material basis, provided that no uncertainties regarding customer acceptance exist and collection of the related receivable is probable.

E. INCOME TAXES

The Company was formed as a Limited Liability Company.

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.

In terms of 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.

The Company made the election to be taxed as a Corporation and files a separate return.

F. CASH

The Company considers all highly-liquid investments with maturities of three months or less to be cash or cash equivalents.

The Company places its cash 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, 2019, the Company had $207,842 in excess of the Federally insured limit with the financial institution.

G. ACCOUNTS RECEIVABLE AND ALLOWANCE FOR BAD DEBTS

Accounts receivable are the amounts owed on invoiced contractual agreements either in process or completed by the Company. Accounts receivable are considered delinquent when payment is not received under terms described within the individual contract's terms.

An allowance for doubtful accounts is provided for those balances considered to be uncollectible based upon historical experience and the Company's specific review of outstanding account balances. Company policy is that accounts overdue in excess of 365 days is an indicator that the receivable has potentially impaired. Bad debts are written off against the allowance when identified.

H. UNBILLED RECEIVABLES

Unbilled receivables represent accrued revenue earned and recognized on projects for which billings have not yet been presented to the customer.

I. RELATED PARTIES

All companies within the Group are considered to be related parties. Related parties are considered to be related if one party has the ability to control or jointly control the other party or exercise significant influence over the party in making financial and operational decisions. Key management personnel are also regarded as related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise).

3. ACCOUNTS RECEIVABLE, NET

At March 31, 2019, accounts receivable balances were as follows:

	March 31, 2019
Amounts due for services rendered and billed	$ 1,665,659
Less: allowance for doubtful accounts	-
Amounts due for services rendered and billed, net	1,670,074
Amounts due for services rendered, not billed	1,911,464
Total accounts receivable, net	$ 3,577,123

4. TRANSACTIONS WITH RELATED PARTIES

During the period ended March 31, 2019, the Company had transactions with Tech Mahindra Ltd.("TML"). At March 31, 2019 the Company had payables due to TML as follows:

	March 31, 2019
Beginning balance, due to	$ -
Cost of services	2,123,891
Provision for Expenses	1,911,464
Income	(4,415)
Ending balance, due to	$ 4,030,940
Due (to) consists of:	
Amounts due to TML	$ 4,035,355
Amounts due from TML	(4,415)
	$ 4,030,940

	March 31, 2019
Total amounts due to related parties	$ 4,035,355
Total amounts due from related parties	(4,415)
	$ 4,030,940

5. LITIGATION AND CONTINGENCIES

The Company is not involved in any legal proceedings in the ordinary course of its business.

6. CONCENTRATION OF CREDIT RISK

REVENUE AND ACCOUNTS RECEIVABLE

The majority of the Company's sales are credit sales. The concentration for revenue and billed accounts receivable, for the period ended March 31, 2019, is predominately from the Company's one major customer. This customer accounts for 93% of the total revenue for the period and 96% of the total accounts receivable balance as iof March 31, 2019.

7. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is defined under Accounting Standards Codification ("ASC") 820, "Fair Value Measurements and Disclosures" ("ASC 820"), as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a three-level hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability on the measurement date. The three levels are defined as follows:

Level 1–inputs to the valuation methodology are quoted prices (unadjusted) for an identical asset or liability in an active market.

Level 2–inputs to the valuation methodology include quoted prices for a similar asset or liability in an active market or model-derived valuations in which all significant inputs are observable for substantially the full term of the asset or liability.

Level 3–inputs to the valuation methodology are unobservable and significant to the fair value measurement of the asset or liability.

The carrying amounts of cash, accounts receivable and accounts payable approximate fair value due to the short-term maturity of the instruments. The carrying amounts of the Company's floatable interest rate debt are considered reasonable estimates of fair value.

8. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through May 16, 2019. No significant events occurred subsequent to the balance sheet date that would have a material impact on the financial statements.

TECH MAHINDRA LLC.

a Delaware Corporation and wholly owned subsidiary of Tech Mahindra Ltd.

Supplemental Schedule of Revenue and Expenses

		March 31, 2019
Schedule I		
REVENUE		
Contract revenue from third parties	$	5,703,790
Transfer to parent or affiliated companies		(5,703,790)
	$	-
Revenue from parent or affliated companies	$	4,415
Revenue from third parties		-
	$	4,415
Schedule II		
GENERAL AND ADMINISTRATIVE		
Professional fees	$	4,025
Bank charges		390
	$	4,415

TECH MAHINDRA COMMUNICATIONS JAPAN CO. LTD

Board of Directors
Masato Kawano
Hiroki Okada
Nobuhiko Awazu
Amitava Ghosh
Dhanashree Bhat

Registered Office
6-18, Kamiji 1-Chome,
Higashinari-ku, Osaka

Bankers
Mitsuisumitomo
Kansai Mirai Bank
Osaka City Bank
Amagasaki Sinyou

Auditors
RSM Seiwa
Syosankan 4F, 1-3-2
Lidabashi, Chiyoda-ku
Tokyo 102-0072
Japan

STATEMENT OF FINANCIAL POSITION AS OF MARCH 31, 2019 (JPY)

Assets		Liabilities	
Current Assets	**117,876,275**	**Current Liabilities**	**75,510,079**
Cash and deposits	70,154,429	Accounts payable	43,139,995
Accounts receivable	42,766,490	Governmental liabilities	6,211,852
Prepaid expenses	4,955,356	Short-term debt	19,370,000
		Loan Payable - Former shareholder	6,788,232
Non-Current Assets	**9,540,485**	**Non-Current Liabilities**	**93,558,064**
Tangible Non-current Assets	**7,574,955**	Long-term debt	86,818,000
Fixed Assets	7,574,955	Others non Current Liabilities	6,740,064
Investments and Other Assets	**1,965,530**	**Total Liabilities**	**169,068,143**
Deposits	859,000	**Equity**	
Others non Current Asset	1,106,530	Legal capital	26,500,000
		Capital reserve	16,500,000
		Retained earnings	(84,651,383)
		Total Equity	**(41,651,383)**
Total Assets	**127,416,760**	**Liabilities and Equity**	**127,416,760**

INDEPENDENT AUDITOR'S REPORT

Tech Mahindra Communications Japan Co., Ltd

1-6-18 Kamiji, Higashi-Nariku,

Osaka, Japan 537-0003

To the Board of Directors of Tech Mahindra Communications Japan Co., Ltd:

Opinion

We have audited the balance sheet of Tech Mahindra Communications Japan Co., Ltd (the Company) as at March 31, 2019 ("the financial statement"). In our opinion, the accompanying financial statement presents fairly, in all material respects, the financial position of the Company as at March 31, 2019 in accordance with those requirements of accounting principles generally accepted in Japan ("JOA.AP") relevant to preparing such a financial statement.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statement in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Govern ance for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with those requirements of IFRS relevant to preparing such a financial state ment, and for such internal control as management determines is necessary to enable the preparation of a financial statement that is free from material misstatement, whether due to fraud or error. In preparing the financial statement, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operatio ns, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial statement. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism tbroughout the audit. We also: .

- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opi nion . The risk ofnot detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statement and whether the financial statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independence

Our firm and the engagement partner do not have any financial interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Law.

June 26, 2019

RSM Seiwa

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - DESCRIPTION OF OPERATIONS AND BASIS OF PRESENTATION

Tech Mahindra Communications Japan Co. Ltd (“TMCJ” or “the Company”) incorporated in Japan in 2006 under the name K Vision. On March 14, 2019, Tech Mahindra Limited (“Tech Mahindra”), incorporated in India, through its subsidiary, Tech Mahindra Engineering Services (Europe) Limited, incorporated in the United Kingdom, completed the acquisition of the shares of the Company.

The Company is supplying all the elements required for the establishment and deployment of communication networks and provides related construction services in Japan.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in Japan (“JGAAP”) 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 period. Actual results could differ from those estimates.

Cash and cash equivalents:

Cash and cash equivalents consist of certain highly liquid investments with maturities of three months or less at the date of purchase and consist of money market funds.

Trade receivables:

The Company believes that the concentration of credit risk in its trade receivables is mitigated by the Company’s credit evaluation process, relatively short collection terms, and dispersion of its customer base. Management evaluates the collectability of trade receivables based on a combination of factors. Management regularly analyzes significant customers accounts, and, when management becomes aware of a specific customer’s inability to meet its financial obligations, such as in the case of bankruptcy filings or deterioration in the customer’s operating results or financial position, a specific reserve for bad debts is recorded to reduce the related receivable to the amount management reasonably believes is collectible. Reserves for doubtful accounts for all other customers are also recorded based on a variety of factors including the length of time the receivables are past due, the financial health of the customer, macroeconomic considerations, and historical experience. If circumstances related to specific customers change, estimates of the recoverability of receivables could be further adjusted or the related receivables could be written off to the allowance as uncollectible. The Company has not experienced significant losses on trade receivables from any particular customer or geographic region.

Property and equipment:

Property and equipment are stated at cost and are being depreciated using straight-line and accelerated methods over the estimated useful lives of the related assets.

Fair value of financial instruments:

The fair value of cash and cash equivalents, accounts receivable, accounts payable, accrued liabilities, and other short-term liabilities approximate the carrying value due to their short-term, highly liquid nature. The carrying amounts of long-term debt approximate fair value, based on interest rates currently available for similar terms and maturities.

Income taxes:

Deferred income tax assets and liabilities are recognized on the differences between the financial statement and tax basis of assets and liabilities and on net operating loss carryovers using enacted tax rates. A valuation allowance is provided to offset deferred income tax assets if, based on available evidence, it is more likely than not that a portion of the deferred income tax assets will not be realized.

Subsequent events:

Subsequent events have been evaluated through June 16, 2019, which is the date the financial statements were available to be issued.

THE CJS SOLUTIONS GROUP, LLC

Board of Directors
Mr. Anupam Puri
Mr. Richard Caplin
Mr. Milind Vasant Kulkarni (Appointed on 12th November, 2018)
Mr. Vineet Nayyar (Resigned effective 3rd October, 2018)

Registered Office
6440 Southpoint Parkway
Suite 300
Jacksonville
Florida 32216

Bankers
BB&T
Westpack Banking Corporation

Auditors
CatrakilisKraitzickHrabova, LLC
Atlanta, Georgia

INDEPENDENT AUDITOR'S REPORT

Board of Directors

The CJS Solutions Group, LLC and Subsidiaries a Florida Limited Liability Company Jacksonville, Florida

We have audited the accompanying consolidated financial statements of The CJS Solutions Group, LLC. and its subsidiaries (collectively referred to as the "Company"), which comprise the consolidated balance sheet as of December 31, 2018 and the related consolidated statement of operations and comprehensive loss, members' capital and cash flow for the year ended December 31, 2018 and the related notes to the consolidated financial statements. We did not audit HCI Group UK, Limited and Healthcare Clinical Informatics, Limited, which statements reflect total assets and revenues constituting 3% percent and 5% percent, respectively, of the related consolidated totals. Those statements were audited by other auditors whose report has been furnished to members of the company, and our opinion, insofar as it relates to the amounts included in the consolidated financial statements, is based solely on the report of the other auditors.

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 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 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 of 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 risk 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position, as of December 31,2018, the results of operations and its cash flow for the year ended in accordance with accounting principles generally accepted in the United States of America.

Other matters

As discussed in Note 8 to the financial statements, the Company has had numerous transactions with the related parties.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Consolidated Supplemental Schedule of Revenue and Expense on page 17 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of 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.

Restriction on Use

This communication is intended solely for the information and use of those charged with governance, management of the Company and the auditor's of Tech Mahindra Limited, and is not intended to be and should not be used by anyone other than these specified parties.

Catrakilis Kraitzick Hrabova, LLC. Atlanta, Georgia March 22, 2019

CONSOLIDATED BALANCE SHEET DECEMBER 31, 2018

	Note	2018
ASSETS:		
Current assets:		
Cash		**$ 5,423,497**
Accounts receivable, net	3	**55,347,463**
Due from related party	8	**872,953**
Prepaid income tax		**2,021,359**
Prepaid expenses and other current assets		**1,791,102**
Total current assets		**65,456,374**
Property and equipment, net	5	**842,432**
Other assets:		
Deferred income tax asset	4	**2,622,646**
Intangible assets, net	6	**23,602,867**
Goodwill, net	7	**49,752,100**
Total other assets		**75,977,613**
Total Assets		**$ 142,276,419**
LIABILITIES AND MEMBERS' CAPITAL:		
Current liabilities:		
Accounts payable		**$ 2,583,349**
Accrued expenses and other current liabilities		**7,666,168**
Income taxes payable	4	**597,722**
Due to related parties	8	**2,659,166**
Short-term debt and line of credit	9	**40,000,000**
Total current liabilities		**53,506,405**
Members' capital	10	**88,770,014**
Total Liabilities and Members' Capital		**$ 142,276,419**

See Notes to Financial Statements 3

CONSOLIDATED STATEMENT OF OPERATIONS AND COMPREHENSIVE LOSS FOR THE YEAR ENDED DECEMBER 31, 2018

	Schedule		2018
REVENUES		$	**229,582,720**
COST OF REVENUES	I		**195,419,077**
GROSS PROFIT			**34,163,643**
OPERATING EXPENSES:			
Personnel			**14,535,792**
General and administrative	II		**10,306,519**
Amortization			**11,188,242**
Write-off from impairment of goodwill			**2,448,892**
Depreciation			**323,053**
Total operating expenses			**38,802,498**
Operating loss			**(4,638,855)**
OTHER INCOME / (EXPENSES)			
Other income			**230,884**
Interest expenses			**(1,772,170)**
Foreign currency gain			**13,648**
Total other expense			**(1,527,638)**
Loss before income tax expense			**(6,166,493)**
INCOME TAX BENEFIT	Note 4		**(670,091)**
NET LOSS			**(5,496,402)**
Other comprehensive loss			
Loss on foreign currency translation			**(194,240)**
Comprehensive Loss		**$**	**(5,690,642)**

See Notes to Financial Statements 4

CONSOLIDATED STATEMENT OF CHANGES IN MEMBERS' CAPITAL FOR THE YEAR ENDED DECEMBER 31, 2018

	Members' Capital	Accumulated Other Comprehensive (Loss)	Accumulated (Deficit)	Total Members' Capital
Balance at December 31, 2017	$ 99,927,450	$ (1,567,788)	$ (3,899,006)	$ 94,460,656
Net loss for the period	-	-	(5,496,402)	(5,496,402)
Other comprehensive loss	-	(194,240)	-	(194,240)
Balance at December 31, 2018	**$ 99,927,450**	**$ (1,762,028)**	**$ (9,395,408)**	**$ 88,770,014**

See Notes to Financial Statements 5

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2018

CASH FLOWS FROM OPERATING ACTIVITIES:		**2018**
Net Loss	$	**(5,496,402)**
Adjustments to reconcile net loss to net cash provided by operating activities:		
Amortization		**11,188,242**
Depreciation		**323,053**
Write-off for impairment of goodwill		**2,448,892**
Deferred income tax benefit		**(1,304,753)**
Changes in operating assets and liabilities:		
Accounts receivable, net		**(7,738,172)**
Due from parent company		**1,349,654**
Prepaid income tax		**(1,616,359)**
Prepaid expenses and other current assets		**6,044,826**
Other receivables		**(1,133,692)**
Accrued expenses and other current liabilities		**1,269,423**
Accounts payable		**(2,508,194)**
Income taxes payable		**538,055**
Net Cash Provided in Operating Activities		**3,364,573**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures		**(468,163)**
Net Cash Used in Investing Activities		**(468,163)**
CASH FLOWS FROM FINANCING ACTIVITIES:		
Credit card and interest repayment		**(991,479)**
Proceeds from loans		**140,000,000**
Repayment of loans		**(150,000,000)**
Net Cash Used in Financing Activities		**(10,991,479)**
Effect of exchange rate changes on cash		**(90,664)**
Net decrease in cash		**(8,185,733)**
Cash, beginning of period		**13,609,230**
Cash, end of period	$	**5,423,497**
Supplemental disclosure:		
Cash paid for interest	$	**1,600,914**
Cash paid for income taxes	$	**2,021,359**

See Notes to Financial Statements 6

1. NATURE OF OPERATIONS

The CJS Solutions Group, LLC (the "Parent") and Subsidiaries (the "Company") is a consulting firm that specializes in providing resources to plan, manage, build, optimize and generally assist in the implementation of electronic medical records systems ("EMR") in hospitals and health care systems.

The Company's workforce, includes two hundred twenty three (223) full-time workers and seven hundred forty four (744) subcontractors, consisting of consultants, recruiters, salespersons, management and general office staff. The Company provides these consultants throughout the United States, United Kingdom, Canada, Australia, Dubai and New Zealand. The Company is fully concentrated within the healthcare technology industry.

The consolidated financial statements of the Company includes The CJS Solutions Group, LLC d/b/a The HCI Group and its wholly owned subsidiary, HCI Group UK Ltd. (the "Subsidiary") and its wholly owned subsidiaries, Healthcare Clinical Informatics Ltd., CJS Solutions Group Canada ULC, HCI Group DMCC, HCI Group Australia Pty Ltd. and High Resolution Consulting Ltd and its wholly owned subsidiary, High Resolution Resourcing Limited.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF CONSOLIDATION

The accompanying consolidated financial statements reflect the consolidated results of the Parent and its subsidiaries for the year ended December 31, 2018. All significant intercompany accounts and transactions have been eliminated in consolidation.

B. BASIS OF ACCOUNTING

These consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

C. ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with U.S. GAAP requires the Company to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

D. REVENUE RECOGNITION

Revenue from consulting services contracts is 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 provided, fees are fixed or determinable, and collectability is reasonably assured.

Revenues from these services and reimbursed costs for out of pocket expenses are presented on the statement of operations and comprehensive loss, net of allowances or adjustments for agreed changes to reimbursed costs.

E. COST OF REVENUE

Direct costs for employee or contractor placements consists of salaries and contract payments (mainly from hours), payroll taxes, insurance costs as well as reimbursable costs such as travel, lodging or entertainment.

F. ADVERTISING

The Company expenses all advertising costs as incurred. Sales and Marketing costs for the year ended December 31, 2018, were $378,944.

G. INCOME TAXES

CJS, was formed as a Limited Liability Company. On May 5, 2017 management elected to have the entity file an income tax return as a corporation.

CJS 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. CJS 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 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.

In accordance with guidance in ASC 740-10-30-27, the Company uses a "separate return" method to allocate current and deferred taxes or benefits to members of the consolidated return group ("TMA and subsidiaries") by applying ASC 740 to each member as if they were separate tax payers. Under the "separate return" method, the subsidiary is assumed to file a separate return with the taxing authority, thereby reporting its taxable income or loss and paying the applicable tax to or receiving the appropriate refund from the Parent.

For the foreign subsidiaries deferred tax assets are only recognized if it is probably that they will be used.

H. CASH

The Company considers all highly-liquid investments with maturities of three months or less to be cash or cash equivalents.

The Company places its cash 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 December 31, 2018, the Company had $3,589,329 with the financial institution that exceed the Federally insured limit.

The Financial Services Compensation Scheme covers small businesses in the United Kingdom that hold deposits at member banks up to £85,000 ($108,462). As of December 31, 2018, the balance of £ 1,059,586 ($1,352,054) exceeded the insured limit.

I. ACCOUNTS RECEIVABLE AND ALLOWANCE FOR BAD DEBTS

Accounts receivable are the amounts owed on invoiced contractual agreements either in process or completed by the Company. Accounts receivable are considered delinquent when payment is not received under terms described within the individual contract's terms.

An allowance for doubtful accounts is provided for those balances considered to be uncollectible based upon historical experience and the Company's specific review of outstanding account balances. Company policy is that accounts overdue in excess of 365 days is an indicator that the receivable has potentially impaired. Bad debts are written off against the allowance when identified.

J. UNBILLED RECEIVABLES

Unbilled receivables represent accrued revenue earned and recognized on projects for which billings have not yet been presented to the customer.

K. PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost less accumulated depreciation. Depreciation is provided by the straightline method and is generally based on the following lives:

- Computers and technology peripherals - five years;
- Furniture and fixtures - seven years;
- Leasehold improvements - lesser of remaining life of lease or estimated useful life of equipment.

Expenditures for maintenance and repairs are charged to income as incurred. Additions and betterments are capitalized. When assets are retired or otherwise disposed, the related cost and accumulated depreciation are removed from the appropriate accounts and any resulting gain or loss is reflected in operations.

The Company annually reviews the status of property and equipment held by the Company for any impairment of those assets. Any such impairment would result in a permanent reduction in the recorded value of the asset. No such impairments existed at December 31, 2018.

L. FOREIGN EXCHANGE RATES

The Company translates the operations and balances of its foreign subsidiaries into U.S. Dollars. Assets and liabilities are translated into U.S. Dollars at year-end exchange rates. Income and expense items are translated at the average rates of exchange prevailing during the year. Translation adjustments are included in "Other Comprehensive Loss" and "Accumulated Other Comprehensive Loss". Transactions in currencies other than the functional currency of the related subsidiary are converted at the foreign exchange rate on the date of the transaction. Gains and losses, which result from foreign currency transactions, are included in Other Expenses.

M. GOODWILL

Goodwill resulting from business combinations represents the excess of the fair value of the consideration transferred over the fair value of the net assets acquired and liabilities assumed as of the acquisition date. During 2015, the Company elected the private company accounting alternatives provided in Accounting Standards Update (ASU) 201402, Intangibles - Goodwill and Other (Topic 350). Pursuant to these elections, the Company prospectively amortized goodwill on a straight-line basis over a ten-year period. Impairment testing will be performed at the entity level whenever events occur, or circumstances changes, which indicates that the fair value of the Company may be below its carrying amount.

N. IDENTIFIABLE INTANGIBLES

Identifiable definite lived intangible are stated at fair value as of date of acquisition and are amortized over their estimated useful lives. The Company amortizes customer relationships on a straight-line basis over a six-year period. Under the provisions of (Topic 350) Intangibles - Goodwill and Other, identifiable intangible assets with definite lives are tested for impairment if conditions exist that indicate the asset might be impaired. The impairment assessments made at December 31, 2018 did not result in any impairment charges.

O. RELATED PARTIES

All companies within the Group are considered to be related parties. Related parties are considered to be related if one party has the ability to control or jointly control the other party or exercise significant influence over the party in making financial and operational decisions. Key management personnel are also regarded as related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise). The Company did business, including a lease agreement with a provider in which a certain employee of the Company owns an interest. Transactions involving related parties are carried out on an arm's length basis.

Notes to Consolidated Financial Statements December 31, 2018

3. ACCOUNTS RECEIVABLE. NET

At December 31. 2018. accounts receivable balances were as follows:		**December 31, 2018**
Amounts due for services rendered and billed	$	43.961.302
Less: allowance for doubtful accounts		(191.913)
Amounts due for services rendered and billed. net		43.769.389
Amounts due for services rendered. not billed		11.578.074
Total accounts receivable. net	**$**	**55.347.463**

4. INCOME TAXES

CJS accounts for income taxes under the provisions of the FASB ASC 740. *Income Taxes*. as described in Note 2G

		Year ended December 31 2018
Federal	$	442.703
State		191.959
	$	634.662
Deferred income tax benefit consists of the following:		
Federal	$	(1.125.559)
State		(179.194)
	$	(1.304.753)
Total current and deferred income tax benefit	$	(670.091)

		December 31, 2018
Deferred tax asset consists of the following:		
Federal	$	2.443.452
State		179.194
	$	2.622.646

As of December 31. 2018. CJS had utilized all available federal net operating losses (NOLs) available to be carried forward from prior years. CJS had utilized all available state net operating losses (NOLs) available to be carried forward from prior years. CJS 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 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.

5. PROPERTY AND EQUIPMENT

At December 31, 2018, property and equipment balances were as follows:	December 31, 2018
Computer and software	1,432,994
Furniture and equipment	248,560
Vehicles	206,161
Leasehold improvements	24,558
Office equipment	38,722
Less: accumulated depreciation	(1,108,563)
Property and equipment, net	$ 842,432

Total depreciation expense was $323,053 for the year ended December 31, 2018. The depreciation policies followed by the Company are disclosed in Note K.

6. INTANGIBIE ASSETS NET

At December 31, 2018, intangible asset balances were as follows:	December 31, 2018
Customer contract and related relationships	$ 32,600,000
Less: accumulated amortization	(8,997,133)
Intangible assets, net	$ 23,602,867

Amortization expense for the year ended December 31, 2018 was $5,433,333. The amortization policies followed by the Company are described in Note N.

Amortization expense of intangible assets subject to amortization for the five years succeeding December 31, 2018 and thereafter is as follows:

Years ending December 31,	
2019	$ 5,433,333
2020	$ 5,433,333
2021	$ 5,433,333
2022	$ 5,433,333
2023	$ 1,869,535
	$ 23,602,867

7. GOODWILL, NET

The changes in the carrying amount of goodwill at December 31, 2018 are as follows:	December 31, 2018
Goodwill	$ 61,575,804
Less: accumulated amortization	$ (9,374,812)
Less:	$ (2,448,892)
Goodwill, net	$ 49,752,100

Amortization expense for the year ended December 31, 2018 was $5,754,909. An impairment charge occurred in the amount of $2,448,892. The amortization policies followed by the Company are described in Note M.

Amortization expense of goodwill subject to amortization for the five years succeeding December 31, 2018 and thereafter is as follows:

Years ending December 31,		
2019	$	5,673,279
2020		5,673,279
2021		5,673,279
2022		5,673,279
2023		5,673,279
Thereafter		21,385,705
	$	49,752,100

8. TRANSACTIONS WITH RELATED PARTIES

During the year ended December 31, 2018, the Company had transactions with Tech Mahindra (Americas), Inc. (“TMA”). At December 31, 2018 the Company had payables due to TMA as follows:

	December 31, 2018	
Beginning balance, due to	$	(10,425,108)
Cost of services		(392,771)
Loan received		80,000,000
Loan repayment		(70,000,000)
Receipt from		(663,055)
Expense reimbursement - debit/credit notes		(552,858)
Ending balance, due to	$	(2,033,792)
Due (to) consists of:		
Amounts due to TMA	$	(2,033,792)
Amounts due from TMA		-
	$	(2,033,792)

During the year ended December 31, 2018, the Company had transactions with Tech Mahindra Limited (“TechM”). At December 31, 2018 the Company had payables due to TechM as follows: Beginning balance, due to

	December 31, 2018	
	$	(372,448)
Income from		889,263
Expense reimbursement - debit/credit notes		197,253
Receipts from		(1,339,442)
Ending balance, due to	$	(625,374)
Due (to) consists of:		
Amounts due to	$	(1,106,137)
Amounts due from		480,763
Payable, net	$	(625,374)

During the year ended December 31, 2018, the Company had transactions with Tech Mahindra Arabia Limited ("TechMA"). At December 31, 2018 the Company had a receivable due from TechMA as follows:

	December 31, 2018
Beginning balance, due from	$ -
Income from	223,455
Expense reimbursement - debit/credit notes	(2,714)
Ending balance, due from	$ 220,741
Due from consists of:	
Amounts due to TechMA company	$ -
Amounts due from TechMA company	220,741
	$ 220,741

During the year ended December 31, 2018, the Company had transactions with Pulse Clinical Alliances, LLC ("Pulse"). At December 31, 2018 the Company had a receivable due from Pulse as follows:

	December 31, 2018
Beginning balance, due from	$ -
Income from	912,225
Cost of services	(65,115)
Expense reimbursement - debit/credit notes	(276,939)
Payments to	597,190
Receipts from	(515,149)
Ending balance, due from	$ 652,212
Due from consists of:	
Amounts due to Pulse company	$ -
Amounts due from Pulse company	652,212
	$ 652,212

	December 31, 2018
Total amounts due to related parties	$ (2,659,166)
Total amounts due from related parties	872,953
	$ (1,786,213)

9. SHORT-TERM DEBT AND LINE OF CREDIT FACILITY

On December 4, 2018 the Company repaid all of its then existing debt due in the amount of $40,000,000 to Westpac with the proceeds of a short term intercompany loan from its parent TMA. The short-term intercompany loan from its parent has subsequently been repaid in full.

On December 12, 2018 the Company entered into an uncommitted line of credit with JP Morgan Chase (the "Bank"). The maximum borrowing available under this uncommitted line is $15,000,000. The line is collateralized by the assets of the Company and is not committed and is recallable. The balance outstanding on this line of credit was $10,000,000 at December 31, 2018. Interest accrues at 1) a variable rate equal to the Base Rate plus a margin offered by the Bank and accepted by the undersigned; b) a floating rate equal to the Eurodollar rate applicable to such loan plus a margin offered by the bank and accepted by the undersigned or a fixed rate as offered per the Bank's discretion to the undersigned and the Company may accept the offered rate. Additionally, on December 12, 2018 the Company entered into a committed loan (the "loan agreement") of $30,000,000 from the Bank. The maturity date of this loan is December 13, 2019. The interest rate is payable on the relevant interest payment day at the NY FRB rate + 0.65% and a commitment fee accrues on the daily average unused portion at a rate per annum equal to 0.25% on the basis of 365/366 days per year. The balances outstanding on this loan was $30,000,000 at December 31, 2018.

The loan agreement contains certain restricting covenants. At December 31, 2018 the Company did comply with all covenants as per the loan agreement.

For the year ended the Company incurred interest in the amount of $1,375,285 on the expired facility with Westpac. Interest incurred and due for the year ended December 31, 2018 on the newly entered facilities with JP Morgan Chase totaled $24,288.

	December 31, 2018
Outstanding line of credit as at December 31, 2017	$ 10,000,000
Outstanding loans as at December 31, 2017	40,000,000
Proceeds from loans	140,000,000
Repayment of loans	(150,000,000)
Outstanding loans as at December 31, 2018	30,000,000
Outstanding line of credit as at December 31, 2018	10,000,000
Total debt and line of credit	$ 40,000,000

10. MEMBERS' CAPITAL

The Company entered into an Agreement and Plan of Merger with Tech Mahindra HealthCare, LLC on March 6, 2017. Under the terms of the agreement, the Company was merged into a newly created merger subsidiary of Tech Mahindra Health Systems Holdings, LLC with the Company surviving the merger. The closing date of the merger was after the close of business on May 4, 2017. Tech Mahindra Healthcare Systems Holdings, LLC ("Holdco") entered into a Limited Liability Company Agreement of Tech Mahindra Healthcare LLC, dated April 7, 2017, as sole initial member. On May 4, 2017, Tech Mahindra (Americas) Inc., acquired 84.7% holding in Tech Mahindra Holdco, a Delaware Limited Liability Company. An individual, resident of the State of Florida ("minority shareholder"), holds the 15.3 % minority interest in Holdco.

11. EMPLOYEE BENEFITS

The Company has established a salary deferral plan under Section 401(k) of the Internal Revenue Code. The plan allows eligible employees to defer a portion of their compensation. Such deferrals accumulate on a tax deferred basis until the employee withdraws the funds. The Company, at its option, may match a portion of the employee's contribution. The Company has elected not to match a portion of the employee's contribution at this time.

12. COMMITMENTS AND CONTINGENCIES LEASES

The Company rents office space in Jacksonville, Florida, under a sublease arrangement with Ocenture, LLC, a related party, which ends in 2020. A subsidiary rents office space in Swansea, Wales (United Kingdom) on a month-to-month lease with a 3-month termination notice. The subsidiary in Dubai rents office space in Jumeirah Lake Towers in Dubai, on an annual lease agreement. These arrangements qualify as operating leases. Rent expense was $353,348 for the year ended December 31, 2018. The future minimum lease commitments as of December 31, 2018, are as follows:

Years ending December 31,	
2019	$ 282,042
2020	87,281
	$ 369,323

13. LITIGATION AND CONTINGENCIES

The Company is involved in various legal proceedings in the ordinary course of its business. Although management of the Company cannot predict the ultimate outcome of these proceedings excluding the settlement of the below class action with certainty, it believes that the ultimate resolution of the Company's proceedings, including any amounts it may be required to pay in excess of amounts reserved or covered by insurance, will not have a material effect on the Company's financial statements. The Company was named as a defendant in certain class action lawsuits and some pending lawsuits due to prior practices mainly related to overtime payments. The only known, likely and estimable potential liability payable is a settlement payment in the amount of $235,000, which the Company has accrued for.

Certain employees have disputed their commission payouts related to the second half of 2018. The Company has been in continuous discussion with these individuals and accrued for the additional payment.

In July 2018 the Company approved to close two insignificant subsidiaries, named High Risk Resolution Consulting Limited and High Resolution Resourcing Limited. Subsequent to the approval there have been minimal activity or remaining assets and liabilities on the records of these abandoned subsidiaries other than the write-off of the intercompany loans due from these subsidiaries. The losses related to the write-offs eliminated in consolidation.

14. CONCENTRATION OF CREDIT RISK REVENUE AND ACCOUNTS RECEIVABLE

The majority of the Company's sales are credit sales. The following are customer concentration for sales and billed accounts receivable, for the year ended 2018.

Revenue concentration:	Year ended December 31, 2018	
	Amount	Concentration
BJC Healthcare	$ 50,974,336	22%
Mayo Clinic MER	$ 31,851,724	14%
NYC Health & Hospital Corporation	$ 29,755,083	13%
Northwestern Memorial	$ 20,455,847	9%
Mt Sinai Medical Center	$ 15,178,760	7%

Billed accounts receivable concentrations:	December 31, 2018	
	Amount	Concentration
NYC Health & Hospital Corporation	$ 16,068,911	36%
Vanderbilt University	$ 6,250,000	14%
Mt Sinai Medical Center	$ 5,219,264	12%
Mayo Clinic MER	$ 4,141,375	9%

15. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is defined under Accounting Standards Codification ("ASC") 820, "Fair Value Measurements and Disclosures" ("ASC 820"), as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a three-level hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability on the measurement date. The three levels are defined as follows:

Level 1-inputs to the valuation methodology are quoted prices (unadjusted) for an identical asset or liability in an active market.

Level 2-inputs to the valuation methodology include quoted prices for a similar asset or liability in an active market or model-derived valuations in which all significant inputs are observable for substantially the full term of the asset or liability.

Level 3-inputs to the valuation methodology are unobservable and significant to the fair value measurement of the asset or liability.

The carrying amounts of cash, accounts receivable and accounts payable approximate fair value due to the short-term maturity of the instruments. The carrying amounts of the Company's floatable interest rate debt are considered reasonable estimates of fair value.

16. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through March 22, 2019. No significant events occurred subsequent to the balance sheet date that would have a material impact on the financial statements.

SUPPLEMENTAL SCHEDULE

Supplemental Consolidated Schedule of Revenue and Expenses for the year ended December 31, 2018

Schedule I		
COST OF REVENUES		
Consultants compensation	$	139,180,673
Travel and other related expenses		56,238,404
	$	195,419,077
Schedule II		
GENERAL AND ADMINISTRATIVE		
Travel	$	3,018,210
Professional fees		1,173,089
Bad debt expenses		931,046
Entertainment		887,271
Lease expense and other rent		816,806
Office expenses		785,580
Sales and other indirect taxes		683,575
Dues and subscriptions		491,436
Sales and marketing		378,944
Insurance		355,452
Communications		324,778
Miscellaneous		275,155
Bank charges		66,121
Postage and delivery		58,672
Repairs and maintenance		42,488
Vehicle cost		17,896
	$	10,306,519

INTER – INFORMATICS, spol. S.R.O.

Board of Directors

Venkateswara Rao Gajjala
Rajesh EthakurPlakkote

Registered Office

Prague 4,
Kolčavka 3/75
Postal Code 19000

Auditors

HEDLEY AUDIT s.r.o.
Salvátorská 931/8,
110 00 Prague 1

DESCRIPTION OF THE COMPANY

Name of Company:	**Inter-Informatics, spol. s.r.o.**
Legal form:	Limited liability
IČO:	496 85 449
Seat:	Praha 9, Kolčavka 3/75, postal code 19000
Address:	Kolčavka 3/75, 190 00 Praha 9
Share capital:	**CZK 50 160 000**
Date of incorporation:	22 March 1994
Date of registration:	22 March1994
Business activity:	Production, trade and services not stated in Annexes 1 to 3 in Entrepreneurs Act
Statutory bodies:	Executive heads: VENKATESWARA RAO GAJJALA RAJESH ETHAKUR PLAKKOTE
Accounting period:	1 January 2018 – 31 March 2019 (hereinafter "year 2018")
Number of employees:	At 1 Jan 2018 2 At 31 March 2019 0
The annual report is filed at:	Legal seat of the Company
Entities under control of the Company	TC INTER-INFORMATICS a.s. Inter-Informatics S.R.L.

Entities (individuals) owning more than 20 % of the share capital:

Name of entity/individual	Residence	Current period		Previous period	
		Share in CZK	in %	Share in CZK	in %
Ing. Jiří Poláček	Říčany-Radošovice, Tyrše a Fügnera 89/2	0,00	0,00	20 901 672,00	41,67
Ing. Dušan Očka	Praha 1, Nosticova 6	0,00	0,00	29 258 328,00	58,33
MAHINDRA ENGINEERING SERVICES (EUROPE) LIMITED	RG121BW Berkshire, Atrium Court, The Ring, Bracknell, UK, Registration Number: 4117035	50 160 000,00	100,00	0,00	0,00

Inter-Informatics, spol. s.r.o., is a member of Inter-Informatics Group (other members are TC Inter-Informatics a.s., Inter-Informatics S.R.L.) delivering contractual mechanical engineering services.

Strategy of the Company is based on the group strategy: "Providing complex solutions in engineering services and helping clients to improve their market position (eg. sharing new knowledge and experience, reducing costs, making internal process faster and more efficient)."

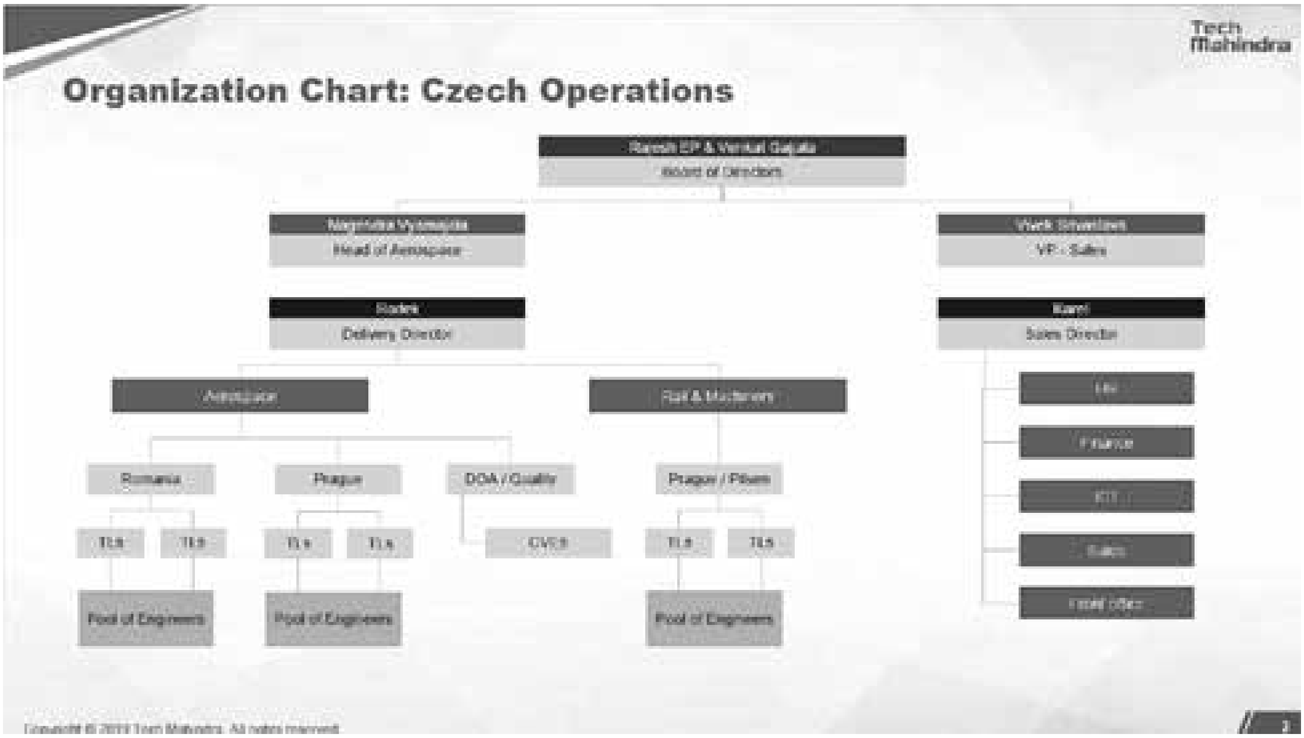
REPORT ON BUSINESS ACTIVITY AND MANAGEMENT OF THE COMPANY

The acquisition of the Company by a foreign investor in September 2018 significantly impacted the activity and the management of the Company. In order to stabilize the Company the new owner has changed the organizational structure, simplified internal processes and enabled development in the following areas: air industry, rolling stock, mechanical engineering.

The following key changes have been performed by the new owner:

- restrukturalization of former IIG group in order to redress the group – see above
- replacement of executive heads, change of management, reduction of administrative staff
- a loan has been provided to cover the costs related to restrukturalization
- introduction of monthly accounting reporting for the parent company
- gradual introduction of reporting – finance, revenue, strategic business plan
- change of internal organizational structure and an integration with the structure of the new owner
- current employees have been nominated for new positions – all management functions have been replaced including the management of individual departments and the top management of the company

New organizational structure



Stabilization steps of new owners have represented one-off costs for the Company which subsequently affected the results of the Company.

Taking into account existing long-term contracts and general agreements, the intra-group processes remained unchanged, Inter-Infomatics,spol. s r.o. continues to be the final supplier of construction works.

Key areas and significant customers:

- air industry: Airbus Group, Aero Vodochody, Zodiac Aerospace;
- rolling stock: Škoda Transportation, Ultimate Europe;
- mechanical engineering: Nuvia, Doosan Škoda Power, Dopravní podnik Hl. m. Prahy;

The results for the year 2018 has been significantly influenced by the lack of contracts in the second half of the year in the area of construction of “monuments” from customers Zodiac Aerospace and Bucher; and in the second and third quarter in the area of rolling stock, mainly from Škoda Transportation. This shortfall has been only partially replaced by contracts with Aero Vodochody. On the second hand the expectations are substantially positive, due to the change of owner and market changes – see below.

The spare capacities have been retrained to another construction tools and methodology in order to enable the company to perform projects for other customers with the same workforce.

A slight recovery in the air industry has occurred during the year. Zodiac Aerospace has initiated a change of owner to Zodiac Safran, which has resulted in obtaining strategic supplier status (First Tier Supplier).

In co-operation with other work groups of new owner and due to current professional competences we have obtained joint contract for Airbus Operations GmbH, which we would not obtain as a stand alone entity.

New owner enables us to obtain the highest supplier level for Airbus Group (so called E2S strategic supplier). We have therefore access to all tenders published by this customer.

We have also noted a significant interest in co-operation with Škoda Transportation with its new financially strong owner. The marker recovery in the area of rolling stock has enabled our company to obtain a strategic supplier status with this customer.

COMMENTARY TO 2018 RESULTS AND FORECAST FOR 2019

1. The management of the company thanks and acknowledges the work performed by all employees during the previous period.

2. Inefficient internal development programs have been cancelled due to currently running restrukturalization and disproportionate financial burden.

3. The company is going through restrukturalization which also affects business agencies. Expected costs of such restrukturalization have been recognized in the financial statements for the period ended 31 March 2019.

4. The co-operation with current customers is intensified and refreshed with some former customers.

5. The primary sales areas remain unchanged. It is planned to use the sales network of new owner with the objective to offer “End-2-End Capabilities” (development, styling, design, manufacturing support, certification).

6. A process to prepare three year strategic business plan has been initiated. The plan includes not only current activities but also development in the area of cabins remodelling (using the DOA certificate) and development of electronics (for rolling stock and automotive industry) and avionic (for air industry).

7. Following the previous point we plan to enhance the workforce and hire colleagues who are knowledgeable and able to perform projects in the area of electronics and avionic.

8. In 2019 in the area of DOA projects we will focus to obtain complex projects (STC) relating to remodelling of cabins and interiors.

Research and development activities

In 2018 the company did not invest any funds to research and development activities.

Events after balance sheet date

There are no material events or transactions occurring between the balance sheet date and the date of preparation of financial statements which are not disclosed in the notes to the financial statements.

Declaration

Information in annual report of Inter-Informatics, spol. s.r.o. for the period 1 January 2018 to 31 March 2019 are true and fair and no significant circumstances that could adversely affect precise and correct assessment of the company have been omitted.

In Prague, 14 June 2019:

Rajesh Ethakur Plakkote
Statutory representative

INDEPENDENT AUDITOR'S REPORT

To the shareholder of Inter-Informatics, spol. s r.o.

Opinion

We have audited the accompanying consolidated financial statements of Inter-Informatics Group (hereinafter also the "Group") prepared in accordance with accounting principles generally accepted in the Czech Republic, which is comprised of the consolidated balance sheet as at 31 March 2019, the consolidated income statement, consolidated statement of changes in equity for the period from 1 January 2018 to 31 March 2019 and notes to the consolidated financial statements, including a summary of significant accounting policies, and other explanatory information. For details of the Group, see the introductory part of the notes to the consolidated financial statements.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 March 2019 and its financial performance for the period from 1 January 2018 to 31 March 2019 in accordance with accounting principles generally accepted in the Czech Republic.

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application clauses. Our responsibilities under this law and regulation are further described in the Auditor's Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

In compliance with Section 2(b) of the Act on Auditors, the other information comprises the information included in the Annual Report other than the consolidated financial statements and auditor's report thereon. The Statutory representative of Inter-Informatics,spol. s r.o. (hereinafter also the "Statutory representative") is responsible for the other information.

Our opinion on the consolidated financial statements does not cover the other information. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge about the Group obtained in the audit or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable law and regulation, in particular, whether the other information complies with law and regulation in terms of formal requirements and procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with these requirements could influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that:

- The other information describing the facts that are also presented in the consolidated financial statements is, in all material respects, consistent with the consolidated financial statements; and
- The other information is prepared in compliance with applicable law and regulation.

In addition, our responsibility is to report, based on the knowledge and understanding of the Group obtained in the audit, on whether the other information contains any material misstatement of fact. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement of fact.

Responsibilities of the Company's Statutory representative for the consolidated Financial Statements

Statutory representative is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the Czech Republic and for such internal control as Statutory representative determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Statutory representative is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Statutory representative either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the above mentioned laws and regulations will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the above law or regulation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Statutory bodies.

- Conclude on the appropriateness of the Statutory bodies' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the statutory bodies regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

In Prague, 14 June 2019

Audit firm:

HEDLEY AUDIT s.r.o.
Audit firm licence No. 545

Statutory auditor:

Ing. Helena Vojáčková
Auditor licence No.1910

CONSOLIDATED BALANCE SHEET

As of 3/31/2019

Kolčavka 3/75, 190 00 Praha 9

(in CZK thousand)

		3/31/2019			1/1/2018
		Brutto	**Korekce**	**Netto**	**Netto**
	TOTAL ASSETS	**406,117**	**310,202**	**95,915**	**120,975**
A.	**Receivables for subscribed capital**			0	295
B.	**Fixed assets**	**315,589**	**310,202**	**5,387**	**22,661**
B.I.	***Intangible fixed assets***	**299,591**	**295,157**	**4,434**	**20,928**
B.I.1.	Development			0	220
B.I.2.	*Valuable rights*	**289,769**	**285,335**	**4,434**	**10,418**
B.I.2.1.	Software	289,769	285,335	4,434	10,418
B.I.3.	Goodwill - positive consolidation difference			0	933
B.I.5.	*Prepayments for intangible fixed assets and intangible fixed assets under construction*	**9,822**	**9,822**	**0**	**9,357**
B.I.5.2.	Intangible fixed assets under construction	9,822	9,822	0	9,357
B.II.	***Tangible fixed assets***	**15,998**	**15,045**	**953**	**1,004**
B.II.1.	Land and structures	219	8	211	217
B.II.1.2.	Structures	219	8	211	217
B.II.2.	Tangible movable assets and sets of tangible movable assets	15,779	15,037	742	787
B.III.	***Non-current financial assets***	**0**	**0**	**0**	**729**
B.III.1.	Equity investments - controlled or controlling entity			0	624
B.III.5.	Other non-current securities and investments			0	105
C.	**Current assets**	**89,241**	**0**	**89,241**	**76,603**
C.I.	***Inventories***	**1,711**	**0**	**1,711**	**255**
C.I.2.	Work in progress and semifinished goods	1,711		1,711	255
C.II.	***Receivables***	**59,607**	**0**	**59,607**	**72,789**
C.II.1.	Long-term receivables	1,385	0	1,385	3,772
C.II.1.1.	Trade receivables	1,162		1,162	1,162
C.II.1.4.	Deferred tax asset			0	2,356
C.II.1.5.	Receivables - other	223	0	223	254
C.II.1.5.2.	Long-term prepayments made	223		223	17
C.II.1.5.4.	Sundry receivables			0	237
C.II.2.	***Short-term receivables***	**58,222**	**0**	**58,222**	**69,017**
C.II.2.1.	Trade receivables	46,170		46,170	52,666
C.II.2.2.	Receivables - controlled or controlling entity			0	9,590
C.II.2.4.	Receivables - other	12,052	0	12,052	6,761
C.II.2.4.3.	State - tax receivables	1,747		1,747	2,341
C.II.2.4.4.	Short-term prepayments made	310		310	1,036
C.II.2.4.5.	Estimated receivables	9,654		9,654	1,407
C.II.2.4.6.	Sundry receivables	341		341	1,977
C.IV.	***Cash***	**27,923**	**0**	**27,923**	**3,559**
C.IV.1.	Cash on hand	429		429	337
C.IV.2.	Cash at bank	27,494		27,494	3,221
D.	**Other assets**	**1,287**	**0**	**1,287**	**21,416**
D.1.	Deferred expenses	1,287		1,287	1,836
D.3.	Accrued income				19,580

INTER – INFORMATICS, spol. S.R.O.

CONSOLIDATED BALANCE SHEET

As of
3/31/2019

Kolčavka 3/75,
190 00 Praha 9

(in CZK thousand)

		3/31/2019	1/1/2018
	TOTAL LIABILITIES & EQUITY	**95,915**	**120,975**
A.	**Equity**	**-229**	**-3,574**
A.I.	***Share capital***	**50,160**	**50,160**
A.I.1.	Share capital	50,160	50,160
A.II.	***Share premium and capital funds***	**140,322**	**35,060**
A.II.2.	*Capital funds*	**140,322**	**35,060**
A.II.2.1.	Other capital funds	140,322	37,615
A.II.2.2.	Gains or losses from the revaluation of assets and liabilities (+/-)		-2,555
A.III.	***Funds from profit***	**2,789**	**1,902**
A.III.1.	Other reserve funds	1,902	1,902
A.III.2.	Statutory and other funds	887	
A.IV.	***Consolidated Retained earnings (+/-)***	**-136,653**	**-133,820**
A.IV.1.	Accumulated profits or losses brought forward (+/-)	2,827	3,854
A.IV.2.	Other profit or loss from prior years (+/-)	-139,480	-137,674
A.V.	***Consolidated Profit or loss for the current period (+/-)***	**-56,847**	**-1,027**
A.VI.	***Minority interests***		**44,151**
B.+C.	**Liabilities**	**95,412**	**116,359**
B.	**Reserves**	**25,820**	**183**
B.IV.	Other reserves	25,820	183
C.	**Payables**	**69,592**	**116,176**
C.I.	***Long-term payables***	**0**	**5,108**
C.I.2.	Payables to credit institutions		5,108
C.II.	**Short-term payables**	**69,592**	**111,068**
C.II.2.	Payables to credit institutions		24,741
C.II.3.	Short-term prepayments received	137	
C.II.4.	Trade payables	2,828	15,044
C.II.6.	Payables - controlled or controlling entity	51,683	322
C.II.8.	*Other payables*	**14,944**	**70,962**
C.II.8.1.	Payables to partners		20,228
C.II.8.3.	Payables to employees	6,341	5,255
C.II.8.4.	Social security and health insurance payables	2,877	3,299
C.II.8.5.	State - tax payables and subsidies	1,343	2,497
C.II.8.6.	Estimated payables	3,072	1,984
C.II.8.7.	Sundry payables	1,311	37,699
D.	**Other liabilities**	732	8,190
D.1.	Accrued expenses	732	8,186
D.2.	Deferred income		4

CONSOLIDATED PROFIT AND LOSS ACCOUNT

structured by the nature of expense method

Period ended
3/31/2019

Kolčavka 3/75,
190 00 Praha 9

(in CZK thousand)

		Period from 1.1.2018 to 31.3.2019	Year ended 1/1/2018
I.	Sales of products and services	280,859	
A.	Purchased consumables and services	161,846	0
A.2.	Consumed material and energy	5,595	
A.3.	Services	156,251	
B.	Change in internally produced inventory (+/-)	-1,711	
D.	Staff costs	158,277	0
D.1.	Payroll costs	120,595	
D.2.	Social security and health insurance costs and other charges	37,682	0
D.2.1.	Social security and health insurance costs	36,241	
D.2.2.	Other charges	1,441	
E.	Adjustments to values in operating activities	-15,149	0
E.1.	Adjustments to values of intangible and tangible fixed assets	17,440	0
E.1.1.	Adjustments to values of intangible and tangible fixed assets - permanent	7,618	
E.1.2.	Adjustments to values of intangible and tangible fixed assets - temporary	9,822	
	Consolidation difference - write off	-32,589	
III.	Other operating income	80,274	0
III.3.	Sundry operating income	80,274	
F.	Other operating expenses	114,167	0
F.3.	Taxes and charges	601	
F.4.	Reserves relating to operating activities and complex deferred expenses	25,820	
F.5.	Sundry operating expenses	87,746	
*	**Operating profit or loss (+/-)**	**-56,297**	**0**
IV.	Income from non-current financial assets - equity investments	1,275	0
IV.1.	Income from equity investments - controlled or controlling entity	1,758	
IV.2.	Other income from equity investments	-483	
G.	Costs of equity investments sold	1,661	
VI.	Interest income and similar income	15	0
VI.1.	Interest income and similar income - controlled or controlling entity	15	
J.	Interest expenses and similar expenses	790	0
J.1.	Interest expenses and similar expenses - controlled or controlling entity	284	
J.2.	Other interest expenses and similar expenses	506	
VII.	Other financial income	7,837	
K.	Other financial expenses	7,468	
*	**Financial profit or loss (+/-)**	**-792**	**0**
**	**Profit or loss before tax (+/-)**	**-57,089**	**0**
L.	Income tax	2,406	0
L.1.	Due income tax	50	
L.2.	Deferred income tax (+/-)	2,356	
**	**Profit or loss net of tax (+/-)**	**-59,495**	0
***	**Consolidated Profit or loss for the current period (+/-)**	**-59,495**	0
	Profit or loss for the current period without minority interests (+/-)	**-56,847**	
	Profit or loss for the current period attributable to minority interests (+/-)	**-2,648**	
*	**Net turnover for the current period**	**370,260**	0

INTER – INFORMATICS, spol. S.R.O.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Period ended 3/31/2019

Kolčavka 3/75, 190 00 Praha 9

(in CZK thousand)

	Share capital	Revaluation reserve	Other capital reserves	Reserve fund	Retained earnings	Minority interest	TOTAL EQUITY
Balance at 1 January 2018	**50,160**	**-2,555**	**37,615**	**1,902**	**-134,847**	**44,151**	**-3,574**
Acquisition of additional shares in subsidiary						-34,522	-34,522
Disposal of subsidiary			385			-6,981	-6,596
Disposal of non-consolidated subsidiaries		1,239					1,239
Revaluation of financial assets							0
Profit for the year					-56,847	-2,648	-59,495
Exchange difference			-266				-266
Capital contribution – capitalization of liabilities			102,588				102,588
First consolidation of Romanian subsidiary		1,316		887	-1,806		397
Balance at 31 March 2019	**50,160**	**0**	**140,322**	**2,789**	**-193,500**	**0**	**-229**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH 2019

1. General information

Description of the group (hereinafter the "Group"):

Parent company: Inter-Informatics,spol. s r.o.

Registered seat: Kolčavka 3/75,Praha 9, Česká republika

Identification number: 49685449

Registration in the Register of Companies: Municipal Court Prague, file ID C23461, section C

The principal activities of the Group are production, business and service not stated in attachments 1 to 3 of the Entrepreneurs Act.

Shareholders of the parent company as at 31 March 2019

Mahindra Engineering Services (Europe) Limited	100 %

Shareholders of the parent company as at 1 January 2018

Ing. Jiří Poláček, executive head, shareholder	41,67 %
Ing. Dušan Očka, executive head, shareholder	58,33 %

The parent company was purchased on 5 September 2018 by Mahindra Engineering Services (Europe) Limited.

Group companies as of 31 March 2019:

Name	Seat	Shareholding	Equity CZK´000	Net profit CZK´000
TC INTER-INFORMATICS a.s.	Kolčavka 3/75, 190 00 Praha 9, Czech Republic	100 %	(34,356)	(76,831)
Inter-Informatics S.R.L.	sector 1.20 SIRIULUI, 715 34 Bucharest, Romania	100 %	(8,486)	(8,698)

The Romanian subsidiary has been consolidated included in consolidated financial statements as of 31 March 2019. The comparative information as of 1 January 2018 does not include assets and liabilities of the Romanian entity. Retained earnings of this subsidiary as of 1 January 2018 are included in the consolidated balance sheet as "Other retained earnings".

Group companies as of 1 January 2018:

Name	Seat	Shareholding	Equity CZK´000	Net profit CZK´000
TC INTER-INFORMATICS a.s.	Kolčavka 3/75, 190 00 Praha 9, Czech Republic	98,04 %	95,927	(5,241)
Inter Informatics EDV – und CAD-Dienstleistungs-GmbH	Bodenseestr.235, 81 243 Műnchen, Germany	50 %	13,371	85
Inter-Informatics S.R.L.	sector 1.20 SIRIULUI, 715 34 Bucharest, Romania	100 %	81	3,446
TPM I-I, s.r.o.	Kolčavka 3/75, 190 00 Praha 9, Czech Republic	50 %	1,086	7
TC Inter – Informatics spol. s r.o.	Žilinská 790/17, 017 01 Považská Bystrica, Slovakia	90 %	(1,347)	(792)
INTER-INFORMATICS US INC.	444 Brickell Avenue, Suite 51132 Miami, FL 33131, USA	80 %	(10,303)	(671)
První záložní s.r.o.	Nový Svět 82/13, 118 00 Praha 1, Czech Republic	0 %	192	-

The following subsidiaries have not been consolidated as of 1 January 2018 due to immateriality:

- Inter-Informatics S.R.L.
- TC Inter – Informatics spol. s r.o.

- INTER-INFORMATICS US INC.
- První záložní s.r.o.

TPM I-I, s.r.o. is a joint venture and due to immateriality it was not included in consolidated financial statements under proportionate method.

There are no associates in the Group.

Inter Informatics EDV – und CAD-Dienstleistungs-GmbH is deemed to be subsidiary based on a call option that gives right to the parent company to purchase remaining 50 % at any time in the future.

2. Basis of accounting and general accounting principles

The Group's financial statements were prepared in accordance with the Accounting Act 563/1991 Coll., as amended; the Regulation 500/2002 Coll. which provides implementation guidance on certain provisions of the Accounting Act for reporting entities that are businesses maintaining double-entry accounting records, as amended; and Czech Accounting Standards for Businesses, as amended.

The accounting records are maintained in compliance with general accounting principles, specifically the historical cost valuation basis, the accruals principle, the prudence concept and the going concern assumption.

The consolidated financial statements include balance sheet as of 31 March 2019 and income statement for the period 1 January 2018 – 31 March 2019 (hereinafter "year 2018"). Due to the change of the beginning of the financial year to the 1st April, the current accounting period is longer than 12 months. Therefore the comparative information in the balance sheet is from the opening balance sheet of current accounting period, the income statement does not include comparative information due to inconsistent length of current and previous accounting period.

These financial statements are presented in thousands of Czech crowns ('CZK').

3. Summary of significant accounting policies

The Group used the following accounting policies:

a) Method of consolidation

Subsidiaries are consolidated using the full method of consolidation. Share of net assets held by shareholders outside the Group, as well as share on profit, is recognized in consolidated financial statements as minority interest.

Financial statements of foreign subsidiaries are adjusted to comply with the Czech accounting principles and translated to Czech Crowns, which is the Group´s currency.

Negative difference on consolidation ("goodwill") arising on piecemeal acquisition that results in negative balance of non-current assets is immediately written off to income statement.

When the subsidiary has not been consolidated in the previous accounting periods due to immateriality, its retained earnings since acquisition are recognized as part of Equity in Other profit in the first year of consolidation.

b) Intangible fixed assets

Intangible fixed assets are measured at cost which consists of purchase price and costs associated with bringing the asset to the current location and condition.

Internally generated intangible fixed assets are measured at costs incurred.

Intangible fixed assets costing less than CZK 60 thousands are expensed upon acquisition.

<u>Amortization</u>

The useful life of intangible assets is 36 months.

Subsequent capital expenditure increases the cost of intangible fixed assets. Repairs and maintenance is expensed when incurred.

<u>Provisioning</u>

Provisions were made against impaired/obsolete intangible fixed assets based on the results of the inventory taking, to the extent that the valuation temporarily does not correspond with the actual balance.

c) Tangible fixed assets

Tangible fixed assets are measured at cost which consists of purchase price and costs associated with bringing the asset to the current location and condition.

Tangible fixed assets costing less than CZK 15 thousands are expensed upon acquisition.

Subsequent capital expenditure increases the cost of tangible fixed assets. Repairs and maintenance is expensed when incurred.

Depreciation

The Group uses the following useful lives:

Computer equipment	3 to 5 years
Vehicles	5 years

d) Financial assets

Non-current financial assets consist of shares in non-consolidated subsidiaries. These shareholdings are measured at cost at initial recognition.

As of the balance sheet date the non-consolidated shareholdings are measured at equity method, ie the shareholdings are measured at a percentage of equity with corresponding increase or decrease of valuation differences (revaluation reserve) in equity of the parent company.

e) Cash and cash equivalents

Cash is measured at nominal amount.

Cash consists of cash in hand, cash at bank, stamps and vouchers.

f) Inventories

Inventories are accounted for under method B.

Own production is measured at cost incurred including direct and indirect production costs.

g) Receivables

Receivables are measured at nominal value.

The Group recognizes provisions for receivables based on ageing analysis and individual assessment.

h) Equity

Share capital is the share capital of the parent company and it is stated at an amount registered at the Register of Companies.

Other monetary shareholder contributions are presented as other capital funds.

i) Liabilities

Current and non-current liabilities are stated at their nominal values.

Current and non-current bank borrowings are stated at their nominal values.

j) Provisions

Provisions to cover liabilities and expenditure the nature of which is clearly defined and which are either likely to be incurred or certain to be incurred as of the balance sheet date but uncertain as to their amount or as to the date on which they will arise.

The Group recognizes provisions for known risks for which a future probable liability is assumed, in particular a restructuring provision, a provision for outstanding vacation days and anniversaries, provision for warranty services.

k) Leasing

Payments for leased assets are expensed on an accrual basis.

l) Foreign exchange transactions

In terms of Czech group companies transactions denominated in foreign currencies during the year are translated using the exchange rate of the Czech National Bank prevailing on the date of the transaction. At the balance sheet date, the relevant assets and liabilities are translated at the Czech National Bank's exchange rate prevailing as of that date.

Balance sheet and income statement balances of foreign consolidated subsidiaries are translated to CZK using year end exchange rate of the Czech National Bank.

The functional currency of the foreign subsidiary may not be Czech crown.

m) Recognition of income and expenses

Income and expenses are recognized on an accrual basis.

n) Income tax

Current tax is calculated from profit before tax which is adjusted for non-taxable income, exempt income, non-deductible expenses and subsequently multiplied by statutory tax rate. The resulting tax is subsequently reduced by tax credits and allowances (like donations or research and development).

Deferred tax represents a tax effect of temporary differences between the carrying amounts and tax bases of assets and liabilities. The Group does not recognize deferred tax assets resulting from unused tax losses and from elimination of intragroup profits.

o) Post balance sheet events

Consolidated financial statements include the impact of events occurring after the balance sheet date, if these events provide additional information about transaction occurring prior to the balance sheet date.

The effect of material post balance sheet events which do not relate to transactions occurring prior to the balance sheet date is disclosed in the notes to the financial statements.

4. Fixed assets

a) Intangible fixed assets

COST

(CZK thousands)	Balance at 1 January 2018	Additions	Disposals	Transfers	Balance at 31 March 2019
Research and development	13,750	-	(13,750)	-	-
Software	293,222	895[1]	(4,348)	-	289,769
Assets under course of constructions	9,357	465	-	-	9,822
Goodwill	933	(33,522)	32,589	-	-
Total	**317,262**	**(31,162)**	**14,491**	**-**	**299,591**

Negative goodwill of CZK 32,589 thousand resulting from acquisition of remaining interest in TC INTER-INFORMATICS a.s. has been written off to income statements shortly after acquisition in 2018.

ACCUMULATED DEPRECIATION

(CZK thousands)	Balance at 1 January 2018	Depreciation	Sale/ Disposal	Impairment	Balance at 31 March 2019
Research and development	13,530	220	(13,750)	-	-
Software	282,804	6,879[2]	(4,348)	-	285,335
Assets under course of constructions	-	-	-	9,822	9,822
Total	**296,334**	**7,099**	**(18,098)**	**9,822**	**295,157**

An impairment loss of CZK 9,822 thousand was recognized for intangible assets under construction due to uncertainty about recoverability of its cost.

[1] Includes 39 CZK thousand as an effect of Romanian entity first consolidation

[2] Includes 39 CZK thousand as an effect of Romanian entity first consolidation

CARRYING AMOUNT

(CZK thousands)	Balance at 1 January 2018	Balance at 31 March 2019
Research and development	220	-
Software	10,418	4,434
Assets under course of constructions	9,357	-
Goodwill	933	-
Total	**20,928**	**4,434**

The total amount of fixed intangible assets not recognized in the balance sheet is CZK 754 thousand at 31 March 2019 (CZK 963 thousand at 1 January 2018).

b) Tangible fixed assets

COST

(CZK thousands)	Balance at 1 January 2018	Additions	Disposals	Disposal of DE subsidiary	Balance at 31 March 2019
Buildings	219	-	-	-	219
Other tangible assets	21,148	3,260*	(8,087)	(542)	15,779
Total	**21,367**	**3,260**	**(8,087)**	**(542)**	**15,998**

* includes CZK 2,493 thousand as an effect of Romanian entity first consolidation

ACCUMULATED DEPRECIATION

(CZK thousands)	Balance at 1 January 2018	Depreciation	Sale	Disposals	Transfers	Balance at 31 March 2019
Buildings	2	6	-	-	-	8
Other tangible assets	20,361	2,763**	-	(8,087)	-	15,037
Total	**20,363**	**2,769**	**-**	**(8,087)**	**-**	**15,045**

** Includes CZK 2,211 thousand as an effect of Romanian entity first consolidation

CARRYING AMOUNT

(CZK thousands)	Balance at 1 January 2018	Balance at 31 March 2019
Buildings	217	211
Other tangible assets	787	742
Total	1,004	953

The total amount of fixed tangible assets not recognized in the balance sheet is CZK 203 thousand at 31 March 2019 (CZK 158 thousand at 1 January 2018).

c) Non-current financial assets – non-consolidated entities

(CZK thousands)	Balance at 1 January 2018	Additions	Disposals	First time consolidation of Romanian entity	Balance at 31 March 2019
Shareholding in subsidiaries	624	-	-543	-81	-

During the current reporting period the Group disposed of the following subsidiaries:

Subsidiary	Proceeds	Carrying amount at disposal
Consolidated prior disposal: Inter Informatics EDV – und CAD-Dienstleistungs-GmbH	483	7 188
Non-consolidated prior disposal TPM I-I, s.r.o.	500	543
TC Inter – Informatics spol. s r.o.	764	-
INTER-INFORMATICS US INC.	11	-
První záložní s.r.o.	-	-

5. Inventory

As of 31 March 2019 the Group recognized inventory (work-in-progress) in the amount of CZK 1,711 thousand (as of 1 January 2018: CZK 255 thousand).

6. Receivables

The following table summarizes overdue receivables

	At 31 March 2019	1 Jan 2018
Less than 30 days	5,666	1,837
30 to 60 days	2,646	181
60 to 90 days	-	160
90 to 180 days	-	505
180 to 365 days	-	2,255
More than 365 days	-	8,037
Total overdue receivables	**8,312**	**12,975**
Provision for bad debts	-	-

As of 1 January 2018 the Group recognized long-term receivables of CZK 1,162 thousand related to retention amount resulting from purchase agreement.

Estimated receivables as of 31 March 2019 and 1 January 2018 represent primarily expected refunds from VAT in Germany.

There are no receivables due in more than 5 years.

7. Prepayments

Prepayments include prepaid services like domain registration, internet services, prepaid subscriptions, prepaid training services.

Accrued income includes revenue of current accounting period related to the rendering of services.

8. Liabilities

	At 31 March 2019	At 1 Jan 2018
Total liabilities	69,592	116,176
Long-term liabilities	-	5,108
- bank borrowings	-	5,108
Short-term liabilities	69,592	111,068
- bank borrowings	-	24,741
- trade payables	2,965	15,044
- other payables	11,872	49,071
- accruals	3,072	1,984
- liabilities to shareholders	51,683	20,228

There are no liabilities due in more than five years. Prior to acquisition by Mahindra Engineering Services (Europe) the liabilities to previous shareholders and bank borrowings have been settled.

Other payables include liabilities to employees, social and health insurance and taxes payable.

9. Equity

Share capital of the parent company consists of 51 shares fully paid up with a nominal value of 500 000 CZK each. Other capital funds in the amount of CZK 140,322 thousand represent contributions beside share capital and exchange difference related to Romanian entity consolidation.

The loss of the Group of 2017 in the amount of CZK 1,027 thousand has been transferred to retained losses.

Other profit at the mount of CZK -139,480 thousand represents correction of prior period error as of 31 December 2017 that relates to overstated work in progress as of that date and an effect of Romanian entity first consolidation.

The management of the parent company has decided to merge Inter-Informatics, spol. s r.o. and TC INTER-INFORMATICS a.s.

The management of the parent company assume that the loss of the parent company for the period from 1 January 2018 to 31 March 2019 will be transferred in to the retained losses.

10. Provisions

	Balance b/f 1 Jan 2018	Recognition	Release	Balance c/f 31 March 2019
Restructuralization	-	24,398	(4,313)	20,085
Unused vacation	-	5,808	(2,436)	3,372
Other employee benefits	-	314	(167)	147
Subcontracts	-	889	-	889
Warranty services	-	1,426	(99)	1,327
TOTAL	**-**	**32,835**	**(7,015)**	**25,820**

The provision for restructuralization covers future costs that relate to redundancy payments and termination of rentals.

11. Accruals

Accrual represent mostly purchased services like internet services and hot-line services.

There is no deferred income.

12. Deferred tax

Deferred tax results from unused tax losses and eliminated profit from intragroup transactions. The Group does not recognize deferred tax asset due to uncertainty of its recoverability.

13. Revenue

	Period ended 31 March 2019
Sale of goods	-
Rendering of services	280,859
Total revenue	280,859

Revenue includes rendering of services to other EU countries in the amount of CZK 147,577 thousand and rendering of services to third countries in the amount of CZK 35,297 thousand.

14. Staff costs

Analysis of staff costs (CZK thousands):

	Period ended 31 March 2019	
	Total number of employees	Board of Directors
Average number of employees	153	11
Wages	114,043	6,552
Social and Health Insurance	34,127	2,114
Other	1,441	-
Total Staff Costs	**149,611**	**8,666**

Comparatives are not presented due to incomparability.

Remuneration to the members of the Company’s Board of Directors (CZK thousands):

	Period ended 31 March 2019
Remuneration to the members of the Company’s Board of Directors	6,192
Remuneration to the members of Supervisory Board	360

During the period 1 January 2019 – 31 March 2019 the members of the Company’s Board of Directors, Supervisory Board and management received no loans and bonuses in addition to their basic salaries.

15. RELATED PARTIES

Receivables and liabilities

Receivables	At 1 January 2018	At 31 March 2019
Tech Mahindra Limited	-	15,509
TechMahindra GmbH	2,316	1,548
Total 2018	2,316	17,057
Liabilities		
Mahindra Engineerig Services	-	51,683
Total 2018	-	51,683

Revenue and expenses

	Revenue	Expenses
TechMahindra GmbH	7,518	-
Tech Mahindra Limited	15,509	-
Mahindra Engineering Services	0	284
Total 2018	**23,027**	**284**

16. Going concern

Consolidated financial statements have been prepared under going concern assumption.

17. Significant post balance sheet events

No events occurred subsequent to the balance sheet date that would have a material impact on the financial statements.

18. Statement of changes in equity

	Share capital	Revaluation reserve	Other capital reserves	Reserve fund	Retained earnings	Minority interest	Total
Balance at 1 Jan 2018	***50,160***	***(2,555)***	***37,615***	***1,902***	***(134,847)***	***44 151***	***(3,574)***
Acquisition of additional shares in subsidiary	-	-	-	-	-	(34,522)	-34 522
Disposal of subsidiary	-	-	385	-	-	(6,981)	-6 596
Disposal of non-consolidated subsidiaries	-	1,239					1 239
Revaluation of financial assets	-	-	-	-	-		-
Profit for the year	-	-	-	-	(56,847)	(2,648)	(59,495)
Exchange difference	-	-	(266)	-	-	-	(266)
Capital contribution – capitalization of liabilities	-	-	102,588	-	-	-	102,588
First consolidation of Romanian subsidiary	-	1,316	-	887	(1,806)	-	397
Balance at 31 March 2019	***50,160***	***-***	***140,322***	***2,789***	***(193,500)***	***-***	***(229)***

(Footnotes)

1 Includes 39 CZK thousand as an effect of Romanian entity first consolidation

2 Includes 39 CZK thousand as an effect of Romanian entity first consolidation

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, 2019.

Financial Results

For the year ended March 31st, 2019	**2019 EURO**	**2019 INR**	2018 EURO	2018 INR
Income	**18,90,808**	**15,29,72,043**	19,16,544	14,44,39,828
Profit / (Loss) before tax	**94,720**	**76,63,146**	71,601	53,96,209
Profit/(Loss) after tax	**59,286**	**47,96,400**	47,922	36,11,618

Conversion Rate used in 2019: EURO to INR= 80.903

Conversion Rate used in 2018: EURO to INR= 75.365

Review of Operations:

During the year under review, your company recorded an income of EURO 18,90,808 (Equivalent to INR 15,29,72,043). Profit after tax was EURO 59,286 (Equivalent to INR 47,96,400). 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.

Director

April 19, 2019

Auditor’s Certificate for Satven GmbH, Munich

We have audited the financial statements-Tested to March 31,2019, including the accounting of satven GmbH, Munich for the financial year April 1, 2018- March 31,2019, comprising the balance sheet, profit and loss statement and notes.The accounting and the preparation of the annual financial statements in accordance with German commercial law are the responsibility of the company’s management. Our responsibility is to express an opinion on the basis of on my audit, on the financial statements, including the accounting.

We 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 we plan and perform that misstatements materially affecting the presentation of operations in the annual financial statements in accordance with generally accepted accounting of the assets, financial position and results, with reasonable assurance be detected. In the determation of audit procedures knowledge of the business activities and the ecnomic 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 are examined primarily on test basis. An audit also includes assessing the accounting principles used and significant estimates made by the management. We believe that our audit provides a resonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of my audit, the annual 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 operations.

Munchen, April 15, 2019

Sieger Burggraf GmbH

Wirtschaftsprufungsgesellschaft

(Christoph Sieger)

Chartered Accountant

SATVEN GmbH

BALANCE SHEET AS AT 31 MARCH 2019

ASSETS	EUR	Financial year EUR
A. CURRENT ASSETS		
I. Receivables and other assets		
1. Trade receivables	**537,991.42**	
2. Receivables from affiliated companies	**3,539.43**	
3. Other assets	**43,637.55**	585,168.40
II. Cash-in-hand, central bank balances, bank balances and cheques		243,394.88
B. Prepaid expenses		0.00
		828,563.28

EQUITY AND LIABILITIES	EUR	Financial year EUR
A. Equity		
I. Subscribed capital		425,000.00
II. Retained profits brought forward		69,210.89
III. Net income for the financial year		59,285.85
B. Provisions		
1. Provisions for taxes	**29,200.00**	
2. Other provisions	**192,200.00**	221,400.00
C. Liabilities		
1. Trade payables	**4,884.62**	
-of which due within one year EUR 4.884,62 (EUR 45.287,21)		
2. Liabilities to affiliated companies	**0.00**	
-of which due within one year EUR 0,00 (EUR 504.671,00)		
3. Other liabilities	**48,781.92**	53,666.54
-of which taxes EUR 42.653,27 (EUR 54.601,63)		
-of which social security EUR 1.507,82 (EUR 4.568,71)		
-of which due within one year EUR 48.781,92 (EUR 63.667,23)		828,563.28

INCOME STATEMENT FROM 01.04.2018 to 31.03.2019

		Financial year
	EUR	EUR
1. Sales		1,870,767.04
2. Gross revenue for the period		1,870,767.04
3. Other operating income		
a) Income from reversal of provisions	20,041.00	
b) Miscellaneous other operating income	879.73	20,920.73
4. Personnel expenses		
a) Wages and salaries	1,366,652.23	
b) Social security, post-employment and other employee benefit costs	295,824.30	1,662,476.53
-of which in respect of old age pensions EUR 8.477,74 (EUR 7.917,02)		
5. Other operating expenses		
a) Occupancy costs	47,326.41	
b) Insurance premiums, fees and contributions	1,948.42	
c) Advertising and travel expenses	26,545.31	
d) Miscellaneous operating costs	57,464.65	133,284.79
6. Other interest and similar income		0.00
7. Interest and similar expenses		1,206.24
8. Taxes on income		35,434.36
9. Net income/net loss after tax		59,285.85
10. Net income for the financial year		59,285.85

Notes to the financial statements April 01, 2018 to March 31, 2019

A. General Information

Satven GmbH, Legal seat Munich, Local court Stuttgart HRB 749841

The financial statements as of March 31, 2019 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.

B. Accounting an Valuation Principles

The trade receivables and other assets have been accounted at face value.

The cash has been accounted at face value.

As prepaid expenses are shown payments before the reporting date that represent expenses for a certain period after this date.

The accruals are shown with redemption amount and recognize all risks and contingent liabilities at the balance sheet date with the settlement amount, which is needed under reasonable business judgment.

The liabilities have been accounted with their redemption and all have a maturity of up to one year.

C. Other Information

The managing director in the financial year 2018/2019 was

Mr Rao S. Vadlamudi

TECH MAHINDRA GmbH

Supervisory Board
Mr. Rajesh Chandiramani
Mr. Manish M Vyas

Managing Directors
Mr. Aloke Shankar Palsikar
Mr. Abhijeet Anant Awekar

Registered Office
Fritz-Vomfelde Str. 8
40547 Dusseldorf
Germany

Bankers
HSBC Bank

Auditors
Deloitte GmbH

MANAGEMENT REPORT FOR THE FINANCIAL YEAR FROM 1 APRIL 2018 TO 31 MARCH 2019

Business activities

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

We generally perform our services on behalf of our parent company within the scope of a service agreement. Our parent company reaches agreements with the customer regarding those business activities. We are a subcontractor to our parent company and are therefore not subject to any risks. Remuneration for our activities is based on the reimbursement of costs incurred plus a mark-up.

Since 2015 we have also concluded a significant number of agreements directly with customers. However, also in these instances our parent company bears the risks.

Development of the overall economy and the industry

The upswing of the German economy continues. The German Council of Economic Experts (Sach- verständigenrat zur Begutachtung der gesamtwirtschaftlichen Lage) expects annual average growth in real gross domestic product (GDP) of 0.8% and 1.7% for 2019 and 2020, respectively. After years of robust growth in the past few years, the German economy has thus embarked upon a period of economic boom. In this economic climate, the ECB's sustained expansionary monetary policy is partly responsible for a further increase in capacity over-utilisation in the economy as a whole.

The sector in which our Company operates, benefits considerably from increasingly strong digitalisation and the continuously high need for investment in IT. Entities know that in order to create sustainable competitiveness, they need to develop digitally within the company or face irrelevance. These challenges also provide opportunities for the global technology industry.

Development of Revenue

As remuneration is based on reimbursement of costs incurred plus a mark-up ("cost-plus method") as part of a service agreement, the general economic and industry development have only a limited effect on the business development of our Company. Until March 2018, the mark-up was 6%. Since 1 April 2018, the mark-up has been increased by 1%-point to 7%.

Revenue from the service agreement increased from kEUR 82,992 to kEUR 91,718.

Employees

The average number of employees increased from 551 to 579. As at 31 March 2019, the Company counts 575 employees.

The nature of our business demands the employment of highly skilled personnel who participate in high-tech and telecommunication projects. That makes it necessary to employ staff from the TECH MAHINDRA development centres in India. We also employ qualified staff and subcontractors on site. Our employees are working at client companies throughout Germany, including in Bonn, Munich, Koblenz, Wolfsburg and Hamburg. Most of our employees have a university degree and a number of them have even postgraduate qualifications.

Business development

- **Financial performance**

  Under the service agreement concluded with the parent company, TECH MAHINDRA GmbH is reimbursed for the cost incurred and receives a mark-up of 7%, so that TECH MAHINDRA GmbH always disposes on constant cash inflows and realises revenue that more than compensate the costs. In the period for the financial year 2018/2019, the Company reported a net profit for the period of kEUR 3,696, compared to kEUR 490 in the prior year. This corresponds to 4.0% (prior year: 0.6%) of the revenue. The increase in the profit is primarily due to the increase in the mark-up to 7% and to exchange gains on both the realised and unrealised part of the receivables and liabilities.

  In addition to the increase in revenue from the subcontracting agreement described above, the following significant changes to the statement of profit and loss items were recorded:

  The cost of materials, which related exclusively to purchased services, totalled kEUR 39,866 (prior year: kEUR 35,526). The materials usage ratio (ratio of cost of materials to revenue) slightly increased from 42.8% to 43.5% due to the higher use of subcontractors.

  The increase in employee benefits expense from kEUR 35,951 to kEUR 38,529 is mainly due to the significant rise in the number of employees. The employee benefit expense ratio (ratio of employee benefits expense to revenue) amounts to 42.0% and decreased as a result of the disproportionate increase in services provided by subcontractors (prior year: 43.3%).

Other operating expenses decreased from kEUR 10,092 to kEUR 7,288. The decrease is notably attributable to the merger loss of kEUR 1,405 disclosed in the prior year. In addition, the Company incurred lower exchange losses.

- **Assets and liabilities**

The equity ratio increased from 34.4% to 39.0% following the increase of kEUR 3,696 in equity to kEUR 26,717, which in turn is due to the realised net profit for the period.

The Company's assets are dominated by trade receivables as well as receivables from affiliated companies.

Despite revenue growth, the trade receivables slightly decreased from kEUR 26,938 to kEUR 26,725 mainly due to earlier payment dates.

The increase in receivables from affiliated companies from kEUR 33,315 to kEUR 36,890 is primarily due to the granting of short-term loans to affiliated (kEUR 5,046).

The variance in cash and cash equivalents as part of the cash funds is presented together with the information on the financial position below.

The higher other provisions were primarily set up on account of higher provisions for subcontractors as well as from provisions for outstanding invoices of affiliated companies.

The decrease in liabilities to banks relates to the repayment of a short-term loan of kEUR 7,500, which was repaid in February 2019.

Liabilities to affiliated companies increased by kEUR 8,041 due to business expansion and increasingly used supplier loans.

- **Financial Position**

As of 31 March 2019, the Company's cash funds (cash-in-hand, bank balances) amounted to kEUR 723 (1 April 2018: kEUR 2,614). The decrease of kEUR 1,891 results from cash outflows from financing activities of kEUR 7,500 (attributable to the repayment of a loan) and cash outflows from investing activities of kEUR 5,730 (thereof kEUR 5,046 from the extension of loans), which were partially compensated by cash inflows from operating activities of kEUR 11,339. The cash inflows from operating activities were primarily affected by the cash flow effects of the increase in liabilities to affiliated companies.

The service agreement ensures continuous cash inflow for the financing of current business activities.

Financial Performance Indicators

In terms of corporate management, the Company is not a separate unit within the TM Ltd. group of companies as it only performs subcontracted services for TM Ltd. on the basis of cost-plus remuneration. The provision of financial performance indicators regarding the management of the Company is therefore not possible at the level of TECH MAHINDRA GmbH.

Non-financial Performance Indicators

We note that the following non-financial performance indicators are important but are not currently used in the direct management of our Company.

1. **Occupational Safety**

The constant and consistent implementation of safety guidelines ensures that the risk of accidents is reduced as far as possible. Occupational safety is the highest principle of management, and is more important than the principle of profit maximisation.

2. **Training Measures**

The nature of our business means that we require highly qualified employees for work on high-tech and telecommunications projects. Training is carried out according to need and is primarily conducted by employees at the TECH MAHINDRA development centres in India. Training measures are monitored and evaluated by the HR department, an employee's superior and the employee him- or herself.

Risk Management

The Company has a financial reporting system, which is integrated into the TECH MAHINDRA group reporting structures. This supports the Company in the ongoing monitoring and management of business development by means of target, actual and budget comparisons.

As a result of the service agreement described above, the Company has constant cash inflows and revenue above the level of its costs. Owing to the agreements that are in place, the Company is not subject to significant business risk.

Outlook, Risks and Opportunities for Future Development

Taking into account the current order backlog and business situation, we expect revenue and profit to increase in the financial year 2019/2020 and the following years. The Company's business will primarily consist of follow-up orders and acquired contracts. We also plan to generate growth by extending our range of services and entering new markets.

The Company has good prospects in the financial year 2019/2020 as we plan to develop additional businesses activities in new areas and segments. We expect the EBITDA/revenue ratio to remain at the same level due to the nature of our business model (cost-plus method). However, increased volumes of business and higher revenue mean that we expect profits to increase in the coming years.

We assume gradual growth in the future since the companies are under cost pressure. We continue to expect demand for outsourcing and offshoring as well as managed service to increase. The introduction of new technologies is often accompanied by a lack of technical skills, which TECH MAHINDRA can provide.

A number of the risks we face relate to the development of offshore services, increased competition and lower margins. We are focused on overcoming those risks by continuing to increase our marketing activities, developing clear quality guarantees for existing customers, extending our activities beyond our usual areas of business (e.g. OSS, VAS and networks) and entering new markets.

Based on our service agreements, which form the foundation of our business, we expect for the financial year 2019/2020 a revenue and a net profit for the period that are slightly higher than in the reporting period.

The predicted increase in revenue and profit is based on an increased volume of business, which will result in higher operating costs.

Düsseldorf/Germany, 5 July 2019

The Executive Directors

Aloke Shankar Palsikar **Abhijeet Anant Awekar**

INDEPENDENT AUDITOR'S REPORT

To TECH MAHINDRA GmbH, Düsseldorf/Germany

Audit Opinions

We have audited the annual financial statements of TECH MAHINDRA GmbH, Düsseldorf/Germany, which comprise the balance sheet as at 31 March 2019, and the statement of profit and loss for the financial year from 1 April 2018 to 31 March 2019, and the notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the management report of TECH MAHINDRA GmbH, Düsseldorf/Germany, for the financial year from 1 April 2018 to 31 March 2019. In accordance with the German legal requirements, we have not audited the statement on corporate governance pursuant to Section 289f (4) German Commercial Code (HGB) (disclosures concerning the quota for women).

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 March 2019 and of its financial performance for the financial year from 1 April 2018 to 31 March 2019 in compliance with German Legally Required Accounting Principles, and

- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to Section 322 (3) Sentence 1 German Commercial Code (HGB), we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the Audit Opinions

We conducted our audit of the annual financial statements and of the management report in accordance with Section 317 German Commercial Code (HGB) and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

Other Information

The executive directors are responsible for the other information.

Our audit opinions on the annual financial statements and on the management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the management report or our knowledge obtained in the audit, or

- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors for the Annual Financial Statements and the Management Report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with the German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all mate- rial respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 German Commercial Code (HGB) and in compliance with the German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.
- evaluate the appropriateness of the accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with the German Legally Required Accounting Principles.
- evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.
- perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Düsseldorf/Germany, 12 July 2019

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Signed: Detlef Herrel	**Signed: Boris Liesbrock**
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

BALANCE SHEET AS AT 31. MARCH 2019

Assets

		31/3/2019 EUR	31/3/2018 kEUR
A.	**Fixed assets**		
I.	**Intangible assets**		
1.	Purchased concessions, industrial and similar rights and assets and licences in such rights and assets	915,499.13	1,101
2.	Goodwill	60,715.00	243
		976,214.13	1,344
II.	**Tangible fixed assets**		
	Other equipment, operating and office equipment	1,419,707.37	1,272
III.	**Long-term financial assets**		
	Shares in affiliated companies	8,356.86	8
		2,404,278.36	2,625
B.	**Current assets**		
I.	**Receivables and other assets**		
1.	Trade receivables	26,734,509.96	26,938
2.	Receivables from affiliated companies	36,890,467.00	33,315
3.	Other assets	1,058,014.93	968
		64,682,991.89	61,221
II.	**Cash-in-hand, central bank balances, bank balances and cheques**	722,502.05	2,614
		65,405,493.94	63,835
C.	**Prepaid expenses**	625,418.29	109
D.	**Deferred tax assets**	0.00	397
		68,435,190.59	66,965

Equity & Liabilities

		31/3/2019 EUR	31/3/2018 kEUR
A.	**Equity**		
I.	**Issued capital**	601,000.00	601
II.	**Capital reserves**	16,995,554.04	16,996
III.	**Retained profits carried forward**	5,424,797.81	4,935
IV.	**Net income for the financial year**	3,695,726.37	490
		26,717,078.22	23,021
B.	**Provisions**		
1.	Provisions for pensions and similar obligations	171,803.36	127
2.	Provisions for taxes	1,617,222.65	4,195
3.	Other provisions	17,802,960.00	17,664
		19,591,986.01	21,987
C.	**Liabilities**		
1.	Liabilities to banks	0.00	7,516
2.	Trade payables	744,721.38	452
3.	Liabilities to affiliated companies	20,658,117.28	12,617
4.	Other liabilities	723,287.70	1,372
	of which taxes:		
	EUR 855.534,00 (previous year: kEUR 1.071)		
		22,126,126.36	21,957
		68,435,190.59	66,965

INCOME STATEMENT FOR THE PERIOD FROM 1 APRIL 2018 TO 31 MARCH 2019

		2018/2019 EUR	previous year kEUR
1.	Sales	91,717,961.87	82,992
2.	Other operating income of which currency translation gains: EUR 615.123,28 (previous year: kEUR 109)	893,327.30	363
3.	Cost of materials		
	Cost of purchased services	39,865,707.02	35,526
4.	Personnel expenses		
a)	Wages and salaries	33,963,614.20	31,639
b)	Social security, post-employment and other employee benefit costs	4,565,153.44	4,311
5.	Amortisation and write-downs of intangible fixed assets and depreciation and write downs of tangible fixed assets	904,603.76	466
6.	Other operating expenses of which currency translation loss: EUR 90.167,76 (previous year: kEUR 897)	7,288,428.94	10,092
7.	Other interest and similar income of which are from affiliated companies EUR 221.155,71 (previous year: kEUR 291)	221,155.71	291
8.	Interest and similar expenses of which from accrued interest on provisions: EUR 4.927,00 (previous year: kEUR 5)	203,729.89	217
9.	Taxes on income	2,336,847.35	896
10.	Net income/net loss after tax	3,704,360.28	498
11.	Other taxes	8,633.91	8
12.	Net income for the financial year	3,695,726.37	490

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR FROM 1 APRIL 2018 TO 31 MARCH 2019

General Information

The annual financial statements for the year ended 31 March 2019 were prepared in accordance with the provisions of the German Commercial Code (HGB) and the German Limited Liability Companies Act (GmbHG).

The Company is a large firm organised in a corporate form within the meaning of Sec. 267 (3) German Commercial Code (HGB).

Registration court: Düsseldorf/Germany

Registration number: Department B; no. 47738

Recognition and valuation comply with the prior year's principles.

The statement of profit and loss was prepared according to the nature-of-expense format (Section 275 (2) German Commercial Code (HGB)).

Accounting and Valuation Principles and Their Changes

Software acquired for a consideration is measured at acquisition cost and amortised on a straight-line basis over a useful life of four years.

The customer base is valued at cost and amortised on a straight-line basis over a useful life of five years.

Property, plant and equipment are measured at acquisition cost and depreciated according to the straight-line method over their 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 800.00 are expensed as incurred. Assets with acquisition cost of more than EUR 800.00 are amortised over their individual useful lives.

Investments and financial assets are recognised at acquisition cost. Where necessary, the lower fair value as at balance sheet date is recognised.

Receivables and other assets are recognised at nominal value. Specific allowances cover all risks identifiable as at the balance sheet date.

Cash-in-hand and bank balances are recognised at nominal value.

Prepaid expenses relate to expenditure incurred before the balance sheet date to the extent that these constitute expenses for a certain time thereafter.

Starting in 2010, deferred taxes have been determined for temporary differences between the carrying amounts of assets and liabilities under commercial law and their tax bases and for realizable loss carry- forwards. Deferred taxes are calculated on the basis of an income tax rate of 31%. Any resulting tax burden would be recognized in the balance sheet as deferred tax liability. In the event of a tax relief, the option specified in Section 274 (1) Sentence 2 German Commercial Code (HGB), which has been in force since 2018, is exercised and deferred tax assets are not recognized. The deferred tax assets recognized as of the balance sheet date of the prior year were released to income.

In the financial year, there was a total asset surplus, which was not recognized in the balance sheet. This is mainly due to valuation differences between the statutory balance sheet and tax bases with regard to provisions for retirement benefit obligations.

Provisions have been set up for uncertain liabilities from retirement benefit obligations. The provisions have been set up in accordance with Section 253 (1) Sentence 2 German Commercial Code (HGB) at settlement amount determined according to sound business judgement.

Provisions take into account all contingent liabilities and identifiable risks and are recognised at their expected settlement amounts, based on sound business judgement.

Liabilities have been recognised at settlement amount.

Income and expenses within the statement of profit and loss are recorded on accrual basis. Revenue is recognised at the time when services are rendered.

Foreign Currency Translation

Assets and liabilities in foreign currencies are valued in the annual financial statements at the average rate for the date of initial recognition. On the reporting date, assets and liabilities denominated in foreign currencies with a remaining term of up to one year are converted at the exchange rate prevailing on the balance sheet date. Non-current receivables and liabilities denominated in foreign currency are recognised at the exchange rate on the balance sheet date provided that the exchange rate on the transaction date was not lower (for assets) or higher (for liabilities). Profit and loss from converting foreign currency transactions into local currency are recognised separately in the statement of profit and loss under “Other operating income” and “Other operating expenses”.

Notes to the Balance Sheet

Fixed assets

The composition of and the movements in fixed assets are presented in the following statement of movements in fixed assets.

	Acquisition Production costs 01.04.2018	Additions	Disposals	Acquisition Production costs 31.03.2019	Accumulated Amort./depr./write-downs amort./depr./write-downs financial year 01.04.2018	Disposals	Accumulateed amort./depr./write-downs 31.03.2019	Book Value	
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
A Fixed assets Intangible fixed assets									
1 Software acquired for a consideration	1.214.741,96	143.809,85	0,00	1.358.551,81	113.438,46	329.614,22	443.052,68	0,00	915.499,13
2 Customer base	910.519,50	0,00	0,00	910.519,50	667.704,50	182.100,00	849.804,50	0,00	60.715,00
Total intangible assets	2.125.261,46	143.809,85	0,00	2.269.071,31	781.142,96	511.714,22	1.292.857,18	0,00	976.214,13
II. Property, plant and equipment									
Other equipment, operating and office equipment	1.626.845,52	540.858,83	538,46	2.167.165,89	354.568,98	392.889,54	747.458,52	0,00	1.419.707,37
Total property, plant and equipment	1.626.845,52	540.858,83	538,46	2.167.165,89	354.568,98	392.889,54	747.458,52	0,00	1.419.707,37
III. Investments and financial assets									
Shares in affiliated companies	8.356,86	0,00	0,00	8.356,86	0,00	0,00	0,00	0,00	8.356,86
Total investments and financial assets	8.356,86	0,00	0,00	8.356,86	0,00	0,00	0,00	0,00	8.356,86
Total fixed assets	3.760.463,84	684.668,68	538,46	4.444.594,06	1.135.711,94	904.603,76	2.040.315,70	0,00	2.404.278,36

The Company furthermore holds all shares in TechM IT-Services GmbH, Vienna/Austria. As at 31 March 2019, this entity's equity amounts to kEUR 5 and the net profit realized in the financial year 2018/2019 totals kEUR 12.

Moreover, the Company holds all shares in TECH MAHINDRA Norway AS. As at 31 March 2019, this entity's equity amounts to kNOK 5,235. In the financial year 2018/2019, the entity realised a net profit for the period of kNOK 3,407. As at the balance sheet date, the exchange rate was NOK/EUR 9.6769.

Receivables and Other Assets

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

The receivables from affiliated companies include receivables from the shareholder in the amount of kEUR 26,535 (prior year: kEUR 26,575).

With the exception of a loan receivable of kEUR 10,313 (prior year: kEUR 5,267), receivables from affiliated companies, as in the prior year, relate to trade.

Issued capital

The Company's issued capital amounts to kEUR 601 and is fully paid up.

The executive directors are authorized to increase the Company's share capital by 30 September 2019 by issuing new shares against cash contributions or contributions in kind on one or several occasions up to a maximum of EUR 300,000.00 (authorized capital).

Provisions

Provisions for retirement benefit obligations

The projected unit credit method was used to measure provisions for retirement benefit obligations. The following assumptions were applied to measurement:

Discount rate 3.07% (prior year: 3.57%)

Expected wage and salary

increases 2.00% (prior year: 2.00%)

In addition, measurement of the provisions for retirement benefit obligations was based on Prof Dr Klaus Heubeck's 2018 G (prior year: 2015 G) standard tables.

With regard to post-employment benefit obligations, the difference between the amount recognised using the average market rate of interest for the past ten financial years and the amount recognised using the average market rate of interest for the past seven financial years amounts to kEUR 18 (prior year: kEUR 24).

Pursuant to Section 246 (2) Sentence 2 German Commercial Code (HGB), claims under a pension liability insurance, which is exempt from all other creditors' attachment and exclusively serves the purpose of fulfilling the retirement benefit obligations, were offset against these obligations. The fair value of the netted assets amounts to kEUR 352 (prior year: kEUR 289), the settlement amount of the netted retirement benefit obligations amounts to kEUR 507 (prior year: kEUR 410).

Other provisions

As in the prior year, other provisions largely contain provisions for outstanding invoices for utilised subcontractor services (kEUR 5,680; prior year: kEUR 5,699) as well as for employee commitments (kEUR 1,835; prior year: kEUR 2,089).

Liabilities

As in the prior year, all liabilities are due within one year.

As in the prior year, the liabilities to affiliated companies exclusively result from trade. Liabilities to shareholders amount to EUR 0.00 (prior year: EUR 0.00).

Notes to the Statement of Profit and Loss

Revenue

As in the prior year, revenue exclusively relates to income from subcontracting activities relating to the rendering of IT services. Revenue is fully generated in Germany.

Other operating income

Other operating income includes income from exchange rate differences in the amount of kEUR 615 (prior year: kEUR 109).

Other operating expenses

Other operating expenses include, in particular, travel and distribution costs (kEUR 1,345; prior year: kEUR 1,423), legal and consultancy costs (kEUR 1,359; prior year: 1,291), recruitment costs (kEUR 197; prior year: kEUR 130) as well as occupancy costs (kEUR 1,266; prior year: kEUR 1,513). The expenses for exchange rate differences amounted to kEUR 90 (prior year: kEUR 897).

Taxes on income

Income taxes of kEUR 1,939 (prior year: kEUR 931) relate to trade and corporation tax, while in an amount of kEUR 398 they relate to the derecognition of deferred tax assets (prior year: deferred tax income from addition to deferred tax assets (kEUR 35)).

Other Disclosures

Events after the balance sheet date

In April 2019, the Company took over 123 employees of a former subcontractor in Dresden/Germany and entered into the lease agreement on premises concluded by the subcontractor. In addition, the fixed assets used were taken over.

Names of executive directors

- Mr Vikram Narayanan Nair, Langley/Great Britain, Executive Director Operations (until 9 January 2019, date of entry in the commercial register)
- Mr Aloke Shankar Palsikar, Wiesbaden/Germany, Executive Director Operations (since 9 January 2019, date of entry in the commercial register)
- Mr Abhijeet Anant Awekar, Milton Keynes/Great Britain, Executive Director Finance

With regard to the disclosure of remuneration of the executive directors, the Company opted to exercise the exemption rule under Section 286 (4) German Commercial Code (HGB).

Supervisory board

The Company has appointed a supervisory board, which includes the following two members:

Rajesh Chandiramani, Mumbai/India, Tech Mahindra Ltd.

Manish M Vyas, Texas/USA, Tech Mahindra Ltd.

In the reporting year, the members of the supervisory board did not receive any remuneration from the Company for their activities.

Employees

The average number of employees in the financial year amounted to 579 (prior year: 551). All of them are salaried employees.

Other financial obligations

Other financial obligations result from office rental agreements and amount to kEUR 1,837 (prior year: kEUR 1,108).

Auditors' fees:

The fees charged by the auditors amount to kEUR 14.5 and exclusively relate to audit services.

Group affiliation

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

The annual financial statements of the Company are included in the consolidated financial statements of TECH MAHINDRA Limited, Pune/India. This entity prepares the consolidated financial statements for the largest and also the smallest group of consolidated entities. The published consolidated financial statements are available on the website www.techmahindra.com.

Proposed appropriation of result

The executive directors recommend to carry forward onto new account the net profit for the period of EUR 3,695,726.37.

Düsseldorf/Germany, 5 July 2019

Aloke Shankar Palsikar, Executive Director
Abhijeet Anant Awekar, Executive Director

COMVIVA TECHNOLOGIES LIMITED

Board of Directors
Chander Prakash Gurnani
Ulhas Narayan Yargop
Jagdish Mitra
Vivek Satish Agarwal
Rajat Mukherjee
Sunita Umesh

Chief Financial Officer
Neeraj Jain

Company Secretary
Parminder Singh Bakshi

Registered Office
A-26, Sector-34, Info City
Gurugram, Haryana-122001, India

Bankers
HDFC
BNP
IDBI
SCB

Auditors
M/s BSR & CO LLP

DIRECTORS' REPORT

Dear Members,

Your Directors take pleasure in presenting the Twentieth Annual Report together with Audited Balance Sheet and Statement of Profit & Loss for the year ended on March 31, 2019.

The major Financial Highlights are as under:

FINANCIAL RESULTS	**2018-19 (Rs. in Mn)**	2017-18 (Rs. in Mn)
Total Income	**6,565**	6412
Profit (Loss) before Depreciation & Taxation	**1,309**	1539
(-) Depreciation	**174**	178
Profit (Loss) before Taxation (-) Provision for Income Tax	**1,135** **(472)**	1362 (445)
(-) Deferred Tax charge/Reversal	**162**	12
(+) MAT Credit Adjustment/Entitlement	**0**	0
Profit (Loss) for the period EPS Basic (INR) EPS Diluted (INR)	**825** **38** **38**	929 42.75 42.75

BRIEF DESCRIPTION OF THE COMPANY'S WORKING DURING THE YEAR/STATE OF COMPANY'S AFFAIRS

Total Income for the year 2018-19 is INR 6,565 Mn as against INR 6,412 Mn in previous year.

In the concluded Financial Year, the Company had witnessed strong performance in the order book in the Africa, SEA and ANZ regions. The Company has especially penetrated Vietnam, Indonesia, Myanmar and other markets in the SEA region. This has resulted in renewed Customer interest in the Company's products and solutions in the Consumer Value Management and Mobile Financial Services space. The Company especially expects that CVM as a segment will continue to exhibit high growth in the coming years.

The Company continued its strong engagement with its Key Customers. Order book of our traditional products like Lifestyle, PreTUPS and mobiquity® continues to be strong. We have seen significant traction in the market for our Wallet product with several bank customers as well as the MobiLytix product line with several recent wins in the market. The Company's strategy of focusing on key accounts for cross-sell / up-sell of new products continues to produce good results. We are also seeing good traction in the newer products such as Infinity, Yabx and Digital Business Management and are building up customer references in this space.

The Company continues to retain focus on the developing markets and is leveraging its existing customer relationships as well as the Tech Mahindra Limited sales channel for opening doors in the developed markets of US, Europe and parts of Asia Pacific. The Company has also increased its emphasis on enterprise businesses with the creation of a separate enterprise sales team.

Along with the continued investment in its existing product portfolio, the 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 TerraPay (A cross border money remittance business), Wallet, Yabx (technology provider for micro lending, savings and insurance). There is significant market interest for Yabx products and services with several banks, telco's and some enterprises having signed agreements with Yabx or being in the process of signing. The Company continues with its efforts to diversify into non-telco markets such as BFSI & retail industry through extension of its existing product portfolio as well as new products and services.

In the space of technology and innovation, Company did not file any patent globally in Financial Year 2018-19

The Company continued to win prestigious awards and mentions over the last year. These include Finnovex Award (Excellence in Emerging Fintech Solution category), Banking Technology Awards 2018 (Comviva and Cassava Smartech won Banking Technology Award for EcoCash in 'Best Fintech Partnership' category), IAMAI India Digital Award - (Comviva's payPLUS Unified Payment Acceptance solution), CommsMEA Award - (Business Service Initiative of the Year for the Orange Money Rapido service and the Most Innovative New Service of the Year for Orange Money Rapido service), Juniper Research Future Digital Awards (Juniper Research Future Digital Awards for Fintech and Payments 2018. The Company received an award in the "Best Mobile Money Offering" category for the EcoCash), Messaging & SMS Global Awards 2018 (Best Messaging Security Product and Market Innovation - Best Messaging Innovation – Enterprise Solution categories), Global Telecoms Awards - Comviva, along with Econet Wireless, AfricaCom Awards 2018 - (Comviva has bagged its third consecutive award at the AfricaCom Awards 2018), India Mobile Congress and Aegis Graham Bell Awards 2018 - (Comviva's MobiLytix™ Incremental Revenue Through Incremental Sales solution (IRIS) bagged the Cellular Operators Association of India's India Mobile Congress and Aegis Graham Bell Award) and RemTECH Award - (Comviva has bagged the RemTECH Award in the Remittance Synergies category) amongst several others.

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 having won several large multi-year revenue share deals across CVM, Digital Business Management, S&D, and Mobile Money during the financial year. There is increasing emphasis to grow the existing business by improving the performance of these long term engagements.

CHANGE IN THE NATURE OF BUSINESS, IF ANY:

There is no change in the nature of the business of the Company during the Financial Year 2018-19.

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, 2019. The Directors believe that this will increase shareholder value in the long term.

TRANSFER TO RESERVE

The entire amount of profits has been transferred to reserves.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAS OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENT RELATES AND THE DATE OF THE REPORT:

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the financial statement relate and the date of the report.

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES-

As on March 31, 2019, your Company has 8 subsidiaries which include 17 step-down subsidiaries.

There has not been any material change in the nature of the business of the subsidiaries. As per Companies Act, 2013, the consolidated financial statements of your Company and all its subsidiaries are provided in this Annual Report. The consolidated financial statements have been prepared in accordance with IND AS. The performance and financial position of subsidiaries and joint venture companies included in the consolidated financial statement is provided in accordance with the provisions of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014 as a separate statement annexed to the notes on accounts containing the salient features of the financial statement of Company's subsidiaries/joint ventures or associate companies in Form AOC – 1.

During the Financial Year 2019, Company incorporated its 100% subsidiary Company in the name of YABX Technologies (Netherlands) BV to expand its business under its new start up as YABX.

Further in Financial Year 2019 the Company's subsidiary Comviva Technologies Inc. and step-down subsidiary Terrapay Services (U.K) Limited went for voluntary winding up.

List of Subsidiaries	List of Step-down Subsidiaries
YABX Technologies (Netherlands) BV	Hedonmark Management Services Ltd. (Zoto)
Comviva Technologies Nigeria Limited	Comviva Technologies (Argentina) S.A.
Comviva Technologies Singapore Pte. Ltd.	ATS Advanced Technology Solutions do Brazil Indústria, Comércio, Importação e Exportação Ltda Brazil
Comviva Technologies FZ LLC	Comviva Technologies Colombia S.A.S
Comviva Technologies B.V.	Mobex Money Transfer Ltd, Kenya
Terra Payments Services(Netherlands) B.V.	Terra Payment Services S.A.R.L. (DRC)
Terra Payments Services South Africa (PTY) (RF) Ltd	Terra Payment Services (Uganda) Ltd.
Comviva Technologies Madagascar Sarlu	Terra Payment Services (Tanzania) Ltd.
	Terra Payment Services Botswana (Pty) Ltd
	Terra Payment Services (UK) Limited
	Terra Payment Services S.A.R.L. (Congo B)
	Terra Payment Services (Mauritius)
	Terra Payment Services S.A.R.L. (Senegal)
	Terra Payment Services (India) Pvt. Ltd.*
	Comviva Technologies Mexico, S de R.L. de C.V.
	Comviva Technologies (Australia) Pty Ltd.
	Emagine International Pty. Ltd.

- It has applied to the Registrar of Companies for strike of its name from the Register of Companies and filed necessary e-Form STK -2, which is still pending for final disposal.

DEPOSITS

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

Statutory Auditors of the Company, M/s BSR and Co, LLP (Firm Registration No. 101248W/W-100022) have been appointed in Eighteenth Annual General Meeting held in year 2017 till the conclusion of twenty third Annual General Meeting which would be due in year 2023.

AUDITOR'S REPORT

There are no qualifications, reservation or adverse remark or disclaimer made in the audit report for the Financial Year 2018-19 by M/s. BSR & Co, LLP.

SECRETARIAL AUDITOR'S REPORT

Secretarial Audit Report given by M/s Harrish Khurana & Associates, a Company Secretary in practice, has been annexed as Annexure 1 with this report.

There is no qualification, reservation or adverse remark made by the Company Secretary in Practice in the Secretarial Audit Report.

SHARE CAPITAL

During the year under review, the Board of Directors of the Company has registered / approved the transfer of shares from few of the Members to Tech Mahindra Limited (Holding Company) marking its shareholding to 99.99% as on the date of this report.

EMPLOYEES STOCK OPTION PLANS

Company has no ESOP Schemes implemented for the employees as on the date of this Report.

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 met four (4) times during the Financial Year, notices convening meeting of the Board were duly sent to all the Directors.

Meeting	Date(s) of Meeting
Board Meeting	21-05-2018, 23-07-2018, 24-10-2018 & 23-01-2019

Further, Four meetings each of Audit Committee; Nomination and Remuneration Committee and CSR Committee on the following dates:

Meeting	Date(s) of Meeting
Audit Committee Meeting	21-05-2018, 23-07-2018, 24-10-2018 & 23-01-2019
Nomination and Remuneration Committee	21-05-2018, 23-07-2018, 24-10-2018 & 23-01-2019
CSR Committee	21-05-2018, 23-07-2018, 24-10-2018 & 23-01-2019

Also one meeting of the Independent Directors was held on 20th March, 2019 for the Financial Year 2018-19.

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 To Utilize Alternate Sources Of Energy:

As Company has taken all their premises on lease, alternate source of energy could not be 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&D Carried Out By The Company

Company continues to do R&D in the areas of mobile commerce, content and data. As such Company continues to enrich its strong product portfolio in these domains through mobile banking, analytics, and rich engagement, communication, content and delivery platforms.

Company, 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 'Commerce, Content, and Data' and adjunct focus areas are Customer Value Solutions and Managed Services.

R&D primarily consists of below activities in all the products and new innovative MVP's:

(1) New product development

(2) Creating new features and upgrades / version of existing product as per either internal product roadmap, or customer requirement and

(3) Development work by the Core Engineering Team called as SET on the re-usable common components, engineering practices and innovative prototypes that are utilized as part / addition to products developed by the various domain specific product units.

R&D involves rapid prototyping of new products and features in existing products that address the needs of our customers in the market. Focus is around new features, designs, frameworks and methodologies that 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 through robust and innovative products.

(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 MobiLytix, Mobiquity, CMS (Content) 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 that include Golden Peacock, Aegis Graham Bell, GSMA GLOMO and helped us achieve leadership in the area of Mobile Finance, Data analytics in our chosen markets.

(C) In Case Of Imported Technology (Imported During Last Three Years Reckoned From The Beginning Of The Financial Year)

(i) Company has not Imported Technology during the last three years

(ii) Expenditure incurred on R&D.

Figures in Mn INR

S. No.	Particulars	Current year	Previous year
1	Capital	-	74
2	Recurring	317	206
3	Total	317	280
4	Total R&D expenditure as a percentage of total turnover	5%	5%

C. FOREIGN EXCHANGE EARNINGS & OUTFLOWS

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 such as Latin America and South East Asia along with several wins in these markets .

(Amount in INR)

Details of Foreign Exchange Earnings & Outflows	Financial Year Ended 31st March, 2019	Financial Year Ended 31st March, 2018
Foreign Exchange Earnings	5,218,279,841	4,625,923,261
Foreign Exchange Outflows	1,098,662,549	1,519,467,781

DIRECTORS

A. Changes in Directors and Key Managerial Personnel (KMP)

In accordance with the provisions of the Companies Act, 2013, Mr. Ulhas Narayan Yargop (DIN: 00054530) Director, liable to retire by rotation and being eligible for re-appointment and has showed his inability to continue to hold the office of Director, post annual general meeting. The Board decided not to fill his vacancy in ensuing Annual General Meeting.

During the year, Mr. Vineet Nayyar (DIN: 00018243) resigned from the Board with effect from 03rd October, 2018. The Board took note of the services rendered by Mr. Vineet Nayyar (DIN: 00018243) during their tenure on the Board. In his place Mr. Vivek Satish Agarwal (DIN: 05218475) was appointed as an Additional Director w.e.f. 23rd January, 2019. Your Board recommend the appointment of Mr. Vivek Satish Agarwal (DIN:05218475) as Director at the ensuing Annual General Meeting.

Mr. Manoranjan Mohapatra was appointed as a Chief Executive Officer w.e.f. 01 April, 2018 by the Board.

Mr. Sriram Gopalakrishnan resigned as Company Secretary w.e.f. 21st May, 2018 and was appointed as Chief Financial Officer from the same date to which he resigned later the year w.e.f. 09th November, 2018. In his place Mr. Parminder Bakshi was appointed as Company Secretary w.e.f. 21st May, 2018 and Mr. Neeraj Jain was appointed as Chief Financial Officer w.e.f. 15th November, 2018.

As on date, following is the composition of the Board:

Mr. C P Gurnani (DIN: 00018234), Mr. Ulhas Narayan Yargop (DIN: 00054530), Mr. Jagdish Mitra (DIN: 06445179) and Mr. Vivek Satish Agarwal (DIN: 05218475) are Directors of the Company.

Mr. Rajat Mukherjee (DIN: 03431635) and Ms. Sunita Umesh (DIN: 06921083) are Independent Directors of the Company.

Number of Board and Committee Meeting Attended				
Directors	**Board Meeting**	**Audit Committee**	**CSR Committee**	**NRC Committee**
Vineet Nayyar	2	-	-	-
CP Gurnani	3	1	1	3
Ulhas Yargop	3	3	3	1
Jagdish Mitra	2	-	-	-
Sunita Umesh	4	4	4	4
Rajat Mukherjee	2	2	2	2
Vivek Satish Agarwal	-	-	-	-

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 Director or Directors of the Company

During the year under review, there were no executive directors on the Board of Company.

D. Formal Annual Evaluation

Pursuant to the provisions of the Companies Act, 2013, the Board has devised a policy on evaluation of performance of Board of Directors, Committees and Individual directors. Accordingly, the Chairman of the Nomination and Remuneration Committee obtained from all the board members duly filled in evaluation templates for evaluation of the Board as a whole, evaluation of the committees and peer evaluation. The summary of the evaluation reports were presented to the respective Committees and the Board for their consideration.

E. Policy for selection and appointment of Directors, KMP and their remuneration

The Company has in place a Nomination and Remuneration Policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence and other matters provided under section 178(3) of the Companies Act, 2013. The highlights of this policy forms part of this report as Annexure-4.

The Nomination and Remuneration Committee identifies and ascertains the integrity, qualification, expertise and experience of the person for appointment as Director or KMP. The appointment of Directors, KMP and Senior Management as recommended by the Nomination and Remuneration Committee requires approval of the Board.

The remuneration to the Directors and KMP is proposed by the Nomination and Remuneration Committee in compliance with requirements of the Companies Act and recommended to the Board for their approval. Approval of Shareholders is obtained, if required.

PARTICULARS OF EMPLOYEES u/s 197 OF THE COMPANIES ACT, 2013 r/w COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The information required under Section 197(12) of the Companies Act, 2013 ("the Act") read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report as Annexure-5.

BOARD COMMITTEES

Audit Committee

The Audit Committee consists of the following Directors:

(i) Mr. Ulhas Narayan Yargop

(ii) Mr. Rajat Mukherjee

(iii) Ms. Sunita Umesh

Ms. Sunita Umesh is Chairperson of the said Committee.

Nomination and Remuneration Committee

The Nomination and Remuneration committee consist of the following Directors:

(i) Mr. C P Gurnani

(ii) Mr. Rajat Mukherjee

(iii) Ms. Sunita Umesh

Mr. C P Gurnani was the Chairperson of the said Committee but since he was appointed as a Chairperson of the Board hence Ms. Sunita Umesh was appointed as a Chairperson of the Committee with effect from 24th October, 2018.

CSR (Corporate Social Responsibility) Committee

A. The CSR Committee consists of the following Directors:

(i) Ms. Sunita Umesh

(ii) Mr. Rajat Mukherjee

(iii) Mr. Ulhas Narayan Yargop

Mr. Rajat Mukherjee is Chairman of the said Committee.

B. Contents of the CSR Policy and initiatives taken as detailed are in Annexure 6 to this report.

C. The Company has spent INR 2,30,16,821 for approved CSR activities as prescribed under the Companies Act, 2013. The entire CSR contribution as calculated under provisions of Companies Act, 2013 has been spent.

POLICY TO PREVENT AND DEAL WITH SEXUAL HARASSMENT

The Policy to Prevent & Deal with Sexual Harassment at Work place was announced during the Financial Year 2018-19 as per the “Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013”.

The Internal Complaint Committee (ICC) was formed (see below) and the details were shared with all employees. Advocate Aparna GV is the external member in this Committee.

Gurgaon	Bengaluru	Mumbai
Neena Goel (Chairperson)	Neena Goel (Chairperson)	Neena Goel (Chairperson)
Aparna GV (External Consultant)	Aparna GV (External Consultant)	Aparna GV (External Consultant)
Vaishnavi Shukla	Lata Rishi	Lianne Rodrigues
Chandni Tyagi	Sunita Jagtiani	Tanveer Mahmood M
Anisha Khanna	Pawan S Kulkarni	
Naveen Tandon	Mahesh V Ghatage	
Manas Bal	Vamsi Madhav	
Rajendra M Thakur	Syed Nayeem Pasha	
Ajit Kumar Jain		
Abhai Srivastava		

During the year under report, there was no complaint which was received by the ICC during the year.

DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

The Company has adopted the Whistle Blower Policy which is available on the Company website at https://www.comviva.com under the ‘About’ tab. It has been publicized to employees.

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 behaviors 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 Companywide risk management, internal control and internal audit methodologies and process.

Company risk management policy was reviewed and approved by the Audit committee.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 AS ON DATE

Name of Body Corporate	**Nature of transaction (whether Loan/Guarantee/ Security/Acquisition)**	**Amount of Loan/Security/ Acquisition/ Guarantee (in Rs.)**	**Purpose of Loan/Acquisition/ Guarantee/Security**
Comviva Technologies Singapore Pte Ltd	Loan and interest on loan	39,789,337	Towards the Objectives of MOA and AOA and ongoing funding Requirements as per Business Plan
Comviva Technologies Singapore Pte Ltd	Investment in shares	27,665,560	Investment in Subsidiaries
Comviva Technologies FZ-LLC	Investment in shares	767,800	Investment in Subsidiaries
Comviva Technologies Nigeria Limited	Investment in shares	151,156,703	Investment in Subsidiaries
Comviva Technologies B.V.	Investment in shares	715,500	Investment in Subsidiaries

Name of Body Corporate	Nature of transaction (whether Loan/Guarantee/ Security/Acquisition)	Amount of Loan/Security/ Acquisition/ Guarantee (in Rs.)	Purpose of Loan/Acquisition/ Guarantee/Security
Terra Payment Services (Netherlands) B.V.	Investment in shares	187,825,140	Investment in Subsidiaries
Comviva Technologies (Argentina) S.A.	Investment in shares	13,511,974	Investment in Subsidiaries
ATS Advanced Technology Solutions do Brazil, industria, comercio, importacao y exportacao LTDA**	Investment in shares	2,099,844	Investment in Subsidiaries
Comviva Technologies Madagascar Sarlu	Investment in shares	1,349,802	Investment in Subsidiaries
	Total (Rs.)	424,897,549	

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 7.

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 order 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 Company has internal financial controls which are adequate and were operating effectively. The controls are adequate for ensuring the orderly & efficient conduct of the business, including adherence to the Company's policies, the safe guarding of assets, the prevention & detection of frauds & errors, the accuracy & completeness of accounting records and timely preparation of reliable financial information.

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

	Mr. C P Gurnani	**Mr. Ulhas Narayan Yargop**
Date: 17 May, 2019	Director	Director
Place: Gurugram	DIN: 00018234	DIN: 00054530

ANNEXURE 1

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR 2018-19

To,
The Members,
Comviva Technologies Limited
A-26, Info City, Sector - 34,
Gurugram (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, 2019 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, 2019 according to the provisions of:

1) The Companies Act, 2013 (the Act) and the rules made there under;

2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

3) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

4) 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;

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) As per our discussion with the management and based on the quarterly compliance certificate placed before the Board by the respective head of the departments, followings are the other laws, which are applicable to the Company:

   - The Income-tax Act, 1961
   - IGST (Integrated Goods and Services Tax) Act
   - CGST (Central Goods and Services Tax) Act
   - Industrial Employment (Standing orders) Act, 1946,
   - Industrial Disputes Act, 1947,
   - the Employees' Provident Funds and Miscellaneous Provisions Act, 1952,

- Employees Provident Funds Scheme, 1952
- the Minimum Wages Act, 1948,
- the Payment of Wages Act, 1936,
- the Payment of Bonus Act, 1965,
- the Payment of Gratuity Act, 1972,
- the Workmen Compensation Act, 1923, and
- the Maternity Benefit Act, 1961 and rules made there under as applicable to the Company.

Compliances under the other applicable laws mentioned above have been generally made during the financial year 2018-19.

7) Secretarial Standards I & II as issued by The Institute of Company Secretaries of India.

8) Since the Company is a public limited company and being subsidiary of Listed Company, provisions of the Listing Agreements are not applicable to the Company, hence we have not examined these.

During the year under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Company had filed an application under the provisions of Section 131 (1) (b) of the Companies Act, 2013 before the Hon'ble National Company Law Tribunal, Chandigarh, seeking their permission to revise the report of the Board of Directors for the financial year ending March, 2016, to correct the figure reported under the head capital expenditure on R&D. The was transferred to the Special Bench of Hon'ble National Company Law Tribunal at New Delhi. The Hon'ble Special Bench had delivered the order by allowing the Board to revised their Report, as prayed for. Company has filed copy of revised Board Report along with original financials with the Registrar of Companies.

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 year under review were carried out in compliance with the provisions of the Companies Act, 2013.

Adequate notices were given to all directors to schedule the Board Meetings at least seven days in advance along with agenda and detailed notes on agenda and there also exists a system for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Minutes of the board and general meetings were entered in the minutes books within thirty days from the day of the meeting.

Draft minutes were circulated within 15 days of the meetings held to all the directors of the Company.

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 [except 5 (a) & 5 (b)] are not applicable to the Company. As per the information provided by the Company, no transaction of Overseas Direct Investment (ODI) and Foreign Direct Investment (FDI) under FEMA were undertaken during the year under report.

Place: Delhi

Signature:

Date: 17th May, 2019

Harish Khurana & Associates
Company Secretaries
FCS 4835
C P No.: 3506

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 an 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.

Place: Delhi

Signature:

Date: 17th May, 2019

Harish Khurana & Associates
Company Secretaries
FCS 4835
C P No.: 3506

ANNEXURE-2

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2019

[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: Unlisted Public Company limited by shares (Non-govt. company)

v) Address of the Registered office and contact details: A-26, Info City, Sector-34, Gurugram-122001, Haryana; e-mail: parminder.bakshi@comviva.com

vi) Whether listed company Yes / No

vii) Name, Address and Contact details of Registrar and Transfer Agent, if any: Link Intime India Private Limited, C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West) Mumbai, Maharashtra-400083, India

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	59.81%
2	Revenue sharing arrangements	47411	10.58%
3	Annual maintenance contract services	62013	22.23%
4	Sale of equipment and software licenses	47411	7.39%

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	99.99%	Section2(46)
2.	Comviva Technologies Nigeria Limited Plot number- 52, Ahmadu Bello Way, Victoria Island, Lagos	943437	Subsidiary Company	100%	Section 2(87)
3.	Comviva Technologies Singapore Pte. Ltd. 180B, Bencoolen Street, #12-05, The Bencoolen, Singapore 189648	201127764Z	Subsidiary Company	100%	Section 2(87)
4.	Comviva Technologies FZ LLC Premises: 1401 & 1408-1409 Floor: 14, PO Box 500583 Building: Al Shatha Tower Dubai, United Arab Emirates	License Number-20773	Subsidiary Company	100%	Section 2(87)

S. No..	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING / SUBSIDIARY /ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
5.	Comviva Technologies B.V. Maanplein 20, Building 8, 2516 CK The Hague, The Netherlands	63223767	Subsidiary Company	100%	Section 2(87)
6.	Terra Payments Services (Netherlands) B.V. Maanplein 20, Building 8, 2516 CK The Hague, The Netherlands	63673746	Subsidiary Company	100%	Section 2(87)
7.	Terra Payments Services South Africa (PTY) (RF) Ltd 10th Floor Office Towers Sandton City Mall 5th Street Sandton Johannesburg Gauteng 2146	2014/234053/07	Subsidiary Company	100%	Section 2(87)
8.	Comviva Technologies Madagascar Sarlu Immeuble ARO Ampefiloha Escalier A 4è étage porte A 402 - Antananarivo 101 Analamanga 101, Antananarivo Renivohitra, Madagascar	RCS Antananarivo 2016 B 01082	Subsidiary Company	100%	Section 2(87)
9.	YABX Technologies (Netherlands) B.V. Maanplein 20, Building 8, 2516 CK The Hague, The Netherlands	71797882	Subsidiary Company	100%	Section 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 beginning of the year	No. of Shares held at the beginning of the year	No. of Shares held at the beginning of the year	No. of Shares held at the end of the year	No. of Shares held at the end of the year	No. of Shares held at the end 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.									
e) Banks / FI	21369977	465721	21835698	99.85%	21396185	470721	21866906	99.99%	0.14%
f) Any other….									
Sub-total (A) (1):-	**21369977**	**465721**	**21835698**	**99.85%**	**21396185**	**470721**	**21866906**	**99.99%**	**0.14%**
(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)**	**21369977**	**465721**	**21835698**	**99.85%**	**21396185**	**470721**	**21866906**	**99.99%**	**0.14%**

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 Rs. 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1700	7094	8794	0.04%	--	2094	2094	0.01%	0.03%
c)Others (Specify)									
Sub-total (B) (2):-	24508	--	24508	0.11%	--	--	--	---	0.11%
Total Public Shareholding	26208	7094	33302	0.15%	--	2094	2094	0.01%	0.14%
(B)=(B)(1)+(B)(2)	**26208**	**7094**	**33302**	**0.15%**	**--**	**2094**	**2094**	**0.01%**	**(0.14%)**
C. Shares held by Custodian for GDRs & ADRs	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
Grand Total (A+B+C)	**21396185**	**472815**	**21869000**	**100%**	**21396185**	**472815**	**21869000**	**100%**	**Nil**

ii) Shareholding of Promoters:

S. No.	Shareholder's Name	Shareholding at the beginning of the year	Shareholding at the beginning of the year	Shareholding at the beginning of the year	Share holding at the end of the year	Share holding at the end 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	21835698	99.85%	--	21866906	99.99%	--	+0.14%
	Total	**21835698**	**99.85%**	**--**	**21866906**	**99.99%**	**--**	**+0.14%**

iii) Change in Promoters' Shareholding (please specify, if there is no change)

S. No.		Shareholding at the beginning of the year	Shareholding at the beginning of the year	Cumulative Shareholding during the year	Cumulative Shareholding during the
		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	21835698	99.85%	21835698	99.85%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer /bonus/ sweat equity etc):	Transfer of 4000 & 1000 shares to Tech Mahindra Limited on 06th April, 2018 by Saravana Kumar Elumalai and Adarsh Krishna respectively. Transfer of 24508 shares to Tech Mahindra Limited on 10th April, 2018 by Ajay Dureja Transfer of 1700 shares to Tech Mahindra Limited on 17th April, 2018 by Girish Pai			
	At the End of the year	21866906		21866906	99.99%

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	Shareholding at the beginning of the year	Cumulative Shareholding during 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.	Amrita Agarwal				
	At the beginning of the year	650	--	650	--
	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 Endof the year (or on the date of separation, if separated during the year)	650	--	650	--
2.	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	--

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year	Shareholding at the beginning of the year	Cumulative Shareholding during 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
3.	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	--
4.	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	--
5.	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	--

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year	Shareholding at the beginning of the year	Cumulative Shareholding during 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
6.	Kaushlendra Singh Shekhawat				
	At the beginning of the year	45	--	45	--
	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)	45	--	45	--
7.	Ashish Nehra				
	At the beginning of the year	38	--	38	--
	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)	38	--	38	--
8.	Davender Rana				
	At the beginning of the year	38	--	38	--
	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)	Nil	Nil	Nil	Nil
		38	--	38	--

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year	Shareholding at the beginning of the year	Cumulative Shareholding during 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
9.	Prashant Pandey				
	At the beginning of the year	38	--	38	--
	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)	38	--	38	--
10.	Pankaj Sharma				
	At the beginning of the year	38	--	38	--
	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)	38	--	38	--

v) Shareholding of Directors and Key Managerial Personnel:

S. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year	Shareholding at the beginning of the year	Cumulative Shareholding during 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.	Mr. Manoranjan Mohapatra At the beginning of the year	1	--	1	--
	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	1	-	1	-

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	13,68,60,166	NIL	13,68,60,166
Total (i+ii+iii)	**NIL**	**NIL**	**NIL**	**NIL**
Change in Indebtedness during the financial year · Addition · Reduction	NIL NIL	20,55,21,622 NIL	NIL	20,55,21,622
Net Change	NIL	20,55,21,622	NIL	20,55,21,622
Indebtedness at the end of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	NIL	34,23,81,787	NIL	34,23,81,787
Total (i+ii+iii)	**Nil**	**34,23,81,787**	**NIL**	**34,23,81,787**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: N.A.

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:

Amt. (in INR)

S. No.	Particulars of Remuneration	Name of Directors		Total Amount
		Sunita Umesh	**Rajat Mukherjee**	
	1. Independent Directors • Fee for attending • Board Meetings • Committee meetings (i) Audit Committee (ii) Corporate Social Responsibility Committee (iii) Nomination and Remuneration Committee • Commission • Others, please specify	 40,000 20,000 20,000 20,000 --	20,000 10,000 10,000 10,000 --	60,000 30,000 30,000 30,000 --
	Total (1)	**100,000**	**50,000**	**150,000**
	2. Other Non-Executive Directors • Fee for attending board /committee meetings • Commission • Others, please specify	--	--	--
	Total (2)	--	--	--
	Total (B)=(1+2)	100,000	50,000	150,000
	Total Managerial Remuneration			
	Overall Ceiling as per the Act			

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD-

Amt. (in INR)

S. No.	Particulars of Remuneration	Key Managerial Personnel	Key Managerial Personnel	Key Managerial Personnel
		CEO	**Mr. Manoranjan Mohapatra**	**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	-- -- --		2,63,89,595 39,600
2.	Stock Option	--		
3.	Sweat Equity	--		
4.	Commission - as % of profit - others, specify…	--		
5.	Others, please specify	--		
	Total			**2,64,29,195**

		CFO	Mr. Neeraj Jain	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	-- -- --		29,92,320 17,500
2.	Stock Option	--		
3.	Sweat Equity	--		
4.	Commission - as % of profit - others, specify…	--		
5.	Others, please specify	--		
	Total	**--**		**30,09,820**
		Company Secretary	**Mr. Parminder Bakshi**	**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	-- -- --		13,34,536
2.	Stock Option	--		
3.	Sweat Equity	--		
4.	Commission - as % of profit - others, specify…	--		
5.	Others, please specify	--		
	Total	**--**		**13,34,536**
		Company Secretary	**Mr. Sriram Gopalakrishnan**	**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	-- -- --		1,11,80,457 23980
2.	Stock Option	--		
3.	Sweat Equity	--		
4.	Commission - as % of profit - others, specify…	--		
5.	Others, please specify	--		
	Total	**--**		**1,12,04,437**

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					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

for Comviva Technologies Limited

Mr. C P Gurnani
(Director)
DIN: 00018234

Mr. Ulhas Narayan Yargop
(Director)
DIN: 00054530

Date: May, 17th 2019

DECLARATION OF INDEPENDENCE

To
The Board of Directors
Comviva Technologies Limited
A-26, Info City, Sector-34,
Gurgaon-122001, Haryana, India

Date: 29th April, 2019

Sub: Declaration of independence under sub-section (7) 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 and comply with all the criteria of independent director as envisaged in Companies Act, 2013.

I hereby certify that:

1. I possess relevant expertise and experience to be an Independent Director in the Company;
2. I am/was not a Promoter of the company or its holding, subsidiary or associate Company;
3. I am not related to Promoters / Directors in the Company holding, subsidiary or associate Company;
4. Apart from receiving director sitting fees /Commission, I have/had no pecuniary relationship or having transaction not exceeding ten per cent. of my total income or such amount as may be prescribed with the company, its promoters, its directors, or its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial;
5. None of my relatives—
   i. is holding any security of or interest in the company, its holding, subsidiary or associate company during the two immediately preceding financial years or during the current financial year;

      Provided the relative may hold security or interest in the Company of face value not exceeding fifty lakh rupees or two percent of the paid up share capital of the Company, its holding, subsidiary or associate company or such higher amount as may be prescribed;
   ii. is indebted to the company, its holding, subsidiary or associate company or their promoters, or directors, for amount of Fifty lakhs rupees during the two immediately preceding financial years or during the current financial year;
   iii. has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its holding, subsidiary or associate company or their promoters, or directors of such holding company, for amount of Fifty lakhs rupees amount during the two immediately preceding financial years or during the current financial year; or
   iv. has any other pecuniary transaction or relationship with the company, or its subsidiary, or its holding or associate company amounting to two per cent. or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (i), (ii) or (iii);
6. Neither me nor any of my relatives:
   i. holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which I am proposed to be appointed;
   ii. Provided that in case of relative who is employee, the restriction under this clause shall not apply for my employment during preceding three financial years;
   iii. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of;
   iv. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
   v. 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;
   vi. holds together with my relatives 2% or more of the total voting power of the company; or

vii. is a Chief Executive or director, by whatever name called, of any non profit 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

7. I am not a material supplier, service provider or customer or a lessor or lessee of the company;

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: 03431635
Address: B1/1, First floor
Vasant Vihar, New Delhi-110057

DECLARATION OF INDEPENDENCE

Date: March 31st, 2019

To
The Board of Directors
Comviva Technologies Limited
A-26, Info City, Sector-34,
Gurugram-122001, Haryana, India

Sub: Declaration of independence under sub-section (7) of Section 149 of the Companies Act, 2013.

I, Ms. Sunita Umesh, hereby certify that I am a Non-executive Independent Director of Comviva Technologies Limited and comply with all the criteria of independent director as envisaged in Companies Act, 2013.

I hereby certify that:

8. I possess relevant expertise and experience to be an Independent Director in the Company;

9. I am/was not a Promoter of the company or its holding, subsidiary or associate Company;

10. I am not related to Promoters / Directors in the Company holding, subsidiary or associate Company;

11. Apart from receiving director sitting fees /Commission, I have/had no pecuniary relationship or having transaction not exceeding ten per cent. of my total income or such amount as may be prescribed with the company, its promoters, its directors, or its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial;

12. None of my relatives—

    v. is holding any security of or interest in the company, its holding, subsidiary or associate company during the two immediately preceding financial years or during the current financial year;

    Provided the relative may hold security or interest in the Company of face value not exceeding fifty lakh rupees or two percent of the paid up share capital of the Company, its holding, subsidiary or associate company or such higher amount as may be prescribed;

    vi. is indebted to the company, its holding, subsidiary or associate company or their promoters, or directors, for amount of Fifty lakhs rupees during the two immediately preceding financial years or during the current financial year;

    vii. has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its holding, subsidiary or associate company or their promoters, or directors of such holding company, for amount of Fifty lakhs rupees amount during the two immediately preceding financial years or during the current financial year; or

    viii. has any other pecuniary transaction or relationship with the company, or its subsidiary, or its holding or associate company amounting to two per cent. or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (i), (ii) or (iii);

13. Neither me nor any of my relatives:

    viii. holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which I am proposed to be appointed;

    Provided that in case of relative who is employee, the restriction under this clause shall not apply for my employment during preceding three financial years;

    ix. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of;

    x. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

    xi. 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;

xii. holds together with my relatives 2% or more of the total voting power of the company; or

xiii. is a Chief Executive or director, by whatever name called, of any non profit 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

14. I am not a material supplier, service provider or customer or a lessor or lessee of the company;

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: 03431635
Address: R/o 515A ,Hamilton Court ,
DLF Phase -IV, Gurugram-122002,
Haryana, India,

Policy on Nomination and Remuneration Committee

Table of Contents

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 Resource 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 <DDMMYYYY>, 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.

CEO and the HR Head may approve incentive programs as may be required for managing routine business requirements like joining or retention. Any plan covering 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.

Rajat Mukherjee
DIN: 03431635
Chairman

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.

Your Name (Optional) ____

Evaluate the following statements in relation to overall performance of the Board		Rating Scale				
		1	**2**	**3**	**4**	**5**
1	The Board is collegial and polite and meetings are conducted in a manner that ensures open communication, meaningful participation, and sound resolution of issues.					
2	The Board has achieved what it set out to accomplish in the year under review.					
3	The Board engages in long-range strategic thinking and planning.					
4	The Board stays abreast of issues and trends affecting the plan, using this information to assess and guide the organization over the long term.					
5	The Board meetings are of reasonable length & agendas are well-balanced, allowing appropriate time for the most critical issues and there is a balance between presentations and discussions.					
6	The Board receives timely, accurate, and useful information upon which to make decisions.					
7	The Board anticipates issues and does not often find itself reacting to “crisis” situations.					
8	The Board speaks in “one voice” when directing or delegating to management and brings discussions to a conclusion with clear direction to management.					
9	The quality of Directors participation in meeting is satisfactory.					
10	The Board is well diversified in terms of skills, regional and industry experience, background, race and gender					

Rating Scale

5 = strongly agree; 4 = Agree; 3 = neither agree nor disagree; 2 = Disagree; 1 = Strongly Disagree

Please provide below any additional comments or suggestions about the work and effectiveness of the board as a whole.

Annexure II

Summary Report: Performance Evaluation of the Board as a whole

	Statements in relation to overall performance of the Board	**Director A**	**Director B**	**Director C**	**Director D**	**Director E**	**Director F**	**Director G**	**Avg. Score**
	Scores of each Director will be mentioned on No name basis								
1	The Board is collegial and polite and meetings are conducted in a manner that ensures open communication, meaningful participation, and sound resolution of issues.								
2	The Board has achieved what it set out to accomplish the past year.								
3	The Board engages in long-range strategic thinking and planning.								
4	The Board stays abreast of issues and trends affecting the plan, using this information to assess and guide the organization over the long term.								
5	The Board meetings are of reasonable length & agendas are well-balanced, allowing appropriate time for the most critical issues and there is a balance between presentations and discussions.								
6	The Board receives timely, accurate, and useful information upon which to make decisions.								
7	The Board anticipates issues and does not often find itself reacting to “crisis” situations.								
8	The Board speaks in “one voice” when directing or delegating to management and brings discussions to a conclusion with clear direction to management.								
9	The quality of Directors participation in meeting is satisfactory.								
10	The Board is well diversified in terms of skills, regional and industry experience, background, race and gender								

Rating Scale

5 = Strongly agree 4 = Agree 3 = Neither agree nor disagree 2 = Disagree 1 = Strongly Disagree

Comment 1: ……………………………….

Comment 2: ……………………………….

These comments will be taken verbatim without mentioning name of the Board Member)

Annexure III

Performance Evaluation of the Committees - Self Evaluation Form

(This Form is to be filled out separately for each committee of the Board in which you are member)

Each Committee member is to rate the following statements in relation to overall performance of the Committees 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.

Your Name (Optional): ________________________________

Name of the Committee to be assessed: ____

Evaluate the following statements in relation to overall performance of the Committee		**Rating Scale**				
		1	**2**	**3**	**4**	**5**
1	The Committee is collegial and polite and meetings are conducted in a manner that ensures open communication, meaningful participation, and sound resolution of issues.					
2	The Committee is comprised of optimum number of members.					
3	The Committee is comprised of competent members					
4	The Committee gets into details, focuses on pertinent topics and allocates reasonable time and there is a balance between presentations and discussions.					
5	The Committee reports back to the Board as it should on all the relevant issues.					
6.	The Committee is effective in carrying out its mandate and make collective judgments about important matters.					

Rating Scale

5 = Strongly agree 4 = Agree 3 = Neither agree nor disagree 2 = Disagree 1 = Strongly Disagree

Please provide below any additional comments or suggestions about the work and effectiveness of the committee as a whole.

Annexure IV

Summary Report: Performance Evaluation of the Committee

(This result template will be shared with the respective Committee & presented in the Board Meeting)

Name of the Committee: …………………………………………………………

Statements in relation to overall performance of the Committee		**Committee Member A**	**Committee Member B**	**Committee Member C**	**Committee Member D**	**Average Score**
	Scores of each Committee Member will be mentioned on No name basis					
1	The Committee is collegial and polite and meetings are conducted in a manner that ensures open communication, meaningful participation, and sound resolution of issues.					
2	The Committee is comprised of optimum number of members.					
3	The Committee is comprised of relevant members.					
4	The Committee gets into details, focuses on pertinent topics and allocates reasonable time and there is a balance between presentations and discussions.					
5	The Committee reports back to the Board as it should on all the relevant issues.					
6.	The Committee is effective in carrying out its mandate and make collective judgments about important matters.					

Rating Scale

5 = Strongly agree   4 = Agree   3 = Neither agree nor disagree   2 = Disagree   1 = Strongly Disagree

Comment 1: ……………………………….

Comment 2: ……………………………….

(These comments will be taken verbatim without mentioning name of the Committee Member)

Annexure V

Performance Evaluation of Board Member - Peer Evaluation Form

Each Board Member is to rate the following statements in relation to his/her assessment of their colleague as a Board member 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. Please note, you do not mention your name on the form to keep the process confidential.

Name of Board Member to be assessed ___________________________________

Evaluate the following statements in relation to your assessment of your colleague as a Board Member of the Company		**Rating Scale**				
		1	**2**	**3**	**4**	**5**
1	Knowledge of key areas					
2	Diligence and preparedness					
3	Effective interaction with others					
4	Constructive contribution to discussion and strategy					
5	Concern for stakeholders					
6	Concern for working of internal controls					
5 = Outstanding, exceptional contribution 4 = Above expectation 3 = Satisfactory 2 = Some improvement required 1 = Unsatisfactory contribution to the Board						

Please provide below any additional comments or suggestions which you believe would help improve the Board's function.

…………………………………………………………………………………………………..

…………………………………………………………………………………………………..

…………………………………………………………………………………………………..

ANNEXURE 5

S. No	E Code	Name of Employee	Designation of Employee	Amount of Annual Remuneration received during the FY 18-19	Nature of employment whether contractual or otherwise	Qualification and Experience of the employee	Date of commencement of employment	Age of such employee (as on today)	Last employment held by such employee before joining the company	Percentage 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 any such employee is a relative of any director or manager of the company and if so, name of such director or manager
1	1416	Manoranjan Mohapatra	Chief Executive Officer	2,63,89,595	Employee	Bachelor of Technology 35 Year 11 Month	01/Nov/07	57	Aricent	0.0% (1 share)	NA
2	3719	Sriram Gopalakrishnan	Chief Financial Officer	1,11,80,457	Employee	Chartered Accountant 26 Year 8 Month	06/Jul/11	49	Patni Americas Inc.	0.0% (1 share)	NA
3	3085	Ronald Kibaara Meru	Senior Director	1,19,40,482	Employee	Master of Business Administration 19 year 9 Month	20/Jul/09	38	Adtel Group of Companies	NA	
4	2006	Anil Kumar K	Vice President	1,73,78,444	Employee	Bachelor of Engineering 26 Year 7 Month	15/Jul/93	49	Hi Tech Informatics	NA	NA
5	5890	Jentje Umpleby	Vice President	1,00,80,685	Employee	Diploma in Sales & Marketing Management 24 Year 5 Month	20/Jul/17	49	Ericsson	NA	NA
6	4030	Salah Rich Elhamam	Vice President	1,94,95,114	Employee	Master of Business Administration 18 Year 5 Mont	10/Sep/12	46	Oberthur Technologies	NA	NA

for Comviva Technologies Limited
Mr. Vineet Nayyar
(Director)
Din: 00018243

ANNEXURE-6

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

c. Topical initiatives which adversely impacts a large section of society

The Corporate Social Responsibility (CSR) policy can be viewed at http://commune.mahindracomviva.com/Management%20Service%20Unit/HR/_layouts/15/WopiFrame.aspx?sourcedoc=/Management%20Service%20Unit/HR/Shared%20Documents/HR/Policies/Corporate%20Social%20Responsibility%20Policy.doc&action=default

1. The Composition of the CSR Committee-The CSR committee members are as follows:

   a. Ms. Sunita Umesh

   b. Mr. Rajat Mukherjee

   c. Mr. Ulhas Yargop

2. Average net profit of the company for last three financial years- Rs. 1,14,94,21,081

3. Prescribed CSR Expenditure (two percent of the amount as in item 3 above)- Rs. 2,29,88,422.00

4. Details of CSR spent during the financial year: Rs. 2,30,16,821.00

5. Total amount to be spent for the financial year; Rs. 2,30,16,821.00

   a) Amount unspent, if any; NIL

b) 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.	Agrasar 1 and Agrasar 2 SMART Centers (Tech M Foundation)	Employability program	Gurgaon Delhi NCR	1,26,88,422	1,26,88,422	1,26,88,422	1,26,88,422 (Tech M Foundation)
2.	Agrasar Bachpan learning centre adopted for students staying in the jhuggi cluster-90 Kids	Education to under privileged children.	Islampur Village Gurgaon	94,400	94,400	94,400	94,400
3.	Shanshil Foundation–Compassion Centre	Education for under privileged	Block – D, Rosewood city, sector 49,Gurgaon, 122018	1,02,05,600	1,02,33,999	1,02,33,999	1,02,33,999
	TOTAL			**2,29,88,422**	**2,30,16,821**	**2,30,16,821**	**2,30,16,821**

*Give details of implementing agency:

3. 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

8. 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

Mr. Rajat Mukherjee

ANNEXURE-7

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 /Loan, if any
1	Comviva Technologies FZ-LLC	100 % Subsidiary	Revenue	01-Apr-2018 to 31-Mar-2019	96,909,320	NA	
2	Comviva Technologies FZ-LLC	100 % Subsidiary	Hardware Purchase	01-Apr-2018 to 31-Mar-2019	4,972,363	NA	
3	Comviva Technologies Nigeria Limited	100 % Subsidiary	Service Fees	01-Apr-2018 to 31-Mar-2019	13,831,000	NA	
4	Comviva Technologies Singapore PTE. Ltd.	100 % Subsidiary	Interest on Loan	01-Apr-2018 to 31-Mar-2019	2,380,085	NA	
5	Comviva Technologies BV	100 % Subsidiary	Revenue	01-Apr-2018 to 31-Mar-2019	89,242,813	NA	
6	Terra Payment Services (Netherlands) B.V	100 % Subsidiary	Revenue	01-Apr-2018 to 31-Mar-2019	17,841,990	NA	
7	Tech Mahindra Limited	Holding company	Revenue	01-Apr-2018 to 31-Mar-2019	284,555,648	NA	
8	Tech Mahindra Limited	Holding company	Reimbursement of expense (net)	01-Apr-2018 to 31-Mar-2019	6,593,084	NA	
9	Tech Mahindra Ltd - Belgium	Fellow subsidiary	Revenue	01-Apr-2018 to 31-Mar-2019	3,710,976	NA	
10	PT Tech Mahindra Indonesia	Fellow subsidiary	Revenue	01-Apr-2018 to 31-Mar-2019	182,569,823	NA	
11	Tech Mahindra Nigeria Limited	Fellow subsidiary	Revenue	01-Apr-2018 to 31-Mar-2019	-1,609,859	NA	
12	Tech Mahindra Growth Factories Limited	Fellow subsidiary	Cost of Services	01-Apr-2018 to 31-Mar-2019	6,377,071	NA	
13	Tech Mahindra Growth Factories Limited	Fellow subsidiary	Facility Charges	01-Apr-2018 to 31-Mar-2019	1,248,000	NA	
14	Tech Mahindra Limited	Fellow subsidiary	Facility Charges	01-Apr-2018 to 31-Mar-2019	4,534,516	NA	
15	Tech-Mahindra Bolivia S.R.L.	Fellow subsidiary	Revenue	01-Apr-2018 to 31-Mar-2019	31,119,750	NA	
16	Tech Mahindra Foundation	Fellow subsidiary	Corporate Social Responsibility	01-Apr-2018 to 31-Mar-2019	12,688,422	NA	
17	Mr. Manoranjan Mahopatra*	Key Management Personnel	Managerial Remuneration	01-Apr-2018 to 31-Mar-2019	28,666,150	NA	
18	Mr. Sriram Gopalakrishnan*	Key Management Personnel	Managerial Remuneration	01-Apr-2018 to 31-Mar-2019	15,264,350	NA	
19	Mr. Parminder Singh Bakshi*	Key Management Personnel	Managerial Remuneration	01-Apr-2018 to 31-Mar-2019	1,478,250	NA	
20	Mr. Neeraj Jain*	Key Management Personnel	Managerial Remuneration	01-Apr-2018 to 31-Mar-2019	11,000,000	NA	

*Does not include ESOP and any other benefits extended aboveCTC

for Comviva Technologies Limited
Mr. CP Gurnani
(Director)
Din: 00018234

INDEPENDENT AUDITORS' REPORT

To the Members of Comviva Technologies Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Comviva Technologies Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2019, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("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 31 March 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the financial statements and our auditors' report thereon. The Company's Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

  We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

  We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

  1From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

   (A) 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 standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows 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 Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.

(B) With respect to the other matters to be included in the Auditors’ 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 as at 31 March 2019 on its financial position in its standalone financial statements - Refer Note 27 to the standalone 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

iv. The disclosure in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2019. However amounts as appearing in the audited consolidated financial statements for the period ended 31 March 2017 have been disclosed.

v. With respect to the matter to be included in the Auditor’s report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
Firm Registration No : 101248W/W-100022

Tarun Gupta
Partner
Membership No. 507892

Place: Gurugram
Date: 17 May 2019

Annexure A referred to in our Independent Auditor's Report to the members of Comviva Technologies Limited on the standalone Ind AS Financial Statements for the year ended 31 March 2019.

(i) (a) According to the information and explanations given to us, the Company 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 Company has a regular programme of physical verification of its property, plant and equipment by which all fixed assets are verified once in a period of two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the Company does not hold any immovable property in its name. Accordingly, para 3(i)(c) of the order is not applicable to the Company.

(ii) According to the information and explanations given to us, the inventories, except stock lying with third parties, have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable having regard to the size of the Company and nature of its business. For stocks lying with third parties as at the year-end, written confirmations have been obtained. As informed to us, the discrepancies noticed on comparison of physical verification of inventories with book records were not material and have been properly dealt with in the books of account.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3 (iii) of the Order is not applicable.

(iv) According to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees or securities, as applicable.

(v) As per the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, para 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act, for any of the business activities carried out by the Company.

(vii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, Income-tax, Goods and Services Tax, Duty of customs, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Income-tax, Goods and Services Tax, Cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

(vii) (a) According to the information and explanations given to us, there are no dues of Income-tax, Sales-tax, Goods and Services Tax, Service tax, Duty of customs, Value added tax, Cess and other material statutory dues which have not been deposited on account of any dispute except as mentioned below. As mentioned above, the Company did not have any dues on account of Duty of Excise during the year.

Name of the Statute	Nature of dues	Financial year to which amount relates	Forum where dispute is pending	Amount (Rs. in million)	Amount paid under protest (Rs. in million)
Income Tax Act, 1961	Income Tax	2004-2005	Assistant Commissioner of Income Tax	1	2
Income Tax Act, 1961	Income Tax	2005-2006	Assistant Commissioner of Income Tax	2	-
Income Tax Act, 1961	Income Tax	2006-2007	Assistant Commissioner of Income Tax	1	2
Income Tax Act, 1961	Income Tax	2006-2007	Commissioner of Income Tax (Appeals)	3	-
DR Congo Tax Administration	Corporate Tax/ VAT	Calendar year 2012 to 2018	Republique Democratique Congo Ministere Des Finances	10	

Name of the Statute	Nature of dues	Financial year to which amount relates	Forum where dispute is pending	Amount (Rs. in million)	Amount paid under protest (Rs. in million)
Income Tax Act, 1961	Income Tax	2011-2012	Commissioner of Income Tax (Appeals)	134	
Chad Tax Administration	Corporate Tax/ VAT	Calendar year 2014	Directorate General of Taxation, Ministry of Finances and Budget , Republique of Chad	33	6
Chad Tax Administration	Corporate Tax/ VAT	Calendar year 2015	Directorate General of Taxation	2.5	0.5
Republique du Congo Authorities	Corporate Tax/ VAT	Calendar year 2012, 2013 and 2014	Direction Départementale des Vérifications, Fiscale De Pointe-Noire	31	
Income Tax Act, 1961	Income tax	2012-13	Commissioner of Income Tax (Appeals)	29	
Income Tax Act, 1961	Income tax	2013-14	Commissioner of Income Tax (Appeals)	119	
Burkina Faso authorities	Corporate Tax/ VAT	Calendar year 2012 to 2018	Assessing Officer	23	
Income Tax Act, 1961	Transfer pricing adjustment	2014-15	Commissioner of Income Tax (Appeals)	12	
Chad Tax Administration	Corporate Tax/ VAT	Calendar year 2018	Directorate General of Taxation	7	
Malawi tax authorities	Corporate Tax	2018-19	Income Tax Officer	8	
Finance Act, 1994	Service Tax	FY 2004-2005 to 2007-2008	Custom Excise & Service Tax Appellate Tribunal	392*	
Bangladesh Revenue Authorities	Value Added Tax Act, 1991	FY 2012-2013 to 2015-2016	Deputy Commissioner, Customs, Excise and VAT Gulshan Division, Bangladesh	15	
Gabon Tax Authorities		FY 2013-2014 to 2017-2018	General Secretariat, Provincial Department Of Estate Taxes , Ministry Of Sustainable Development, Economy, Investment Promotion And Planning	2	

* Net of Rs. 15 million being eligible Cenvat Credit set aside under protest.

(viii) According to the information and explanations given to us, there is no default existing at the balance sheet date in repayment of loans or borrowings to banks. The Company does not have any outstanding debentures, or loans or borrowings from any financial institution or government during the year.

(ix) According to the information and explanations given to us and our examination of the records of the Company, the Company did not have any term loan outstanding during the year. Further, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year.

(x) According to the information and explanations given to us, no fraud by the Company or fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the managerial remuneration has been paid or provided by the Company in accordance with the provisions of Section 197 read with Schedule V of the Act.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanation given to us and on the basis of our examination of the records of the Company, all the transactions with related parties are in compliance with the provisions of Section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS Financial Statements as required by the applicable accounting standards.

(xiv) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or person connected with him as referred to in Section 192 of the Companies Act, 2013. Accordingly, paragraph 3 (xv) of the Order is not applicable.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable.

For B S R & Co. LLP
Chartered Accountants
Firm Registration No : 101248W/W-100022

Tarun Gupta
Partner
Membership No. 507892

Place: Gurugram
Date: 17 May 2019

Annexure B to the Independent Auditors' report on the standalone financial statements of Comviva Technologies Limited for the year ended 31 March 2019.

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

Opinion

We have audited the internal financial controls with reference to financial statements of Comviva Technologies Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co. LLP
Chartered Accountants
Firm Registration No : 101248W/W-100022

Tarun Gupta
Partner
Membership No. 507892

Place: Gurugram
Date: 17 May 2019

BALANCE SHEET AS AT MARCH 31, 2019

₹ in Million

Particulars				Note No.	As at March 31, 2019	As at March 31, 2018
I	**ASSETS**					
A	**Non current assets**					
	(a)	Property, plant and equipment		3A	**221**	260
	(b)	Capital work-in-progress			**15**	9
	(c)	Other intangible assets		3B	**9**	19
	(d)	Financial assets				
		(i)	Investments	4	**385**	389
		(ii)	Loans	5	**28**	27
		(iii)	Other financial assets	12(i)	**52**	111
	(e)	Income tax Assets (net)			**1,037**	1,042
	(f)	Deferred tax assets (net)		6	**495**	335
	(g)	Other non-current assets		7(i)	**273**	221
	Total non-current assets				**2,515**	2,413
B	**Current assets**					
	(a)	Inventories		8	**41**	75
	(b)	Financial assets				
		(i)	Trade receivables	9	**3,676**	3,308
		(ii)	Cash and cash equivalents	10	**576**	680
		(iii)	Other balances with bank	11	**161**	33
		(iv)	Other financial assets	12(ii)	**1,389**	1,231
	(c)	Other current assets		7(ii)	**583**	172
	Total current assets				**6,426**	5,499
	TOTAL ASSETS				**8,941**	7,912
II	**EQUITY AND LIABILITIES**					
A	**Equity**					
	(a)	Equity share capital		13	**219**	219
	(b)	Other equity		14	**6,358**	5,530
					6,577	5,749
B	**Liabilities**					
1	Non current liabilities					
	(a)	Financial liabilities				
		(i)	Other financial liabilities	19(i)	**90**	6
	(b)	Provisions		16(i)	**169**	157
	(c)	Other non-current liabilities		17(i)	**18**	64
	Total non-current liabilities				**277**	227
2	**Current Liabilities**					
	(a)	Financial liabilities				
		(i)	Borrowings	15	**342**	137
		(ii)	Trade payables	18	**1,192**	1,402
		(iii)	Other financial liabilities	19(ii)	**61**	81
	(b)	Other current liabilities		17(ii)	**267**	216
	(c)	Provisions		16(ii)	**52**	43
	(d)	Current tax liabilities (net)			**173**	57
	Total current liabilities				**2,087**	1,936
	TOTAL EQUITY AND LIABILITIES				**8,941**	7,912
	See accompanying notes forming part of the financial statements			1-41		

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No: 101248W/W-100022

Tarun Gupta
Partner
Membership No.: 507892

Place: Gurugram
Date: May 17, 2019

For and on behalf of the Board of Directors of
Comviva Technologies Limited

C.P. Gurnani
Director

Ulhas N. Yargop
Director

Jagdish Mitra
Director

Rajat Mukherjee
Director

Sunita Umesh
Director

Vivek Satish Agarwal
Director

Manoranjan Mohapatra
Chief Executive Officer

Neeraj Jain
Chief Financial Officer

Parminder Singh Bakshi
Company Secretary

Place: New Delhi
Date: May 17, 2019

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

₹ in Million

Particulars		Note No.		For the year ended March 31, 2019	For the year ended March 31, 2018
I.	Revenue from operations	20		**6,467**	6,211
II.	Other income (net)	21		**98**	201
III.	**Total Income (I+II)**			**6,565**	6,412
IV.	**Expenses**				
	(a) Employee benefits expense	22		**2,494**	2,193
	(b) Subcontracting cost			**449**	411
	(c) Finance costs			**31**	10
	(d) Depreciation and amortization expense	3		**174**	178
	(e) Other expenses	23		**2,282**	2,258
	Total expenses			**5,430**	5,050
V.	**Profit before tax**			**1,135**	1,362
VI.	**Tax expenses:**				
	(a) Current tax		**472**		445
	(b) Deferred tax (Refer Note 40)		**(162)**		(12)
				310	433
VII.	**Profit after tax**			**825**	929
VIII.	**Other comprehensive income**				
A)	(I) Items that will not be reclassified to profit or loss				
	(a) Re-measurement loss on defined benefit plans			**(5)**	1
	(II) Income tax relating to items that will not be reclassified to profit or loss			**2**	(0)
B)	(I) Items that will be reclassified to profit or loss				
	(a) Net movement of effective portion on cash flow hedge			**10**	(23)
	(II) Income tax relating to items that will be reclassified to profit or loss			**(4)**	8
IX.	**Other comprehensive income for the year**			**3**	(14)
X.	**Total comprehensive income for the year**			**828**	915
XI.	**Earnings per Equity share (Face value of Rs. 10/- each)**	29			
	(a) Basic (in ₹)			**37.71**	42.75
	(b) Diluted (in ₹)			**37.71**	42.75
	See accompanying notes forming part of the financial statements	1-41			

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No: 101248W/W-100022

Tarun Gupta
Partner
Membership No.: 507892

For and on behalf of the Board of Directors of
Comviva Technologies Limited

C.P. Gurnani Director	**Ulhas N. Yargop** Director	**Jagdish Mitra** Director
Rajat Mukherjee Director	**Sunita Umesh** Director	**Vivek Satish Agarwal** Director
Manoranjan Mohapatra Chief Executive Officer	**Neeraj Jain** Chief Financial Officer	**Parminder Singh Bakshi** Company Secretary

Place: Gurugram
Date: May 17, 2019

Place: New Delhi
Date: May 17, 2019

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019

₹ in Million

Particulars	**For the year ended March 31, 2019**		For the year ended March 31, 2018	
A] Cash flows from operating activities				
Profit before tax		**1,135**		1,362
Adjustments for:				
Depreciation and amortization	**174**		178	
Profit on sale of property, plant and equipment	**(1)**		(1)	
Interest expense	**31**		10	
Interest income	**(27)**		(7)	
Dividend income	**(10)**		(0)	
Unrealised foreign exchange gain net	**(7)**		(92)	
Provision for doubtful debts (net)	**261**		109	
Reversal of provision no longer required	**(75)**		(41)	
		346		156
Operating Profit before working capital changes		**1,481**		1,518
Adjustments for changes in working capital:				
Increase/(decrease) in trade payable, other liabilities and provisions	**(72)**		378	
Increase in trade receivables	**(662)**		(846)	
Increase in other assets, loans and advances	**(644)**		(285)	
		(1,378)		(753)
Cash generated from operations		**103**		765
Direct taxes paid (net)		**(351)**		(485)
Net cash flows from/(used in) operating activities (A)		**(248)**		280
B] Cash flows from investing activities				
Purchase of property, plant and equipment & intangible assets	**(154)**		(243)	
Interest received	**22**		0	
Dividend received	**10**		0	
Purchase of current investments	**-**		(240)	
Sale of current investments	**-**		240	
Investment in subsidiary	**89**		-	
Sale of Investment in subsidiary	**5**		-	
Sale of property, plant and equipment	**1**		3	
Net Cash flows used in investing activities (B)		**(27)**		(240)
C] Cash flows from financing activities				
Proceeds from Issue of Equity Shares	**-**		70	
Repayment of other borrowings (net)	**(4)**		(63)	
Proceeds from short term borrowings (net)	**205**		119	
Interest Paid	**(31)**		(9)	
Net cash flows from financing activities (C)		**170**		117

D] Exchange differences on translation of foreign currency cash and cash equivalents	**1**	(3)
Net Increase/(decrease) in cash and cash equivalents (A + B+ C + D)	**(104)**	154
Cash & cash equivalents at the end of the period (refer note 1 below)	**576**	680
Cash & cash equivalents at the beginning of the year	**680**	526
Net Increase/(decrease) in cash and cash equivalents	**(104)**	154

Rs. in million

Particulars	As at March 31, 2019	As at March 31, 2018
Note 1:		
Cash and cash equivalents include:		
Cash on hand	**0**	0
Remittances in transit	**0**	153
Balance with banks		
- In current accounts	**576**	527
Total Cash and cash equivalents - Refer Note 10	**576**	680

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 Ind AS 7 on Cash Flow Statements.

Note 4:

Previous year's figures have been rearranged/ regrouped wherever necessary.

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No: 101248W/W-100022

Tarun Gupta
Partner
Membership No.: 507892

Place: Gurugram
Date: May 17, 2019

For and on behalf of the Board of Directors of
Comviva Technologies Limited

C.P. Gurnani
Director

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Director

Manoranjan Mohapatra
Chief Executive Officer

Neeraj Jain
Chief Financial Officer

Parminder Singh Bakshi
Company Secretary

Place: New Delhi
Date: May 17, 2019

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Million)

a. Equity share capital

Particulars	Number of Shares	Equity Share Capital
Balance As at April 1, 2017	21,720,364	217
Changes in equity share capital during the year	148,636	2
Balance as at March 31, 2018	**21,869,000**	**219**
Balance as at April 1, 2018	21,869,000	219
Changes in equity share capital during the year	-	-
Balance as at March 31, 2019	**21,869,000**	**219**

b. Other Equity

Rs. in Million

Particulars	**Reserves & Surplus**			**Items of OCI**	**Total**
	Securities Premium	**Capital Reserve**	**Retained Earnings**	**Effective portion of Cash flow Hedge**	
Balance As at April 1, 2017	552	-	3,983	13	4,548
Profit for the year	-	-	929	-	929
Other comprehensive Income	-	-	1	(15)	(14)
Total comprehensive income	**-**	**-**	**930**	**(15)**	**915**
Additions during the year	14	53	-	-	67
Balance as at March 31, 2018	**566**	**53**	**4,913**	**(2)**	**5,530**
Balance as at April 1, 2018	566	53	4,913	(2)	5,530
Profit for the year	-	-	825	-	825
Other comprehensive income	-	-	(3)	6	3
Total comprehensive income	**-**	**-**	**822**	**6**	**828**
Additions during the year	-	-	-	-	-
Balance as at March 31, 2019	**566**	**53**	**5,735**	**4**	**6,358**

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No: 101248W/W-100022

Tarun Gupta
Partner
Membership No.: 507892

Place: Gurugram
Date: May 17, 2019

For and on behalf of the Board of Directors of
Comviva Technologies Limited

C.P. Gurnani
Director

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Sunita Umesh
Director

Vivek Satish Agarwal
Director

Manoranjan Mohapatra
Chief Executive Officer

Neeraj Jain
Chief Financial Officer

Parminder Singh Bakshi
Company Secretary

Place: New Delhi
Date: May 17, 2019

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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.

The financial statements for the year ended March 31, 2019 were approved by the Board of Directors and authorised for issue on May 17, 2019.

2. Significant Accounting Policies

2.1 Statement of Compliance

The standalone financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.

2.2 Basis for preparation of financial statements

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purpose in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 Inventories or value in use in Ind AS 36 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability. Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The financials statements of Comviva ESOP trust has also been consolidated with Comviva Technologies Ltd. (India) financials.

2.3 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. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

Critical accounting estimates

i) Revenue Recognition

The Company applies the proportionate method for measurement of performance obligation in accounting for its fixed price contracts. Use of the proportionate method requires the Company to estimate the efforts to date as a proportion of the total budgeted efforts. Efforts have been used to measure progress towards completion as there is a direct relationship between input and productivity.

ii) Income taxes

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. The policy for the same has been explained under Note 2.12.

iii) Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed at the end of each reporting period. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The policy for the same has been explained under Note 2.4.

iv) Impairment of Investments

The Company reviews its carrying value of investments in subsidiaries and other entities at cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

v) Provisions

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 a reliable estimate can be made. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. The policy for the same has been explained under Note 2.14.

2.4 Property, Plant & Equipment and Other Intangible assets

Property, Plant & Equipment and Other Intangible assets are stated at actual cost less accumulated depreciation and net of impairment. The actual cost capitalized includes material cost, freight, installation cost, duties and taxes, eligible borrowing costs and other incidental expenses incurred during the construction / installation stage.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on Property, Plant & Equipment including assets taken on lease, other than freehold land 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, 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

The estimated useful lives and residual values of the Property, Plant & Equipment and Other Intangible assets are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of Property, Plant & Equipment and intangible assets is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property, Plant & Equipment and intangible assets is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the profit or loss.

Improvements to leased premises are amortized over their estimated useful life or period of the lease, whichever is shorter.

Assets costing up to Rs. 5,000 are fully depreciated in the year of purchase except when they are part of a larger capital investment programme.

Computer Software and hardware acquired for specific projects are amortized over the initial contract life of the project.

The cost of Software purchased for internal use is capitalized and depreciated in full in the month in which it is put to use.

Intellectual Property Right (IPR) is amortized over a period of 4 years.

2.5 Leases

i) 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 recognized in the Statement of Profit and Loss on a straight line basis over the lease term.

2.6 Impairment of Assets

i) Financial assets

Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets 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.

Impairment loss on financial assets carried at amortized cost is measured at 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. In a subsequent period, if the amount of impairment loss decreases and the decrease can be related objectively to an event, the previously recognized impairment is reversed through Statement of profit and loss.

ii) Non-financial assets

Property, Plant & Equipment and Other Intangible assets

Property, Plant and Equipment and Other intangible assets with finite life are evaluated for recoverability when there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized in the Statement of profit and loss.

2.7 Inventories

Inventories are stated at lower of cost or net realizable value. In determining the cost of materials, the weighted average cost method is used.

2.8 Revenue recognition

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the condensed interim statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. The adoption of the standard did not have any material impact to the financial statements of the Company.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.

Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.

Revenue from the sale of distinct internally developed software and manufactured systems and third party software is recognised upfront at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customisation services rendered, revenue against these services recognised over the period of time using proportionate method for measuring performance obligation.

Revenue from the sale of distinct third party hardware is recognised at the point in time when risk and rewards is transferred to the customer.

The solutions offered by the Company may include supply of third-party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue (“contract liability”) is recognised when there is billings in excess of revenues.

Use of significant judgments in revenue recognition.

The Company’s contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative stand-alone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

Contract fulfilment costs are generally expensed as incurred except for certain software licence costs which meet the criteria for capitalisation. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered

Dividend income is recognized when the Group’s right to receive dividend is established.

2.9 Foreign currency transactions

The functional currency of the company is Indian Rupees (INR).

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the dates of Balance Sheet. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are included in the Statement of profit and loss.

2.10 Financial Instruments:

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognized in Statement of profit and loss.

i) Non-derivative financial instruments:

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value

Financial asset not measured at amortized cost is carried at fair value through profit and loss (FVTPL) on initial recognition, unless the company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investment in equity instruments which are not held for trading.

The Company, on initial application of IND AS 109 Financial Instruments, has made an irrevocable election to present in other comprehensive income subsequent changes in fair value of equity instruments not held for trading.

Financial asset at FVTPL are measured at fair values at the end of each reporting period, with any gains or losses arising on re-measurement recognized in Statement of profit and loss.

Investment in subsidiaries

Investment in subsidiaries is carried as per Ind AS 27.

Financial liabilities

Financial liabilities maturing after one year are subsequently carried at amortized cost using the effective interest method.

For trade payables and other financial liabilities maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

ii) Derivative financial instruments and hedge accounting

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain forecasted transactions. The Company designates some of these as cash flow hedges applying the recognition and measurement principles set out in the Ind AS 109.

The use of foreign currency forward contracts 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 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 recognized in other comprehensive income and accumulated under hedging reserve and the ineffective portion is recognized immediately in the Statement of Profit and Loss.

Amounts previously recognized in other comprehensive income and accumulated in hedging reserve are reclassified to profit or loss in the same period in which gains/losses on the item hedged are recognized in the Statement of Profit or Loss. However when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognized in other comprehensive income and accumulated in hedging reserve are transferred from hedging reserve and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Any Profit or Loss arising on cancellation or renewal of such a forward exchange contract is recognized as income or as expense in the period in which such cancellation or renewal occurs. 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 classified in hedging reserve 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 recognized in hedging reserve is transferred to the Statement of Profit and Loss for the period.

iii) Derecognition of financial instruments

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

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

2.11 Employee benefits

i) Gratuity:

The Company accounts for its gratuity liability, a defined retirement benefit plan covering eligible 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. Liabilities with regard to a Gratuity plan are determined based on the actuarial valuation carried out by an independent actuary as at the Balance Sheet date using the Projected Unit Credit method for India location. Certain overseas branches of the company also provide for retirement benefit plans in accordance with local laws.

Actuarial gains and losses are recognized in full in other comprehensive income and accumulated in equity in the period in which they occur. Past service cost is recognized in profit or loss in the period of a plan amendment.

ii) Provident fund:

The eligible employees of the Company are entitled to receive the benefits of Provident fund in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently at 12% of the basic salary) which are charged to the Statement of Profit and Loss on accrual basis. A portion of the contribution is made to the approved provident fund trust managed by the Company while the remainder of the contribution is made to the government administered pension fund. The contributions to the trust managed by the Company is accounted for as a defined benefit plan as the Company is liable for any shortfall in the fund assets based on the government specified minimum rates of return.

iii) Compensated absences:

The Company provides for the compensated absences subject to Company's certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment or availment. The liability is provided based on the number of days of unavailed leave at each Balance Sheet date on the basis of an independent actuarial valuation using the Projected Unit Credit method for India location and some branches of Company, whereas provision for encashment of unavailed leave on retirement is made on actual basis for other branches of Company.

Actuarial gains and losses are recognized in full in the Statement of Profit and Loss in the period in which they occur.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 recognized as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

iv) 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 recognized during the period when the employee renders the service.

2.12 Taxation:

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.

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the income taxes or deferred taxes are recognized in other comprehensive income or directly in equity, respectively.

Advance taxes and provisions for current income taxes are presented in the statement of financial position after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

Deferred income taxes

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is probable evidence that the Company will pay normal income tax in future.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

2.13 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.

2.14 Provisions, Contingent Liabilities and Contingent Assets

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. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities and Contingent assets are not recognized in the financial statements.

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 Treasury Stock

When any entities within the Group purchases the company's ordinary shares, the consideration paid including any directly attributable incremental cost is presented as a deduction from total equity, until they are cancelled, sold or reissued. When treasury shares are reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to/from share premium.

2.17 Research and Development

Research costs are recognized in the statement of profit and loss in the period it is incurred. Development costs are recognized in the statement of profit and loss in the period it is incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Company has an intention and ability to complete and use the asset and the costs can be measured reliably.

2.18 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.

2.19 Accounting Standard yet to be adopted:

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company will adopt Ind AS 16, effective annual reporting period beginning April 1, 2019. The Company will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the Company will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. In accordance with the standard, the Company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

On transition, the Company will be using the practical expedient provided the standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application.

The Company is in the process of finalising changes to systems and processes to meet the accounting and reporting requirements of the standard.

With effect from April 01, 2019, the Company will recognise new assets and liabilities for its operating leases of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to a) amortization change for the right-to-use asset, and b) interest accrued on lease liability.

Previously, the Company recognised operating lease expense on a straight line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

As a lessor, sublease shall be classified an operating lease if the head lease is classified as a short term lease. In all other cases the sublease shall be classified as a finance lease.

The company is evaluating the impact of these pronouncements.

Ind AS 12 - Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments). The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following:

(1) The entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty.

(2) The entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount.

(3) The entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability.

Ind AS 109 – Prepayment Features with Negative Compensation. The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments.

Ind AS 19 – Plan Amendment, Curtailment or Settlement. The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the remeasurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling.

The company is under the process of evaluation of the possible impact of these recent accounting pronouncements.

Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements. The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The company is under the process of evaluation of the possible impact of these recent accounting pronouncements.

Note 3 - Property, Plant and Equipment

₹ in million

Particulars	Gross Block				Accumulated Depreciation / Amortization				Net Block	
	As at April 1, 2018	Additions during the year	Disposals during the year	As at March 31, 2019	As at April 1, 2018	During the year	On disposal during the year	As at March 31, 2019	As at March 31, 2019	" As at March 31, 2018 "
3A. Tangible Assets										
Plant and equipments	910	61	73	898	755	78	73	760	138	155
(Previous year)	815	126	31	910	707	79	31	755	155	108
Furniture and fixtures	45	0	0	45	33	5	1	37	8	12
(Previous year)	34	12	1	45	27	7	1	33	12	7
Office equipments	65	7	0	72	40	9	0	49	23	25
(Previous year)	52	15	2	65	34	8	2	40	25	18
Improvement to leased premises	120	0	-	120	52	16	-	68	52	68
(Previous year)	49	71	-	120	48	4	-	52	68	1
Total	**1,140**	**68**	**73**	**1,135**	**880**	**108**	**74**	**914**	**221**	**260**
Previous year	950	224	34	1,140	816	98	34	880	260	134
3B. Intangible Assets (Other than internally generated)										
Computer software	499	56	10	545	498	57	10	545	-	1
(Previous year)	429	70	-	499	427	71	-	498	1	2
Intellectual property rights	35	-	-	35	17	9	-	26	9	18
(Previous year)	35	-	-	35	8	9	-	17	18	27
Total	**534**	**56**	**10**	**580**	**515**	**66**	**10**	**571**	**9**	**19**
Previous Year	464	70	-	534	435	80	-	515	19	29

Note 4 - Non-current investments :

Particulars	As at March 31, 2019	As at March 31,2018
		₹ in million
(a) In subsidiaries		
Comviva Technologies Inc		
A wholly owned subsidiary incorporated in USA		
10,450 (Previous year at March 31, 2018: 10,450) Common Stock of USD 10 each, fully paid up	**-**	5
Comviva Technologies Nigeria Limited		
A wholly owned subsidiary incorporated in Nigeria.		
683,916,187 (Previous year at March 31, 2018: 10,000,000) Common Stock of Naira 1 each, fully paid up	**151**	151
Comviva Technologies FZ-LLC		
A wholly owned subsidiary incorporated in UAE.		
55 (Previous year at March 31, 2018: 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.		
561,000 (Previous year at March 31, 2018 : 561,000) Common Stock of SGD 1 each, fully paid up	**28**	28
Comviva Technologies B.V.	**1**	1
A wholly owned subsidiary incorporated in Netherland.		
10,001 (Previous year at March 31, 2018: 10,001) Common Stock of EUR 1 each, fully paid up		
Terra Payment Services (Netherlands) B.V.	**187**	187
A wholly owned subsidiary incorporated in Netherland.		
2,549,554 (Previous year at March 31, 2018 : 400,001) Common Stock of EUR 1 each, fully paid up		
Comviva Technologies (Argentina) S.A.	**14**	14
790 (Previous year at March 31, 2018: 790) common stock ARL 1 Each, fully paid)		
ATS Advanced Technology Solutions do brasil industria, comercio, importacao E exportacao LTDA	**2**	2
5,000 (Previous year at March 31, 2018: 5,000) common stock BRL 1 Each, fully paid		
Terra Payment Services South Africa (PTY) Ltd.	**0**	-
120 shares (Previous year at March 31, 2018: Nil) for USD 100 at Nill par value		
Investment in Comviva Technologies Madagascar Sarlu	**1**	-
3,200 (Previous year at March 31, 2018: Nil) common stock MGA 20,000 Each, fully paid		
Total	**385**	389

Note 5 - Loans : Non Current

Particulars	As at March 31, 2019	As at March 31,2018
		₹ in Million
(Unsecured, considered good unless otherwise stated)		
Loan to subsidiary (Refer Note 26)	**28**	27
Total	**28**	27

Note 6 - Deferred tax assets :

₹ in million

Particulars	As at March 31, 2019	As at March 31,2018
Break up of deferred tax assets		
Provision for Employee benefits	**184**	116
Provision for Inventory and Trade receivables	**176**	91
Property, Plant & Equipment and Intangible assets	**50**	40
MAT credit entitlement	**18**	18
Cash flow hedging reserve	**-**	2
Others	**69**	68
Break up of deferred tax liability		
Cash flow hedging reserve	**(2)**	-
Others	**-**	-
Total	**495**	335

Note 7 - Other Assets :

(i) 0ther non current assets

₹ in million

Particulars	As at March 31, 2019	As at March 31,2018
- Balance with Government authorities	**203**	194
- Prepaid expenses	**70**	26
- Capital advances		
- Considered good	**0**	1
- Considered doubtful	**0**	0
	0	1
- Provision for doubtful advances	**0**	0
	0	1
Total	**273**	221

(ii) **Other current assets**

₹ in million

Particulars	As at March 31, 2019	As at March 31,2018
- Advance to suppliers		
Considered good	**3**	15
Considered doubtful	**0**	1
	3	16
Provision for doubtful advances	**0**	1
	3	15
- Loans and advances to employees	**36**	28
- Balance with Government authorities	**125**	57
- Prepaid expenses	**60**	72
- Contract Asset	**359**	-
Total	**583**	172

Note 8 - Inventories :

₹ in million

Particulars	As at March 31, 2019	As at March 31,2018
(Valued at lower of cost and net realizable value)		
- Others - Stock of IT equipments and purchased software (consumed in IT projects)	**41**	75
Total	**41**	75

Note 9 - Trade receivables :

₹ in million

Particulars	As at March 31, 2019	As at March 31,2018
Trade Receivables (Unsecured)		
- Considered good*	**3,676**	3,308
- Considered doubtful	**475**	220
Total	**4,151**	3,528
Less: Allowance for doubtful debts	**475**	220
Total	**3,676**	3,308

* Net of Advances aggregating to ₹ 139 million (Previous year: ₹ 147 million) pending adjustments with Invoices.

Note 10- Cash and cash equivalents :

₹ in million

Particulars	As at March 31, 2019	As at March 31,2018
Cash on hand	**0**	0
Remittances in transit	**0**	153
Balances with banks:		
- In current accounts	**576**	527
Total	**576**	680

Note 11 - Other balances with bank :

₹ in million

Particulars	As at March 31, 2019	As at March 31,2018
Earmarked balances with bank		
-Balance held under Escrow account	**20**	25
Remittances in transit	**87**	-
Balances held as Margin Money/Security towards obtaining Bank Guarantees	**54**	8
Total	**161**	33

Note 12 - Other financial assets :

(i) - Other Financial assets : Non Current

₹ in million

Particulars	As at March 31, 2019	As at March 31,2018
Balances held as Margin Money/Security towards obtaining Bank Guarantees	**-**	41
Security deposits		
- Considered good	**52**	70
- Considered doubtful	**2**	2
	54	72
- Provision for doubtful advances	**2**	2
	52	70
Total	**52**	111

(ii) - Other Financial assets : Current

₹ in million

Particulars	As at March 31, 2019	As at March 31,2018
Unbilled Revenue (Net of provision of ₹ Nill (Previous year: ₹ 14 million)	**1,214**	1,123
Dues from subsidiary companies	**79**	92
Fair values of foreign exchange forward contracts	**33**	2
Interest accrued	**12**	10
Security deposits	**51**	4
Total	**1,389**	1,231

Note 13 - Share capital :

Particulars	As at			
	March 31, 2019		March 31,2018	
	Number	**₹ in million**	Number	₹ in million
(a) Authorized :				
Equity shares of Rs. 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	**21,869,000**	**219**	21,720,364	217
Add : Shares issued from treasury stock	**-**	**-**	148,636	2
Total	**21,869,000**	**219**	21,869,000	219

₹ in Million

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			
	March 31, 2019		March 31,2018	
	Number	**₹ in million**	Number	₹ in million
Equity Shares				
Opening Balance	**21,869,000**	**219**	21,720,364	217
Add : Shares issued from treasury stock lying with ESOP Trust during the year	**-**	**-**	148,636	2
Closing Balance	**21,869,000**	**219**	21,869,000	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 Rs. 10 per share. Non-cumulative redeemable preference shares carry cumulative dividend @ 0.001 % per annum.

(iii) Details of shares held by the holding company

Particulars	Number of Shares	
	As at March 31, 2019	As at March 31, 2018
Tech Mahindra Limited	**21,866,906**	21,835,698

(iv) Details of equity shares held by shareholder holding more than 5%:

Name of shareholder	**As at March 31, 2019**		As at March 31, 2018	
	No of Shares	**% of Holding#**	No of Shares	% of Holding#
Tech Mahindra Limited	**21,866,906**	**99.99%**	21,835,698	99.85%

This percentage of holding is presented with reference to Issued, Subscribed and Paid up.

Note 14 - Other Equity :

₹ **in Million**

Particulars	As at			
	March 31, 2019		March 31, 2018	
Securities premium account				
Opening balance	**566**		552	
Add: Addition on account of issue of treasury shares	**-**		14	
Closing balance		**566**		566
Capital Reserves				
Opening balance	**53**		-	
Add: Addition on sale of treasury shares#	**-**		53	
Closing balance		**53**		53
Hedging reserve (Refer Note 28)				
Opening balance	**(2)**		13	
Add/(less): Other Comprehensive income	**6**		(15)	
Closing balance		**4**		(2)
Surplus in the statement of profit and loss				
Opening balance	**4,913**		3,983	
Add : Profit for the year	**825**		929	
Add/(Less): Other comprehensive income	**(3)**		1	
Closing balance		**5,735**		4,913
Total		**6,358**		5,530

This denotes profit on sale of 148,636 equity shares lying as treasury shares with ESOP Trust to Tech Mahindra Limited (holding company).

Note 15 -Short-term borrowings :

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2019
Secured		
- Cash credit (secured by book debt, inventory and moveable fixed assets)	**62**	137
- Working Capital Demand Loan	**280**	-
Total	**342**	137

Note 16 - Provisions :

(i) Long-term provisions

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2019
Provision for employee benefits		
- Gratuity (Refer Note 24)	**133**	115
- Compensated absences	**36**	42
Total	**169**	157

(ii) Short-term provisions

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2019
Provision for employee benefits		
- Gratuity (Refer Note 24)	**23**	13
- Compensated absences	**22**	22
	45	35
Provision for warranties (Refer Note 30)	**7**	8
Total	**52**	43

Note 17 - Other liabilities :

(i) Non-current liabilities

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2019
Unearned revenue	**18**	64
Total	**18**	64

(ii) Current liabilities

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2019
Unearned revenue	**32**	82
Statutory remittances	**101**	109
Advance from customers	**134**	25
Total	**267**	216

Note 18 - Trade payables :

₹ **in Million**

Particulars	As at	
	March 31, 2019	March 31, 2019
Creditors for supplies / services	**960**	1,221
Creditors for accrued wages and salaries	**232**	123
Creditors for supplies / services under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)*	**0**	58
Total	**1,192**	1,402

* Refer note 33 for Disclosures under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

Note 19 - Other Financial liabilities:

(i) Other Financial liabilities: Non Current

₹ **in Million**

Particulars	As at	
	March 31, 2019	March 31, 2019
Contractual obligation	**-**	6
Creditors for accrued wages and salaries	**90**	-
Total	**90**	6

(ii) Other Financial liabilities : Current

₹ **in Million**

Particulars	As at	
	March 31, 2019	March 31, 2019
Payables on purchase of Property, plant and equipment	**52**	74
Current maturities of long term borrowings (unsecured)	**-**	3
Fair values of foreign exchange forward contracts	**-**	-
Contractual obligation	**9**	3
Interest accrued	**0**	1
Total	**61**	81

Note 20 - Revenue from operations :

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
		₹ in Million
Income from Comviva Product and related managed support:		
Licence Fee with Implementation and other services*	**3,868**	3,585
Revenue sharing arrangements	**684**	787
Annual maintenance contract services	**1,437**	1,310
	5,989	5,682
Income from sale of equipments and software (third party)**	**478**	529
Total	**6,467**	6,211

*Includes revenue in respect of time & material and Managed Services Contracts.
**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, Software and other items sold (Refer Note 23).

Note 21 - Other income (net):

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
		₹ in Million
Interest income	**27**	7
Dividend income	**10**	0
Foreign exchange gain (net)	**(15)**	144
Sundry Balances written back	**75**	41
Miscellaneous Income	**1**	9
Total	**98**	201

Note 22- Employee benefits expense :

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
		₹ in Million
Salaries, wages and bonus	**2,271**	2,007
Contribution to provident and other funds (Refer Note 24)	**131**	123
Staff welfare expenses	**92**	63
Total	**2,494**	2,193

Note 23- Other expenses :

₹ **in Million**

Particulars		**For the year ended March 31, 2019**		For the year ended March 31, 2018
Cost of hardware equipments,softwares and other items		**818**		870
Royalty and software charges		**49**		75
Travelling and conveyance		**441**		380
Freight and forwarding charges		**6**		14
Recruitment Expenses		**9**		5
Power and fuel		**30**		33
Rent		**132**		147
Rates and taxes		**41**		81
Insurance		**27**		36
Repairs and maintenance:				
Machinery and computers	**12**		25	
Building	**35**		38	
Others	**104**		87	
		151		150
Advertising and sales promotion		**75**		75
Communication costs		**44**		45
(Profit) on Sale of property, plant and equipment (Net)		**(1)**		(1)
Corporate Social Responsibility		**23**		23
Legal and professional fees		**104**		137
Conference expenses		**34**		33
General office expenses		**23**		27
Provision for doubtful debts (net)		**261**		109
Miscellaneous expenses (including warranty) (Refer note 30)		**15**		19
Total		**2,282**		2,258

24. Employee Benefits

a) Defined Contribution Plan

Amounts recognised as an expense in the Statement of Profit and Loss in respect of defined contribution plan is Rs. 99 million (year ended March 31, 2018 : Rs. 89 million).

b) Provident Fund

The Company makes Provident fund contributions for eligible employees to the trust administrated by the Board of trustees at a specified percentage of the salary components. In respect of Provident fund contributions, the Company is liable for annual contribution and any deficiency in interest cost compared to interest computed based on the rate of interest declared by the Central Government under the Employees' Provident Fund Scheme, 1952. In addition to such contributions, the Company also recognises potential deficiency in interest, if any, computed as per actuarial valuation of interest as an expense in the year it is determined. As of March 31, 2019, the fair value of the assets of the fund and the accumulated members' corpus is Rs. 1048 million (March 31, 2018 Rs. 901 million) and Rs. 587 million (March 31, 2018 Rs.503 million) respectively. In accordance with an actuarial valuation, there is no deficiency in the interest cost as the present value of the expected future earnings on the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest of 8.65% with a expected shortfall of 0.05%. The actuarial assumptions include discount rate of 7.66%. The Company recognised Rs. 68 million (March 31, 2018: Rs. 63 million) for provident fund contributions in the statement of profit and loss.

c) Defined Benefit Plan - Gratuity

i) The Defined Benefit Plan comprises of Gratuity.

ii) Gratuity is a benefit to an employee based on 15 days last drawn salary for each completed year of service.

iii) The defined benefit plan is funded.

iv) Actuarial gains and losses in respect of defined benefit plans are recognised in other comprehensive income.

I] Changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows :

₹ in Million

Particulars	**As at March 31, 2019**	As at March 31, 2018
Present Value of Defined Benefit Obligation as at the beginning of the year	**138**	123
Service Cost	**23**	27
Interest cost	**10**	8
Benefits Paid	**(14)**	(19)
Actuarial (gain)/loss - experience	**2**	2
Actuarial (gain)/loss - demographic assumptions	**-**	0
Actuarial (gain)/loss - financial assumptions	**2**	(3)
Present Value of Defined Benefit Obligation as at the end of the year	**161**	**138**

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 March 31, 2019**	As at March 31, 2018
Opening fair value of plan assets	**10**	9
Interest income on plan assets	**1**	1
Contributions by employer	**8**	19
Benefits Paid	**(13)**	(19)
Remeasurement- Return on plan assets excluding amount included in interest income	**(1)**	(0)
Closing fair value of plan assets as at end of the year	**5**	10

III] Reconciliation of Present Value of Defined Benefit Obligation and fair value of plan assets showing amount recognised in the Balance Sheet :

Net defined benefit Asset/(Liability)

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
Net defined benefit asset/(liability) at end of prior period	**(128)**	(114)
Service Cost	**(23)**	(27)
Net interest on net defined benefit liability / (asset)	**(9)**	(7)
Amount recognised in OCI	**(5)**	1
Employer contribution	**9**	19
Net defined benefit Asset/(Liability) recognised in Balance Sheet	**(156)**	(128)

IV] Components of employer expenses recognised in the Statement of Profit and Loss:

₹ in Million

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Service Cost	**23**	27
Interest cost	**10**	8
Expected return on plan assets	**(1)**	
Total expense recognised in the Statement of Profit & Loss	**32**	34

V] Components of employer expenses recognised in the other comprehensive income:

₹ in Million

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Actuarial (gain)/loss due to DBO experience	**2**	2
Actuarial (gain)/loss - demographic assumptions	**-**	0
Actuarial (gain)/loss due to DBO assumption changes	**2**	(3)
Remeasurement- Return on plan assets excluding amount included in interest income	**1**	-
Actuarial (gain)/loss recognised in OCI	**5**	(1)

VI] Assumptions

₹ in Million

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Discount Rate	**7.10%**	7.30%
Salary Escalation Rate	**7.00%**	7.00%
Employee Separation Rate	**16.00%**	16.00%

a) Discount rate : It is based upon the market yields available on Government Bonds at the accounting date with a term that matches that of the liabilities.

b) Salary Escalation Rate: The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

c) Employee separation Rate: The assumption of Employee separation rate represents the company’s expected experience of employee turnover.

VII] Sensitivity analysis

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
A: Discount rate		
1. Effect on DBO due to 0.5% increase in discount rate	**(4)**	(3)
2. Effect on DBO due to 0.5% decrease in discount rate	**4**	3
B: Salary Escalation Rate		
1. Effect on DBO due to 0.5% increase in Salary escalation rate	**4**	3
2. Effect on DBO due to 0.5% decrease in Salary escalation rate	**(3)**	(3)
C: Withdrawal Rate		
1. Effect on DBO due to 5% increase in withdrawal rate	**(1)**	(8)
2. Effect on DBO due to 5% decrease in withdrawal rate	**1**	(9)

Method used for sensitivity analysis: The sensitivity results above determine their individual impact on the Plan's end of year Defined Benefit Obligation. In reality, the Plan is subject to multiple external experience items which may move the Defined Benefit Obligation in similar or opposite directions, while the Plan's sensitivity to such changes can vary over time.

VIII] Expected benefit payments for the year ended (Rs. in million)

1. March 31, 2020	29
2. March 31, 2021	26
3. March 31, 2022	27
4. March 31, 2023	27
5. March 31, 2024	28
6. March 31, 2025 to March 31, 2029	135

IX]	Expected employer contributions for the period ended March 31, 2020 (Rs. in million)	8
X]	Weighted average duration of defined benefit obligation	6 years
XI]	Accrued benefit obligation as at March 31, 2019 (Rs. in million)	116
XII]	Vested benefit obligation as at March 31, 2019 (Rs. in million)	139

XIII] Plan asset information:

Particulars	As at March 31, 2019	As at March 31, 2018
Schemes of insurance - conventional products	100%	100%

XIV] Description of Plan characteristics and associated risks:

The Gratuity scheme is a final salary Defined Benefit Plan that provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The Plan design means the risks commonly affecting the liabilities and the financial results are expected to be:

1. Interest rate risk
2. Salary Inflation risk
3. Demographic risk

XV] Description of Funding arrangements and policies:

The Gratuity scheme of the company is funded by way of a separate irrevocable Trust and the company is expected to make regular contributions to the Trust. The fund is managed internally by the company and assets are invested in a combination of insurance funded arrangements as well as some assets directly invested in securities.

25. Leases

The Company has taken premises on 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, 2019 is ₹ 132 million (year ended March 31, 2018: ₹ 147 million). The future lease payments of such operating lease are as follows:

₹ in Million

Particulars	**As at March 31, 2019**	As at March 31, 2018
Minimum Lease Payments		
- Not later than one year	**53**	41
- Later than one year and not later than five years	**318**	11
- Later than five years	**-**	-

26. Related Party Disclosure

a) Name of the related party and nature of relationship:

Name of the Related Party	**Extent of holding / Relationship**
Tech Mahindra Limited	Holding company
Where control exists:	
Comviva Technologies Inc.	100 % Subsidiary (Till March 27, 2019)
Comviva Technologies Nigeria Limited and its subsidiary:	100 % Subsidiary
Hedonmark {Management Services} Limited	75 % subsidiary of Comviva Technologies Nigeria Ltd
Comviva Technologies Singapore PTE. Ltd.	100 % Subsidiary
Comviva Technologies FZ-LLC	100 % Subsidiary
Terra Payment Services South Africa (PTY) Ltd.	100 % Subsidiary
Comviva Technologies Madagascar Sarlu.	100 % Subsidiary
YABX Technologies (Netherlands) BV	100 % Subsidiary
Comviva Technologies B.V. and its subsidiaries	100 % Subsidiary
Comviva Technologies (Argentina) S.A. (formerly, ATS Advanced Technology Solutions S.A.)	95% subsidiary of Comviva Technologies B.V.
ATS Advanced Technology Solutions do Brasil, industria, comercio, importacao E exportacao LTDA	95% subsidiary of Comviva Technologies B.V.
Comviva Technologies Colombia S.A.S.	100% subsidiary of Comviva Technologies B.V.
Comviva Technologies (Australia) Pty. Ltd	100% subsidiary of Comviva Technologies B.V.
Comviva Technologies Mexico, S. de R.L. de C.V.	99.96% subsidiary of Comviva Technologies B.V.
Terra Payment Services (Netherlands) BV and its subsidiaries	100 % Subsidiary
Mobex Money Transfer Services Limited	99.99% subsidiary of Terra Payment Services (Netherlands) BV
Terrapay Services (UK) Limited	100% subsidiary of Terra Payment Services (Netherlands) BV
Terra Payment Services (Tanzania) Limited	99.99% subsidiary of Terra Payment Services (Netherlands) BV
Terra Payment Services (Uganda) Limited	100% subsidiary of Terra Payment Services (Netherlands) BV
Terra Payment Services S.A.R.L. -(Senegal)	100% subsidiary of Terra Payment Services (Netherlands) BV
Terra Payment Services S.A.R.L.-(Congo B)	100% subsidiary of Terra Payment Services (Netherlands) BV
Terra Payment Services S.A.R.L. -(DRC)	100% subsidiary of Terra Payment Services (Netherlands) BV
Terra Payment Services (UK) Limited	100% subsidiary of Terra Payment Services (Netherlands) BV
Terra Payment Services Botswana (Pty) Limited	100% subsidiary of Terra Payment Services (Netherlands) BV
Terra Payment Services (Mauritius)	100% subsidiary of Terra Payment Services (Netherlands) BV
Terra Payment Services (India) Private Limited	100% subsidiary of Terra Payment Services (Netherlands) BV
Emagine International Pty. Ltd.	100% subsidiary of Comviva Technologies (Australia) Pty. Ltd
Other related parties with whom transactions during the year:	
PT Tech Mahindra Indonesia	Fellow subsidiary
Tech Mahindra Foundation	Fellow subsidiary
Tech Mahindra Nigeria Limited	Fellow subsidiary
Tech Mahindra Guatemala, S.A.	Fellow subsidiary
Tech Mahindra Growth Factories Limited	Fellow subsidiary
Bharti Telesoft International Pvt. Ltd. Executives Providend Fund Trust	Post-employment benefit plan (Trust)
Bharti Telesoft Ltd. Employee Group Gratuity Trust	Post-employment benefit plan (Trust)
Key Management Personnel:	
Manoranjan Mohapatra	Chief Executive Officer
Neeraj Jain	Chief Financial Officer (From November 15, 2018)
Sriram Gopalakrishnan	Chief Financial Officer (Till November 8, 2018)

b) Transactions with Related Parties:

₹ in Million

Particulars	Transactions For the year ended March 31, 2019 Revenue / (Expense)								Balance as at March 31, 2019 Debit / (Credit)											
	Sales	Interest Income	Cost of Goods/ Service (received)/ provided	Reim-burse-ment of Expenses	Cost of fixed assets	Donation Given	Dividend Received	Managerial Remuner-ation	Trade Receivable	Unbilled Revenue	Contract Asset	Other Current Assets	Trade Payables#	Loans & other financial assets / liabilities	Contractual obligation	Invest-ment	Interest Accrued	Deferred Revenue	Advance from Customers	Accrued benefit payable
Subsidiary Companies																				
Comviva Technologies Inc	-	-	-	-	-	-	(10)	-	-	-	-	-	-	-	-	-	-	-	-	-
Comviva Technologies Nigeria Limited	-	-	(14)	-	-	-	-	-	36	-	-	-	-	82	-	151	-	-	-	-
Comviva Technologies Singapore PTE. Ltd.	-	2	-	-	-	-	-	-	5	-	-	-	(19)	28	-	28	12	-	(3)	-
Comviva Technologies FZ-LLC	92	-	(4)	-	(1)	-	-	-	144	12	4	-	(65)	-3	-	1	-	(20)	(13)	-
Terra Payment Services (Netherlands) BV	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	187	-	-	-	-
Comviva Technologies B.V.	234	-	-	-	-	-	-	-	22	141	15	-	-	-	(9)	1	-	-	(11)	-
Comviva Technologies (Argentina) S.A. (formerly, ATS Advanced Technology Solutions S.A.) **	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14	-	-	-	-
ATS Advanced Technology Solutions do Brasil, industria, comercio, importacao y exportacao LTDA**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2	-	-	-	-
Terra Payment Services (Netherlands) BV	18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Terra Payment Services (Tanzania) Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	-	-	-	-	-
Mobex Money Transfer Services Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	-	-	-	-	-
Terra payment services South Africa (Pty) limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	-	-	-
Comviva Technologies Madagascar Sarlu	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	-	-	-
Holding Company																				
Tech Mahindra Limited	169	-	-	(2)	-	-	-	-	171	126	18	-	(1)	-	-	-	-	(0)	(17)	-
Fellow Subsidiaries																				
PT Tech Mahindra Indonesia	76	-	-	-	-	-	-	-	20	55	-	-	-	-	-	-	-	-	(0)	-
Tech Mahindra Foundation	-	-	-	-	-	(13)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tech Mahindra Nigeria Limited	1	-	-	-	-	-	-	-	29	0	-	-	-	-	-	-	-	-	-	-
Tech Mahindra Guatemala, S.A.	29	-	-	-	-	-	-	-	29	33	7	-	-	-	-	-	-	-	-	-
Tech Mahindra Growth Factories Limited	-	-	(6)	1	-	-	-	-	1	-	-	-	(0)	-	-	-	-	-	-	-
Key Management Personnel*																				
Manoranjan Mohapatra	-	-	-	-	-	-	-	(31)	-	-	-	-	-	-	-	-	-	-	-	(4)
Neeraj Jain	-	-	-	-	-	-	-	(4)	-	-	-	-	-	-	-	-	-	-	-	(1)
Sriram Gopalakrishnan	-	-	-	-	-	-	-	(8)	-	-	-	-	-	-	-	-	-	-	-	(1)

* * Shares purchased from Comviva Technologies BV

₹ in Million

Particulars	Transactions For the year ended March 31, 2018 Revenue / (Expense)								Balance as at March 31, 2018 Debit / (Credit)										
	Sales	Interest Income	Cost of Goods/ Service (received)/ provided	Reimbursement of Expenses	Cost of fixed assets	Donation Given	Advances	Managerial Remuneration	Trade Receivable	Unbilled Revenue	Other Current Assets	Trade Payables	Loans & other financial assets / liabilities	Contractual obligation	Investment	Interest Accrued	Deferred Revenue	Advance from Customers	Accrued benefit payable
Subsidiary Companies																			
Comviva Technologies Inc	-	-	(46)	(0)	-	-	-	-	3	-	-	(24)	(1)	-	5	-	-	-	-
Comviva Technologies Nigeria Limited	-	-	-	-	-	-	-	-	34	-	-	-	78	-	151	-	-	-	-
Comviva Technologies Singapore PTE. Ltd.	1	2	-	-	-	-	-	-	5	0	-	(18)	29	-	28	9	-	(3)	-
Comviva Technologies FZ-LLC	75	-	-	-	-	-	-	-	170	15	-	(57)	13	-	1	-	(31)	(1)	-
Terra Payment Services (Netherlands) BV	-	-	-	-	-	-	-	-	-	-	-	-	-	-	188	-	-	-	-
Comviva Technologies B.V.	-	-	-	-	-	-	-	-	-	-	-	-	-	(9)	1	-	-	-	-
Comviva Technologies (Argentina) S.A. (formerly, ATS Advanced Technology Solutions S.A.) **	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14	-	-	-	-
ATS Advanced Technology Solutions do Brasil, industria, comercio, importacao y exportacao LTDA**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2	-	-	-	-
Terra Payment Services (Tanzania) Limited	-	-	-	-	-	-	-	-	-	-	-	-	0	-	-	-	-	-	-
Holding Company																			
Tech Mahindra Limited	262	-	-	(7)	-	-	-	-	119	112	0	-	-	-	-	-	(7)	-	-
Fellow Subsidiaries																			
PT Tech Mahindra Indonesia	-	-	-	-	-	-	-	-	-	0	-	-	-	-	-	-	(0)	-	-
Tech Mahindra Foundation	-	-	-	-	-	(13)	-	-	-	-	-	-	-	-	-	-	-	-	-
Tech Mahindra Nigeria Limited	2	-	-	-	-	-	-	-	27	-	-	-	-	-	-	-	-	-	-
Tech Mahindra Guatemala, S.A.	32	-	-	-	-	-	-	-	28	4									
Key Management Personnel*																			
Manoranjan Mohapatra	-	-	-	-	-	-	-	(31)	-	-	-	-	-	-	-	-	-	-	(8)
Sriram Gopalakrishnan	-	-	-	-	-	-	-	(15)	-	-	-	-	-	-	-	-	-	-	(3)

*The breakup of compensation of Key management personnel is as follows:						Rs. in million
Key Management Personnel	**Short-term employee benefits**	**Post-employment benefits*** **	**Other long-term benefits*** **	**Termination benefits**	**Share-based payment**	**Total**
Manoranjan Mohapatra	31	-	-	-	-	31
	[31]	[-]	[-]	[-]	[-]	[31]
Neeraj Jain	4	-	-	-	-	4
	[-]	[-]	[-]	[-]	[-]	[-]
Sriram Gopalakrishnan	8	-	-	-	-	8
	[15]	[-]	[-]	[-]	[-]	[15]

*** Employment benefits comprising gratuity, and compensated absences are not disclosed as these are determined for the company as a whole.
Figures in brackets ''[ ]'' are for year ended March 31, 2018

27. Contingent Liabilities and Commitments:

(i) Contingent Liabilities:

₹ in million

Sr. No.	Particulars	**As at March 31, 2019**	As at March 31, 2019
1	Bank Guarantees	**72**	67
2	Corporate Guarantee*	**1,902**	1,792
3	Income tax matters (Refer Note I)	**424**	382
4	Indirect tax matters (Refer Note II)	**424**	423
5	Other claims against the company not acknowledged as debts (Refer Note III)	**50**	46

*Corporate Guarantee of USD 28 million (Rs.1,902 million) given to the bank for availing credit facility by Comviva Technologies B.V. (100% subsidiary of the company).

Note:

I Income Tax Matter:

a) Demand from Income Tax Authorities for Assessment year 2005-06 (from Assistant Commissioner of Income Tax) Rs. 3 million (March 31, 2018 Rs. 3 million) against which the Company has paid Rs. 2 million (March 31, 2018 - Rs. 2 million) under protest.

b) Demand from Income Tax Authorities for Assessment year 2006-07 (from Assistant Commissioner of Income Tax) Rs. 2 million (March 31, 2018 : Rs. 2 million)

c) Demand from Income Tax Authorities for Assessment year 2007-08 u/s 154 (from Assistant Commissioner of Income tax) Rs. 3 million (March 31, 2018 Rs. 3 million) against which the Company has paid Rs. 2 million (March 31, 2018 Rs. 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 Assessing Officer (AO) for Rs. 58 Million (March 31, 2018 Rs. 58 Million). The Company had filed an appeal before the CIT(A) and the ITAT on the disallowances made by the AO and got favourable orders from both the authorities. However on disallowance under section 14A, ITAT referred back the matter to AO and the AO vide his order dated March 28, 2017 upheld the additions. The Company filed a rectification application before the AO and an appeal before the CIT(A). The CIT(A) vide his order dated January 31, 2019 upheld the disallowance under section 14A of approx. Rs 3 million. The rectification application is yet to be disposed of by the AO.

e) DR Congo tax authorities has raised tax demands (including interest and penalties) by issuing AMR's for the year's 2012-2018 on account of late deposit of tax returns, VAT and WHT notices for an amount of CDF 230 million (Rs 10 million) (March 31, 2018: CDF 166 million (Rs. 7 million) net of provision. Recovery of these AMR's have been done from our bank account as well as from our customers. We are in the process of discussions with the tax authorities. The Company believes that the tax demand is erroneous and will not sustain in the appeal before the appellate authorities.

f) The Company has received an order u/s 143(3) from the AO for Assessment year 2012-13 wherein the AO gave short credit of the prepaid taxes of Rs. 196 million resulting in a demand of Rs.134 million (March 31, 2018 Rs. 134 million). The Company has filed a rectification application u/s 154 before the AO on April 4, 2016 and appeal before CIT (A) on April 14, 2016. For this year we have received the order from the CIT(A) dated 10 July 2017 wherein the CIT(A) has redirected the AO to verify the tax credits.

g) The Chad Income tax authorities have raised the tax demand for the year 2014 and the company has disclosed contingent liability of XAF 351 million (Rs 39 million) (March 31,2018 : XAF 357 million, Rs. 43 million). The company has filed an appeal against the final order in June 2018 and deposited 15% of the disputed tax demand with the tax authorities in April 2018.

h) The Chad Income tax authorities have revised the tax demand to XAF 24 million (Rs 3 million) (March 31,2018: XAF 24 million, Rs 3 million) for the year 2015 vide final order dated March 15, 2018. The company has filed an appeal against the final order in June 2018 and deposited 15% of the disputed tax demand with the tax authorities in April 2018.

i) The Company has received an order u/s 143(3) from the AO for Assessment year 2013-14 with adjustments in the returned income and short grant of prepaid taxes . Consequently there is reduction in refund of Rs 29 million. The Company has filled appeal before CIT (A) on January 27, 2017 and has furnished additional evidences to the CIT(A) in the last hearing dated 25 March 2019 The order is still awaited from the CIT(A) on this matter.

j) The Company has received an order u/s 143(3) from the AO for Assessment year 2014-15 with adjustments in the returned income and short grant of prepaid taxes. Consequently there is reduction in refund of Rs 119 Million. The Company has filled appeal before CIT (A) on January 27, 2017 and has furnished additional evidences to the CIT(A) in the last hearing dated 25 March 2019 The order is still awaited from the CIT(A) on this matter.

k) The company has received a draft order from Republique du Congo for the calendar year 2012, 2013 and 2014, Officer has raised tax demand including penalties for corporate tax, VAT and WHT matters. The company is in the process of filing an appeal with the authorities and the company has disclosed contingent liability XAF 277 million (Rs. 31 million) (March 31,2018 : XAF 277 million, Rs 33 million).

l) Tax demand of XOF 193 million (Rs. 23 million) (March 31, 2018 : NIL) has been raised in Burkina Faso for corporate tax, employer and apprenticeship tax, patent Tax, single tax on wages and salaries, VAT and applicable penalties from CY 2012 to CY 2018 as per the summary tax notice received from the tax authorities. We have not been provided with the complete backup notices for the tax demand raised by the tax authorities. The company is in the process of filing an objection letter with the tax department.

m) The Company has received an order u/s 143(3) read with section 144C from the AO/ TPO for Assessment year 2015-16 with transfer pricing adjustment to the returned income for an amount of Rs. 12 million. The Company has filed an appeal before CIT(A) on March 1, 2019 and is pending for hearing.

n) The Company has received a draft tax order for CY 2016 from the Chad tax authorities with tax demand being raised for issues relating to VAT, WHT and Corporate Tax, payroll tax and penalties thereon for an amount of XAF 58 million (Rs. 7 million) in December 2018 (March 31, 2018 : NIL). We are awaiting for final draft from the authorities.

o) The Company has received a draft tax order from the Malawi tax authorities with tax demand being raised for issues relating to Corporate Tax and penalties thereon for an amount of MWK 187 million (Rs. 18 million) in March 2019 (March 31, 2018 : NIL). The Company is in the process of collating further details and filing objections before the Malawi tax authorities.

II Indirect Tax Matter:

a) The Company has received an order from Commissioner of service tax confirming demand (including penalty of Rs. 204 million) for the financial years 2004-05 to 2007-08 amounting to Rs. 407 million (March 31, 2018 - Rs. 407 million). An amount of Rs. 15 million has been adjusted against the cenvat credit as a protest payment. The Company has filed an appeal before the Honorable Customs, Excise & Service Tax Appellate(CESTAT) and is pending hearing.

b) The Company has received an order u/s 6 (4Uma), 6 (8Chha, Aa) of the Value Added Tax Act, 1991 in Bangladesh containing arrear VAT Demand to the tune of BDT 18 Million (Rs.15 million). The demand relates to four financial years 2012-13 to 2015-16 VAT against the service received has not been deducted at source or remained unpaid. The Company has submitted the relevant information / documents with the Bangladesh Revenue Authority and the assessment is still pending with the authorities.

c) The company has received draft order from Gabon Tax office pursuant to article P 911 of general tax code (CGI) for the amount of XAF 20 million (Rs. 2 million). The officer has confirmed the demand for the Financial Years 2013-14 to 2017-18.

III Other Claims:

a) It includes demand from BSES, New Delhi amounting to Rs. 15 million (March 31, 2018 Rs 15 Million) and from BESCOM, Bangalore amounting to Rs. 7 million (March 31, 2018 Rs 7 Million).

b) Includes a claim of USD-0.6 million (Rs. 41 million) (March 31, 2018 USD-0.6 million (Rs. 39 million)) by a leading telecom customer in Africa. The Company has issued a credit note of Rs. 21 million (50% of the claim amount) as an interim settlement and provided for an amount of Rs. 10 million based on it's estimate of the liability and the balance amount is shown under contingent liabilities.

c) Includes a claim of KES-21 million (Rs. 15 million) (March 31, 2018 KES-22 million (Rs. 14 million)) by a leading telecom customer in Africa. The Company has issued a credit note of Rs 5 million (30% of the claim amount) as an interim settlement and the balance amount is shown under contingent liabilities.

d) Includes a claim of KES- 7 million (Rs. 5 million) (March 31, 2018 KES- 7 Million (Rs. 4 million)) by a leading telecom customer in Africa. The Company believes that it is not liable for this claim and accordingly responded to the customer on November 19, 2015 to which the Company has not received any reply as at March 31, 2018.

e) The Supreme Court on 28 February 2019 has provided its judgement regarding inclusion of other allowances such as travel allowances, special allowances, etc within the expression 'basic wages' for the purpose of computation of contribution of provident fund under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952. There are interpretive challenges on the application of the Supreme Court Judgement including the period from which judgment would apply, consequential implications on resigned employees etc. Further, various stakeholders have also filed representations with Provident fund authorities. All these factors raises significant uncertainty regarding the implementation of the Supreme Court Judgement. Owing to the aforesaid uncertainty and pending clarification from regulatory authorities in this regard, the Company has not recognised provision for the provident fund contribution. The Company has recognised a contingent liability of Rs. 2 million (March 31, 2018 Nil) in respect of the same.

(ii) Commitments :

₹ in million

Sr. No.	Particulars	**As at March 31, 2019**	As at March 31, 2019
1	Estimated amount of contracts remaining to be executed on capital account and not provided for	**25**	61

28. FINANCIAL INSTRUMENTS

I] Financial instruments by category

The carrying value of financial instruments by categories as at March 31, 2019 were as follows:

₹ in million

Particulars	**Amortised cost**	**Financial assets/ liabilities at fair value through profit or loss**	**Financial assets at fair value through OCI**	**Total carrying value**
Assets:				
Cash and cash equivalents (Refer note 10)	576	-	-	576
Other balances with banks (Refer note 11)	161	-	-	161
Trade receivables (Refer note 9)	3,676	-	-	3,676
Loans (Refer note 5)	28	-	-	28
Other financial assets (Refer note 12(i) & 12(ii))	1,408	28	5	1,441
Total	**5,849**	**28**	**5**	**5,882**
Liabilities:				
Trade payables (Refer note 18)	1,192	-	-	1,192
Borrowings (Refer note 15)	342	-	-	342
Other financial liabilities (Refer Note 19(i) & 19(ii))	151	-	-	151
Total	**1,685**	**-**	**-**	**1,685**

The carrying value of financial instruments by categories as at March 31, 2018 were as follows:

₹ in million

Particulars	**Amortised cost**	**Financial assets/ liabilities at fair value through profit or loss**	**Financial assets at fair value through OCI**	**Total carrying value**
Assets:				
Cash and cash equivalents (Refer note 10)	680	-	-	680
Other balances with banks (Refer note 11)	33	-	-	33
Trade receivables (Refer note 9)	3,308	-	-	3,308
Loans (Refer note 5)	27	-	-	27
Other financial assets (Refer note 12(i) & 12(ii))	1,340	6	(4)	1,342
Total	**5,388**	**6**	**(4)**	**5,390**
Liabilities:				
Trade payables (Refer note 18)	1,402	-	-	1,402
Borrowings (Refer note 15)	137	-	-	137
Other financial liabilities (Refer Note 19(i) & 19(ii))	87	-	-	87
Total	**1,626**	**-**	**-**	**1,626**

II] Fair Value Hierarchy

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at March 31, 2019:

₹ in million

Particulars	**As at March 31, 2019**	**Fair value measurement As at end of the reporting period using**		
		Level 1	**Level 2**	**Level 3**
Assets				
Derivative financial instruments - foreign currency forward contracts	**33**	**-**	**33**	**-**
Liabilities				
Derivative financial instruments - foreign currency forward contracts	**-**	**-**	**-**	**-**

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of as at March 31, 2018:

₹ in million

Particulars	As at March 31, 2018	Fair value measurement As at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Derivative financial instruments - foreign currency forward contracts	2	-	2	-
Liabilities				
Derivative financial instruments - foreign currency forward contracts	-	-	-	-

III] Financial Risk Management

Financial Risk Factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

(i) Market risk

Market risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company exposure to market risk is primarily on account of foreign currency exchange rate risk.

Foreign currency exchange rate risk

The company revenue is denominated majorly in USD and EUR. The majority of the costs are in Indian rupee. This exposes the Company to currency fluctuation risk. The Company holds derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace. These forward contracts period lies between 1 day to 1 year.

The following are the outstanding USD/EUR : INR currency exchange contracts entered into by the company which have been designated as cash flow hedges:

Currency	Amount outstanding as at March 31, 2019 in foreign currency	Fair value Gain/ (loss) in Rs.	Amount outstanding as at March 31, 2019 in Rs.	No. of Contracts 42460
In USD	21 million	29 million	1,475 million	16 Contracts
	(March 31, 2018: 21 mn)	(March 31, 2018: 10 mn)	(March 31, 2018: 1365 mn)	(March 31, 2018: 20 Contracts)
In Euro	0.5 million	4 million	39 million	1 Contract
	(March 31, 2018: 2 mn)	(March 31, 2018: (8) mn)	(March 31, 2018: 197 mn)	(March 31, 2018: 5 Contracts)

(ii) Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled revenue, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk.

Credit Risk Exposure

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was Rs. 5112 million, Rs. 4,675 million as at March 31, 2019 and March 31, 2018 respectively, being the total of the carrying amount of trade receivables, unbilled revenue and other financial assets. In addition, the Company is exposed to credit risk in relation to financial guarantees given to banks provided by the Company. The Company's maximum exposure in this respect is the maximum amount the Company would have to pay if the guarantee is called on. Refer Note 27 (i).

Trade receivable

Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each date of statements of financial position whether a financial asset or a group of financial assets is impaired. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The Company's exposure to customers is diversified. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. Movement in the Expected credit loss allowance:

₹ in million

Particulars	**As at March 31, 2019**	As at March 31, 2018
Balance at the beginning of the year	**220**	334
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses.	**255**	(114)
Balance at the end of the year / year	**475**	220

(iii) Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligation. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

Capital management

The Company manages its capital to ensure that it will be able to continue as going concerns while maximizing the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings as detailed in notes 15 offset by cash and bank balances) and total equity of the Company. The Company is not subject to any externally imposed capital requirements. The Comapny's risk management committee reviews the capital structure of the Company on a an ongoing basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital.

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2019

₹ in million

Particulars	**Less Than 1 Year**	**More Than 1 Year**	**Total**
Trade Payables	**1,192**	**-**	**1,192**
Other financial liabilities	**61**	**90**	**151**

The table below provides details regarding the contractual maturities of significant financial liabilities as of as at March 31, 2018

Rs. in million

Particulars	Less Than 1 Year	More Than 1 Year	Total
Trade Payables	1,402	-	1,402
Other financial liabilities	81	6	87

IV] Details of foreign currency exposures that are not hedged by a derivative instrument or otherwise:-

₹ in million

Particulars	Currency	As at March 31, 2019		As at March 31, 2018	
		Amount in Foreign Currency	Amount in INR Currency	Amount in Foreign Currency	Amount in INR Currency
Trade Receivables, Unbilled Debtors & Contract Assets	BDT	2	1	13	10
	CDF	56	2	78	3
	EUR	7	547	10	797
	GBP	0	1	0	6
	GHS	0	4	2	25
	KES	10	7	30	19
	MGA	119	2	1,747	36
	MWK	43	4	148	14
	RWF	27	2	91	7
	SCR	0	0	0	0
	SLL	78	1	132	1
	TZS	0	0	1,281	37
	UGX	9	0	932	17
	KWD	0	27	-	-
	AUD	1	38	-	-
	USD	16	1,123	17	1,120
	XAF	29	3	341	41
	XOF	111	13	403	50
	ZMW	1	4	2	16
Other financial assets	AED	0	6	0	6
	AUD	-	-	(0)	(0)
	BDT	7	5	43	34
	CDF	152	6	138	6
	EUR	0	9	0	16
	GBP	0	0	0	0
	GHS	-	-	0	0
	KES	7	5	5	3
	MGA	116	2	3,241	66
	MYR	-	-	0	3
	RWF	1	0	3	0
	SCR	-	-	1	5
	SLL	466	4	319	3
	QAR	0	1	-	-
	TZS	77	2	-	-
	UGX	-	-	129	2
	USD	0	33	2	156
	XAF	164	18	0	0
	ZAR	-	-	(0)	(0)
	ZMW	0	1	0	0

₹ in million

Particulars	Currency	As at March 31, 2019		As at March 31, 2018	
		Amount in Foreign Currency	Amount in INR Currency	Amount in Foreign Currency	Amount in INR Currency
Trade Payables and Other financial liabilities	AED	**0**	**6**	0	4
	AUD	**0**	**1**		
	BDT	**5**	**4**	5	4
	CDF	**26**	**1**	8	0
	EUR	**1**	**77**	1	56
	GBP	**0**	**0**	0	5
	GHS	**0**	**2**	0	4
	KES	**24**	**16**	2	2
	LKR	**8**	**3**	10	4
	MGA	**0**	**0**	14	0
	MWK	**1**	**0**	5	0
	RWF	**14**	**1**	11	1
	SCR	**0**	**1**	0	0
	MYR	**0**	**0**	0	1
	KWD	**0**	**0**	0	1
	SGD	**0**	**2**	0	4
	SLL	**125**	**1**	7	0
	TZS	**44**	**1**	6	0
	UGX	**77**	**1**	49	1
	USD	**6**	**448**	7	438
	XAF	**289**	**32**	283	34
	XOF	**9**	**1**	379	47
	ZAR	**1**	**4**	0	2
	ZMW	**0**	**0**	0	0

Forex sensitivity analysis:

10% appreciation/depreciation of the respective foreign currencies with respect to functional currency of the company would result in increase/decrease in the company's profit before tax by approximately Rs. 178 million as at March 31, 2019 (Rs. 220 million as at March 31, 2018) for Trade Receivables, Unbilled Debtors & Contract Assets and Rs. 9 million as at March 31, 2019 (Rs. 30 million as at March 31, 2018) for other financial assets.

10% appreciation/depreciation of the respective foreign currencies with respect to functional currency of the company would result in decrease/increase in the company's profit before tax by approximately Rs. 61 million as at March 31, 2019 (Rs. 61 million as at March 31, 2018) for trade payables or other financial liabilities.

29 Basic and Diluted Earning per share

₹ in million except earning per share

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Nominal value per equity share	**10**	10
Profit for the year	**825**	929
Profit attributable to equity shareholders	**825**	929
	No. of Shares	**No. of Shares**
Weighted average number of equity shares	**21,869,000**	21,724,436
Weighted average number of diluted equity shares	**21,869,000**	21,724,436
Earning Per Share- Basic	**37.71**	42.75
Earning Per Share- Diluted	**37.71**	42.75

30 Provision for warranty:

The movement in the said provision is summarized below:

₹ in million

	As at March 31, 2019	As at March 31, 2018
Particulars		
Opening Balance	**8**	13
Add: Additional provision made during the year	**-**	-
Less: Provision reversed during the year	**(1)**	(5)
Closing balance	**7**	8

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.

31 Segment Information has been presented in the Consolidated Financial Statements as permitted by Ind AS 108 on Operating Segments.

32 The Company has accounted as an expense of Rs. 7 million (year ended March 31, 2018: Rs. 7 million) pertaining to amortised cost of stock options granted to certain employees of the Company granted by Tech Mahindra Limited, its holding company. This cost is being accounted as an employee benefits expense.

33 Based on the information available with the company, following creditors have been identified as “Supplier” within the meaning of Micro, Small and Medium Enterprises Development (MSMED) Act, 2006.

Disclosures under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

Dues to micro and small suppliers	As at March 31, 2019	As at March 31, 2018
The amounts remaining unpaid to micro and small suppliers as at the end of the year:		
Principal	**0**	58
Interest	**-**	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year.	**-**	-
The amount of interest paid under the act beyond the appointed day during the year	**-**	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED	**-**	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	**-**	-
The amount of 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 enterprise for the purpose of disallowance as a deductible expenditure under the MSMED	**-**	-

The management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development

Act, 2006 (MSMED). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2019 and March 31, 2018 has been made in the financial statements based on information received and available with the Company.

34 Auditors Remuneration (Net of indirect taxes)

₹ in million

Particulars	**For the year ended March 31, 2019**	For the year ended March 31, 2018
Audit Fees	**4**	4
For other services	**2**	-
For taxation matter	**1**	1
For reimbursement of expenses	**0**	-
Total	**7**	5

35 Particulars of loans given \ investments made \ guarantees given, as required by clause (4) of Section 186 of the Companies Act, 2013

Name	**Nature**	**Amount of loan outstanding as at March 31, 2019**	**Period**	**Rate of interest**	**Purpose**
For details of investments made, refer Note 4					
Comviva Technologies B.V.	Guarantee	Rs. 1,902 Million (USD 28 Million) [Rs. 1,792 Million (USD 28 Million)]	Repayable on demand	Libor+95 bps	Corporate Guarantee of Rs. 1,902 million (USD 28 million) to Bank of America for availing credit facility by Comviva Technologies B.V.
Figures in brackets "[ ]" are for the previous year ended March 31, 2018.					

36 Corporate Social Responsibility:

a) Gross amount required to be spent by the Company Rs 23 million during the year.

b) Amount spent during the year Rs 23 million.

Particulars	**In Cash**	**Yet to be paid in cash**	**Total**
Construction/acquisition of any asset*	- (-)	- (-)	- (-)
On purposes other than Construction/acquisition of any asset*	23 (23)	- (-)	23 (23)

* Numbers in brackets pertains to previous year.

37 Research & Development Expenditure under section 35(2AB) of the Income tax Act, 1961

The Company has incurred Research Development Expenditure during the year. Details are as follows:

Particulars	**For the year ended March 31, 2019**	For the year ended March 31, 2018
Revenue Expenditure	**317**	206
Capital Expenditure	**0**	74
Total	**317**	280

38 Disclosures for Revenue from Contracts with Customers

a) Disaggregation of revenue

Revenue disaggregation by reportable segments is as follows:

₹ in million

	For the year ended March 31, 2019
Reportable Segment	
Licence Fee with Implementation and other services	3,868
Revenue sharing arrangements	684
Annual maintenance contract services	1,437
Income from sale of equipments and software (third party)	478
Total	**6,467**

₹ in million

	For the year ended March 31, 2019
Revenue disaggregation by geography is as follows:	
Geography	
India	1,195
Rest of world	5,272
Total	**6,467**

₹ in million

	For the year ended March 31, 2019
b) Significant changes in the contract assets balances during the year ended March 31, 2019	
Particulars	
Balances as on April 1, 2018	217
Add: Revenue recognised during the year	239
Less: Invoiced during the period	(96)
Balances as on March 31, 2019	360

₹ in million

	For the year ended March 31, 2019
c) Significant changes in the contract liabilities balances during the period ended March 31 2019:	
Unearned Revenue	
Balances as on April 1, 2018	146
Less: Revenue recognised during the year	(105)
Add: Invoiced during the year but not recognised as revenues	9
Balances as on March 31, 2019	50

d) The following table provides information in respect of amount of revenue recognised in the statement of profit and loss with the contracted price showing separately each of the adjustments made to the contract price:

Particulars	₹ in million **For the year ended March 31, 2019**
Contracted transaction for year ended March 31, 2019	6,467
Less: Adjustment for volume discount	-
Less: Adjustment for cash discount	-
Less: Adjustment for upfront discount	-
Less: Adjustment for penalties / liquidated damages	-
Revenue recognized in the statement of profit and loss for the period ended March 31, 2019	6,467

39 Income Tax Expense

Tax expense in the statement of profit and loss comprises:

₹ in million

Particulars	**For the year ended March 31, 2019**	For the year ended March 31, 2018
Current tax	**472**	445
Deferred tax	**(162)**	(12)
Income tax expense recognised in profit or loss	**310**	433
Deferred tax in other comprehensive income	**2**	(8)
Total tax expense recognised in total comprehensive income	**312**	425

The tax expense for the year can be reconciled to the accounting profit as follows:

₹ in million

Particulars	**For the year ended March 31, 2019**	For the year ended March 31, 2018
Profit before Tax	**1,135**	1,362
Effective Tax Rate	**41.61%**	32.69%
Current tax (A)	**472**	445
Effective Deferred Tax Rate	**-14.26%**	0.91%
Deferred tax(B)	**(162)**	(12)
Tax expense recognised in profit or loss (A+B)	**310**	433
Enacted tax rate	**34.944%**	34.608%
Income tax expense calculated at enacted rate	**397**	473
Effect of expenses/income that are not admissible in determining taxable profit	**25**	42
Effect of differential overseas tax rates	**9**	2
Additional deduction on Research & Development expenditure	**(56)**	(93)
Others	**(65)**	9
Income tax expense recognised in profit or loss	**310**	433

Note:

The tax rate used for the above reconciliations are the rates as applicable for the respective periods payable by corporate entities in India on taxable profits under the India tax laws.

40 Deferred Tax:

The following is the analysis of deferred tax assets presented in the balance sheet:

₹ in million

Particulars	**As at March 31, 2019**	As at March 31, 2018
Deferred tax assets	**497**	335
Deferred tax liabilities	**(2)**	-
Deferred tax assets (net)	**495**	335

The tax effect of significant timing differences that has resulted in deferred tax assets are given below:

₹ in million

Particulars	**For the year March 31, 2019**			
	Opening balance	**Recognized in Profit and loss**	**Recognized in OCI**	**Closing balance**
Provision for Employee benefits	**116**	**66**	**2**	**184**
Provision for Inventory and Trade receivables	**91**	**85**	**-**	**176**
Property, Plant & Equipment and Intangibles assets	**40**	**10**	**-**	**50**
MAT Credit Entitlement	**18**	**-**	**-**	**18**
Others	**68**	**1**	**-**	**69**
Cash flow hedging reserve	**2**	**0**	**(4)**	**(2)**
Net Deferred Tax Assets	**335**	**162**	**(2)**	**495**

₹ in million

Particulars	For the year March 31, 2018			
	Opening balance	Recognized in Profit and loss	Recognized in OCI	Closing balance
Provision for Employee benefits	101	15	(0)	116
Provision for Inventory and Trade receivables	133	(42)	-	91
Property, Plant & Equipment and Intangibles assets	40	0	-	40
MAT Credit Entitlement	18	-	-	18
Others	29	39	-	68
Cash flow hedging reserve	(6)	-	8	2
Net Deferred Tax Assets	315	12	8	335

41 Previous year's figures have been re-classified to conform this year's classification.

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
Comviva Technologies Limited

Tarun Gupta
Partner
Membership No.: 507892

C.P. Gurnani
Director

Ulhas N. Yargop
Director

Jagdish Mitra
Director

Rajat Mukherjee
Director

Sunita Umesh
Director

Vivek Satish Agarwal
Director

Manoranjan Mohapatra
Chief Executive Officer

Neeraj Jain
Chief Financial Officer

Parminder Singh Bakshi
Company Secretary

Place: Gurugram
Date: May 17, 2019

Place: New Delhi
Date: May 17, 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of Comviva Technologies Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Comviva Technologies Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2019, and the consolidated statement of profit and loss (including other comprehensive income) , consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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 31 March 2019, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's *Responsibilities for the Audit of the Consolidated* Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information (or another title if appropriate, such as "Information Other than the Consolidated Financial Statements and Auditors' Report Thereon")

The Holding Company's management and Board of Directors are responsible for the Other Information. The other information comprises the information included in the Holding Company's Annual Report, but does not include the financial statements and our Auditors' Report thereon. The company's Annual Report is expected to be made available to us after the date of Auditor's Report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. 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 each company. 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated 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.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (company and subsidiaries) as well as associates and joint ventures and joint operations to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

  We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements / financial information of 7 subsidiaries, whose financial statements/financial information reflect total assets of Rs. 2,355 million as at 31 March 2019, total revenues of Rs. 2,799 million and net cash inflows amounting to Rs. 1 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-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the audit reports of the other auditors.

(b) The financial statements/financial information of 17 subsidiaries, whose financial statements/financial information reflect total assets of Rs. 330 million as at 31 March 2019, total revenues of Rs. 210 million and net cash inflows amounting to Rs. 62 million for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. These unaudited financial statements/financial information 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) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

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 and the financial statements/financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As discussed in Notes 11 and 12 to the financial statements, the Company has had numerous transactions with the parent and affiliated companies.

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, as noted in the 'Other Matters' paragraph, 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 (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows 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 Ind AS specified under section 133 of the Act.

f) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2019 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.

B. 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 and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the 'Other Matters' paragraph:

(i) The consolidated financial statements disclose the impact of pending litigations as at 31 March 2019 on the consolidated financial position of the Group. Refer Note 26 to the consolidated financial statements.

(ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2019.

(iii) There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2019.

(iv) The disclosure in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2019. However amounts as appearing in the audited consolidated financial statements for the period ended 31 March 2017 have been disclosed.

(v) With respect to the matter to be included in the Auditor’s report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm's Registration No. : 101248W /W-100022

Tarun Gupta

Partner

Membership No. 507892

Place: Gurugram

Date: 17 May 2019

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF COMVIVA TECHNOLOGIES LIMITED FOR THE PERIOD ENDED 31 MARCH 2019

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE AFORESAID CONSOLIDATED FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2019, we have audited the internal financial controls with reference to consolidated financial statements of Comviva Technologies Limited (hereinafter referred to as "the Holding Company"), as of that date.

In our opinion, the Holding Company, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm's Registration No. : 101248W /W-100022

Tarun Gupta
Partner
Membership No. 507892

Place: Gurugram
Date: 17 May 2019

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

Rs. in million

Particulars		Note No.	**As at March 31, 2019**	As at March 31, 2018
I	**ASSETS**			
A	**Non current assets**			
	(a) Property, plant and equipment	3A	254	298
	(b) Capital work-in-progress		21	9
	(c) Other intangible assets	3B	144	248
	(d) Goodwill on acquisition		399	449
	(e) Financial assets			
	(f) Other financial assets	10(i)	78	143
	(g) Income tax Asset (net)		1,137	1,143
	(h) Deferred tax assets (net)	4A	584	418
	(i) Other non-current assets	5(i)	280	221
	Total non-current assets		2,897	2,929
B	**Current assets**			
	(a) Inventories	6	55	94
	(b) Financial assets			
	(i) Trade receivables	7	4,026	3,580
	(ii) Cash and cash equivalents	8	1,199	1,240
	(iii) Other balances with bank	9	169	42
	(iv) Other financial assets	10(ii)	1,654	1,516
	(c) Other current assets	5(ii)	758	373
	Total current assets		7,861	6,845
	TOTAL ASSETS		**10,758**	9,774
II	**EQUITY AND LIABILITIES**			
A	**Equity**			
	(a) Equity share capital	11	219	219
	(b) Other equity	12	5,322	4,904
	Equity attributable to owners of the company		5,541	5,123
B	**Non-controlling interests**		-	(66)
1	**Non current liabilities**			
	(a) Financial liabilities			
	(i) Other financial liabilities	17(i)	263	130
	(b) Provisions	14(i)	178	182
	(c) Other non-current liabilities	15(i)	54	45
	(d) Deferred tax liabilities (net)	4B	12	13
	Total non-current liabilities		507	370
2	**Current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	13	2,073	1,394
	(ii) Trade payables	16	1,851	2,024
	(iii) Other financial liabilities	17(ii)	81	196
	(b) Other current liabilities	15(ii)	427	570
	(c) Provisions	14(ii)	99	85
	(d) Current tax liabilities (net)		179	78
	Total current liabilities		4,710	4,347
	TOTAL EQUITY AND LIABILITIES		**10,758**	9,774
	See accompanying notes forming part of the consolidated financial statements	1-42		

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
Comviva Technologies Limited

Tarun Gupta
Partner
Membership No.: 507892

C.P. Gurnani
Director

Ulhas N. Yargop
Director

Jagdish Mitra
Director

Rajat Mukherjee
Director

Sunita Umesh
Director

Vivek Satish Agarwal
Director

Manoranjan Mohapatra
Chief Executive Officer

Neeraj Jain
Chief Financial Officer

Parminder Singh Bakshi
Company Secretary

Place: Gurugram
Date: May 17, 2019

Place: New Delhi
Date: May 17, 2019

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

Rs. in million

	Particulars	Note No.	For the the year ended March 31, 2019	For the year ended March 31, 2018
I.	Revenue from operations	18	9,133	8,572
II.	Other income (net)	19	109	228
III.	**Total income (I+II)**		**9,242**	8,800
IV.	**Expenses**			
	(a) Employee benefits expense	20	3,303	3,104
	(b) Subcontracting cost		647	628
	(c) Finance costs		97	59
	(d) Depreciation and amortization expense	3	295	280
	(e) Other expenses	21	4,074	3,756
	Total expenses		**8,416**	7,827
V.	**Profit before tax**		**826**	973
VI.	**Tax expenses**			
	(a) Current tax		514	461
	(b) Deferred tax (Refer Note 40)		(167)	(63)
			347	398
VII.	**Profit after tax**		**479**	575
VIII.	**Other comprehensive income**			
A)	(I) Items that will not be reclassified to profit or loss			
	(a) Re-measurement loss on defined benefit plans		(5)	1
	(II) Income tax relating to items that will not be reclassified to profit or loss		2	(0)
B)	(I) Items that will be reclassified to profit or loss			
	(a) Net movement of effective portion on cash flow hedge		10	(23)
	(b) Exchange difference in translating the financial statements of foreign operations		17	(6)
	(c) Hyperinflation adjustment in Opening retained Earning		(15)	-
	(II) Income tax relating to items that will be reclassified to profit or loss		(4)	8
IX.	**Other comprehensive income for the year**		**5**	(20)
X.	**Total comprehensive income for the year**		**484**	555
	Profit for the year attributable to:			
	Owners of the Company		493	601
	Non controlling interests		(14)	(26)
	Other comprehensive income for the year attributable to:			
	Owners of the Company		5	(20)
	Non controlling interests		-	-
	Total comprehensive income for the year attributable to:			
	Owners of the Company		498	581
	Non controlling interests		(14)	(26)
XI.	**Earnings per equity share (Face value of Rs. 10/- each)**	28		
	(a) Basic (in Rs.)		22.56	27.67
	(b) Diluted (in Rs.)		22.56	27.67
	See accompanying notes forming part of the consolidated financial statements	1-42		

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
Comviva Technologies Limited

Tarun Gupta
Partner
Membership No.: 507892

C.P. Gurnani
Director

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Director

Jagdish Mitra
Director

Rajat Mukherjee
Director

Sunita Umesh
Director

Vivek Satish Agarwal
Director

Manoranjan Mohapatra
Chief Executive Officer

Neeraj Jain
Chief Financial Officer

Parminder Singh Bakshi
Company Secretary

Place: Gurugram
Date: May 17, 2019

Place: New Delhi
Date: May 17, 2019

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

a. Equity share capital

Particulars	Number of Shares	Equity Share Capital (Rs. in million)
Balance at April 1, 2017	21,720,364	217
Changes in equity share capital during the year on account of issue of treasury shares	148,636	2
Balance as at March 31, 2018	**21,869,000**	**219**
Balance at April 1, 2018	21,869,000	219
Changes in equity share capital during the year	-	-
Balance as at March 31, 2019	**21,869,000**	**219**

b. Other equity

Rs. in million

Particulars	Reserves & Surplus			Items of OCI				
	Securities Premium	Capital reserve	Retained Earnings	Foreign Currency Translation Reserve	Effective portion of cash flow hedge	Owners Equity	Non-Controlling interest	Total
Balance at April 1, 2017	552	-	3,657	33	13	4,255	(40)	4,215
Profit/(Loss) during the year	-		601	-	-	601	(26)	575
Other comprehensive income	-		1	(6)	(15)	(20)	-	(20)
Total comprehensive income	**-**	**-**	**602**	**(6)**	**(15)**	**581**	**(26)**	**555**
Additions during the year	15	53	-	-	-	68	-	68
Balance as at March 31, 2018	**567**	**53**	**4,259**	**27**	**(2)**	**4,904**	**(66)**	**4,838**
Balance at April 1, 2018	567	53	4,259	27	(2)	4,904	(66)	4,838
Profit/(Loss) during the year	-		493	-	-	493	(14)	479
Transfer of Non Controlling interest to Owners's Equity	-	-	(80)	-	-	(80)	80	-
Other comprehensive income	-		(18)	17	6	5	-	5
Total comprehensive income	**-**	**-**	**395**	**17**	**6**	**418**	**66**	**484**
Balance as at March 31, 2019	**567**	**53**	**4,654**	**44**	**4**	**5,322**	**-**	**5,322**

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
Comviva Technologies Limited

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Chief Executive Officer

Neeraj Jain
Chief Financial Officer

Parminder Singh Bakshi
Company Secretary

Place: Gurugram
Date: May 17, 2019

Place: New Delhi
Date: May 17, 2019

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019

Rs. in million

Particulars	For the the year ended March 31, 2019		For the year ended March 31, 2018	
	Rs. in million	Rs. in million	Rs. in million	Rs. in million
A] Cash flows from operating activities				
Profit before tax		826		973
Adjustments for:				
Depreciation and amortization	**295**		280	
Profit on sale of property, plant and equipment	**(0)**		(1)	
Interest expense	**97**		59	
Interest income	**(25)**		(5)	
Dividend income	**(0)**		(0)	
Unrealised foreign exchange difference (net)	**118**		(171)	
Reversal of provision no longer required	**(81)**		(46)	
Provision for doubtful debt	**262**		124	
Profit on sale of current investment	**-**		(1)	
		666		239
Operating profit before working capital changes		1,492		1,212
Adjustments for changes in working capital:				
Decrease in trade payable, other liabilities and provisions	**(95)**		484	
(Increase)/decrease in trade receivables	**(741)**		(557)	
(Increase)/decrease in other assets, loans and advances	**(581)**		(542)	
		(1,417)		(615)
Cash generated from operations		75		597
Direct taxes paid (net)		(409)		(491)
Net cash flows from/(used in) operating activities (A)		(334)		106
B] Cash flows from investing activities				
Purchase of property, plant and equipment	**(190)**		(248)	
Interest Received	**23**		0	
Dividend Received	**0**		0	
Purchase of Investments	**-**		(328)	
Sale of Investments	**-**		329	
Deferred consideration paid	**(52)**		-	
Acquisition of a Company (Refer Note 32)	**-**		(265)	
Sale of property, plant and equipment	**1**		2	
Net cash flows used in investing activities (B)		(218)		(510)
C] Cash flows from financing activities				
Proceeds from Issue of Equity Shares	**-**		70	
Proceeds from Short term borrowings (net)	**584**		705	
Repayment of Other borrowings (net)	**(4)**		(63)	
Finance Cost	**(83)**		(29)	
Net cash flows from financing activities (C)		497		683

Particulars	For the the year ended March 31, 2019		For the year ended March 31, 2018	
	Rs. in million	Rs. in million	Rs. in million	Rs. in million
D] Exchange differences on translation of foreign currency cash and cash equivalents		**14**		2
Net Increase/(decrease) in cash and cash equivalents (A + B+ C + D)		**(41)**		281
Cash & cash equivalents at the end of the period (Refer note 1 below)		**1,199**		1240
Increase in cash and cash equivalents on acquisition (Refer Note 32)		**-**		16
Cash & cash equivalents at the beginning of the year		**1,240**		943
Net decrease in cash and cash equivalents		**(41)**		281

Rs. in million

Particulars	**As at March 31, 2019**	As at March 31, 2018
	Rs.	Rs.
Note 1:		
Cash and cash equivalents include:		
Cash on hand	1	0
Remittances in transit	0	153
Balance with banks		
- In current accounts	1,198	1,087
Total Cash and Cash equivalents - Refer Note - 8	1,199	1,240

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 Ind AS 7 on Cash Flow Statements.
Note 4:
Previous period's figures have been rearranged/regrouped wherever necessary.

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
Comviva Technologies Limited

Tarun Gupta
Partner
Membership No.: 507892

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Chief Executive Officer

Neeraj Jain
Chief Financial Officer

Parminder Singh Bakshi
Company Secretary

Place: Gurugram
Date: May 17, 2019

Place: New Delhi
Date: May 17, 2019

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

1. Company Overview

Comviva Technologies Limited ("The 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.

The consolidated financial statements for the year ended March 31, 2019 were approved by the Board of Directors and authorized for issue on May 17, 2019.

2. Significant Accounting Policies

2.1 Statement of Compliance

The consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.

2.2 Basis for preparation of financial statements

These consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

In estimating the fair value of an asset or liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purpose in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 Inventories or value in use in Ind AS 36 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability. Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

2.3 Basis of Consolidation

The Consolidated Financial Statements comprise the financial statements of Comviva Technologies Limited and its subsidiaries (the Company and its subsidiaries constitute "the Group").

The Company consolidates all entities which are controlled by it.

The Company establishes control when; it has power over the entity, is exposed or has rights to variable returns from its involvement with the entity and has ability to affect the entity's returns by using its power over the entity.

Subsidiaries are consolidated from the date control commences until the date control ceases.

The results of subsidiaries acquired, or sold, during the year are consolidated from the effective date of acquisition and up to the effective date of disposal, as appropriate.

All inter-company transactions, balances and income and expenses and cash flows are eliminated in full on consolidation.

Changes in the Company's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the company's interests and the non-controlling interests are adjusted to reflect changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

Particulars of Consolidation

The Consolidated financial statements present the consolidated accounts of the Group, which consists of accounts of the Company and its subsidiaries:

Investment in Subsidiaries:

Sr.No.	Name of the Subsidiary	Country of Incorporation	As at March 31, 2019	As at March 31, 2018
1	Comviva Technologies Inc.*#	USA	NIL	100%
2	Comviva Technologies Nigeria Limited and its following 75% subsidiary:	Nigeria	100%	100%
3	-Hedonmark {Management Services} Limited	Nigeria	75%	75%
4	Comviva Technologies Singapore Pte. Ltd.	Singapore	100%	100%
5	Comviva Technologies FZ-LLC	Dubai	100%	100%
6	Comviva Technologies B.V. and its subsidiaries:	Netherlands	100%	100%
7	-Comviva Technologies (Argentina) S.A. (5% held by Comviva Technologies limited)	Argentina	100%	100%
8	-ATS Advanced Technology Solution do brasil, industria, Comercio, Importacao E Exportacao LTDA (5% held by Comviva Technologies limited)	Brazil	100%	100%
9	-Comviva Technologies Colombia S.A.S.	Colombia	100%	100%
10	Terra payment Services (Netherlands) B.V. and its following 100% subsidiaries	Netherlands	100%	100%
11	- Mobex Money Transfer Services limited	Kenya	100%	100%
12	- Terrapay Services (UK) Limited****	UK	100%	100%
13	- Terra Payment Services (Tanzania) Limited	Tanzania	100%	100%
14	- Terra Payment Services (Uganda) Limited	Uganda	100%	100%
15	- Terra Payment Services S.A.R.L. – Senegal*	Senegal	100%	100%
16	- Terra Payment Services S.A.R.L. –DR Congo	DR Congo	100%	100%
17	- Terra Payment Services S.A.R.L. – Congo B#	Congo B	100%	100%
18	- Terra Payment Services Botswana (Pty) Limited##	Botswana	100%	100%
19	- Terra Payment Services (UK) Ltd.	UK	100%	100%
20	- Terra Payment Services Mauritius	Mauritius	100%	100%
21	- Terra Payment Services (India) Private Limited. ^^^^	India	100%	100%
22	Terra payment Services South Africa (PTY) Ltd. ^	South Africa	100%	100%
23	Comviva Technologies Madagascar Sarlu	Madagascar	100%	100%
24	Comviva Technologies (Australia) Pty. Ltd. ^^^	Australia	100%	100%

Sr.No.	Name of the Subsidiary	Country of Incorporation	As at March 31, 2019	As at March 31, 2018
25	Emagine International Pty. Ltd.	Australia	100%	100%
26	Comviva Technologies Mexico, S. de R.L. de C.V. ^^^^^ (99.96% by Comviva Technologies B.V. and 0.04% by Comviva Technologies FZ LLC)	Mexico	100%	100%
27	YABX Technologies (Netherlands) BV$	Netherlands	100%	-

* The Company, in June 2016, incorporated a 100% subsidiary named Terra Payment Services S.A.R.L., Senegal through its subsidiary Terra payment Services (Netherlands) B.V. However, the Company has not yet commenced operations.

**** The Company, in February 2016, has incorporated a 100% subsidiary named Terrapay Services (UK) Limited through its subsidiary Terra payment Services (Netherlands) B.V. and has not infused capital till March 31, 2019, the Company has also not yet commenced operations.

The Company, in July 2016, incorporated a 100% subsidiary named Terra Payment Services S.A.R.L., Congo B through its subsidiary Terra payment Services (Netherlands) B.V. However, the Company has not yet commenced operations and no capital has been infused in the subsidiary as of March 31, 2019.

The Company, acquired a 100% subsidiary named Terra Payment Services Botswana (Pty) Limited through its subsidiary Terra payment Services (Netherlands) B.V. However, the company has not yet commenced operations.

^ The Company, acquired 100% stake, in October 2014, in Terra payment Services South Africa (PTY) Ltd. However, the Company has not yet commenced operations.

^^^ The Company, in August 2017, incorporated a 100% subsidiary named Comviva Technologies (Australia) Pty. Ltd. through its subsidiary Comviva Technologies (Netherlands) B.V., the company has not yet commenced operations.

^^^^ The Company, in September 2017, incorporated a 100% subsidiary named Terra Payment Services (India) Private Limited through its subsidiary Terra payment services (Netherlands) B.V. and has not infused capital till March 31, 2019 and the company has not yet commenced operations.

^^^^^ The Company, in February 2018, incorporated a 100% subsidiary named Comviva Technologies Mexico, S. de R.L. de C.V. through its subsidiary Comviva Technologies B.V. and has not infused capital till March 31, 2019 and the company has not yet commenced operations.

$ The Company, in June 2018, incorporated a 100% subsidiary named YABX Technologies (Netherlands) BV through its subsidiary Comviva Technologies B.V. and has not infused capital till March 31, 2019 and the company has not yet commenced operations.

*# During the period, Comviva technologies Inc. was dissolved on March 27,2019

2.4 Business Combinations

a. Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of acquisition date fair values of the assets transferred by the company, liabilities incurred by the company to the former owners of the acquiree and the equity interests issued by the company in exchange for control of the acquire. Acquisition related costs are generally recognized in profit or loss as incurred.

b. Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

c. The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries.

d. When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent arrangement, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with Ind AS 109 Financial Instruments or Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets, with the corresponding gain or loss being recognised in profit or loss.

e. Business combinations arising from transfers of interests in entities that are under the common control are accounted at historical cost. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in shareholders' equity.

Goodwill and intangible assets

Goodwill represents the cost of acquired business as established at the date of acquisition of the business in excess of the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities less accumulated impairment losses, if any. Goodwill is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

Intangible assets purchased including acquired in business combination, are measured at cost or fair value as of the date of acquisition, as applicable, less accumulated amortization and accumulated impairment, if any.

Intangible assets are amortized on a straight line basis over its useful lives. Intangible assets consist of acquired contract rights, rights under licensing agreement and software licenses and customer-related intangibles.

2.5 Use of Estimates

The preparation of financial statements requires the management of the Group 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. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Critical accounting estimates

(i) Revenue Recognition

The Group applies the proportionate method for measurement of performance obligation in accounting for its fixed price contracts. Use of the proportionate method requires the Group to estimate the efforts to date as a proportion of the total budgeted efforts. Efforts have been used to measure progress towards completion as there is a direct relationship between input and productivity.

(ii) Income taxes

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. The policy for the same has been explained under Note 2.15.

(iii) Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by management at the time the asset is acquired and reviewed at the end of each reporting period. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The policy for the same has been explained under Note 2.6.

(iv) Provisions

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 a reliable estimate can be made. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. The policy for the same has been explained under Note 2.17.

(v) Impairment of Goodwill

The Group estimates the value in use of the cash generating unit (CGU) based on the future cash flows after considering current economic conditions and trends, estimated future operating results and growth rate and anticipated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts. The discount rate used for the CGU's represent the weighted- average cost of capital based on the historical market returns of comparable companies.

2.6 Property, Plant & Equipment and Other Intangible assets

Property, Plant & Equipment and Other Intangible assets are stated at actual cost less accumulated depreciation and net of impairment. The actual cost capitalized includes material cost, freight, installation cost, duties and taxes, eligible borrowing costs and other incidental expenses incurred during the construction / installation stage.

Depreciation / amortization of Property, Plant & Equipment and Other Intangible assets:
Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation / amortization on Property, Plant & Equipment including assets taken on lease, other than freehold land is charged based on straight line method on an estimated useful life 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, 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

The estimated useful lives and residual values of the Property, Plant & Equipment and Other Intangible assets are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of Property, Plant & Equipment and intangible assets is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property, Plant & Equipment and intangible assets is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the profit or loss.

Improvements to leased premises are amortized over their estimated useful life or period of the lease, whichever is shorter.

Assets costing upto Rs. 5,000 are fully depreciated in the year of purchase except when they are part of a larger capital investment programme.

Computer Software and Hardware acquired for specific projects are amortized over the initial contract life of the project.

The cost of software purchased for internal use is capitalized and depreciated in full in the month in which it is put to use.

Intellectual Property Right (IPR) is amortized over a period of 4 years.

Customer relationships and contracts are amortized over a period of 3 years.

Licenses are amortized over a period of 2 years.

2.7 Leases

(i) 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 a straight line basis over the lease term.

2.8 Impairment of Assets

(i) Financial assets

Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a Group of financial assets 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.

Impairment loss on financial assets carried at amortized cost is measured at 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. In a subsequent period, if the amount of impairment loss decreases and the decrease can be related objectively to an event, the previously recognised impairment is reversed through profit or loss.

(ii) Non-financial assets

Property, Plant & Equipment and Other Intangible assets

Property, Plant and Equipment and Other intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the profit or loss.

Goodwill

CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is indication for impairment. If the recoverable amount of a CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis of the carrying amount of each asset in the unit.

2.9 Inventories

Inventories are stated at lower of cost or net realizable value. In determining the cost of materials, the weighted average cost method is used.

2.10 Revenue recognition

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the condensed interim statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. The adoption of the standard did not have any material impact to the financial statements of the Company.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.

Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.

Revenue from the sale of distinct internally developed software and manufactured systems and third party software is recognised upfront at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customisation services rendered, revenue against these services recognised over the period of time using proportionate method for measuring performance obligation.

Revenue from the sale of distinct third party hardware is recognised at the point in time when risk and rewards is transferred to the customer.

The solutions offered by the Company may include supply of third-party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue (“contract liability”) is recognised when there is billings in excess of revenues.

Use of significant judgments in revenue recognition.

The Company’s contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative stand-alone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

Contract fulfilment costs are generally expensed as incurred except for certain software licence costs which meet the criteria for capitalisation. The assessment of this criterion requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered

Dividend income is recognized when the Group’s right to receive dividend is established.

2.11 Foreign currency transactions

a) Presentation and functional currencies

The functional currency of Comviva Technologies Limited is Indian Rupees (INR) whereas the functional currency of foreign subsidiaries is the currency of their countries of domicile.

b) Translation

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the dates of Balance Sheet. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are included in the profit or loss.

c) Adjustment due to hyperinflation

After July 1, 2018, the Argentine economy was considered, for purposes of Ind AS 29 as hyperinflationary. The financial statements of the subsidiaries whose functional currency is the Argentine Peso have been restated.

The non-monetary items of the statement of financial position as well as the income statement, comprehensive incomes and cash flows of the group’s entities, whose functional currency corresponds to a hyperinflationary economy, are adjusted for inflation and re-expressed in accordance with the variation of the consumer price index (“CPI”), at each presentation date of its financial statements. The re-expression of non-monetary items is made from the date of initial recognition in the statements of financial position and considering that the financial statements are prepared under the historical cost criterion.

Net losses or gains arising from the re-expression of non-monetary items and income and costs are recognized in the consolidated income statement under “Hyperinflation Adjustment on net monetary position”.

Net gains and losses on the re-expression of opening balances due to the initial application of Ind AS 29 are recognized in the consolidated retained earnings.

Re-expression due to hyperinflation will be recorded until the period in which the economy of the entity ceases to be considered as a hyperinflationary economy, at that time, the adjustments made by hyperinflation will be part of the cost of non-monetary assets and liabilities.

The comparative amounts in the financial statements of the Company are presented in a stable currency and are not adjusted for subsequent changes in the price level or exchange rates.

2.12 Foreign Operations

For the purpose of these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising on translation are recognized in other comprehensive income and accumulated in equity.

2.13 Financial Instruments:

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in profit or loss.

i) Non-derivative financial instruments:

Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value

Financial asset not measured at amortized cost is carried at fair value through profit or loss (FVTPL) on initial recognition, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investment in equity instruments which are not held for trading.

The Group, on initial application of IND AS 109 Financial Instruments, has made an irrevocable election to present in other comprehensive income subsequent changes in fair value of equity instruments not held for trading.

Financial asset at FVTPL are measured at fair values at the end of each reporting period, with any gains or losses arising on remeasurement recognized in Statement of profit and loss.

Financial liabilities

Financial liabilities maturing after one year are subsequently carried at amortized cost using the effective interest method.

For trade payables and other financial liabilities maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

ii) Derivative financial instruments and hedge accounting

The Group uses foreign currency forward contracts / options to hedge its risks associated with foreign currency fluctuations relating to certain forecasted transactions. The Group designates some of these as cash flow hedges applying the recognition and measurement principles set out in the Ind AS 109.

The use of foreign currency forward contracts / options is governed by the Group policies approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with the Group's risk management strategy. The counter party to the Group's foreign currency forward contracts is generally a bank. The Group 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 in other comprehensive income and accumulated under Hedging Reserve and the ineffective portion is recognised immediately in the Statement of Profit and Loss.

Amounts previously recognized in other comprehensive income and accumulated in Hedging Reserve are reclassified to profit or loss in the same period in which gains/losses on the item hedged are recognized in the Statement of Profit or Loss. However when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognized in other comprehensive income and accumulated in Hedging Reserve are transferred from Hedging Reserve and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Any Profit or Loss arising on cancellation or renewal of such a forward exchange contract is recognized as income or as expense in the period in which such cancellation or renewal occurs. 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 classified in Hedging Reserve 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 recognized in Hedging Reserve is transferred to the Statement of Profit and Loss for the period.

iii) Derecognition of financial instruments

The group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

The group derecognises financial liabilities when, and only when, the group's obligation is discharged, cancelled or have expired.

2.14 Employee benefits

i) Gratuity:

The group accounts for its gratuity liability, a defined retirement benefit plan covering eligible 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. Liabilities with regard to a Gratuity plan are determined based on the actuarial valuation carried out by an independent actuary as at the Balance Sheet date using the Projected Unit Credit method for India location. Certain overseas subsidiaries/ branches of the group also provide for retirement benefit plans in accordance with the local laws.

Actuarial gains and losses are recognized in full in other comprehensive income and accumulated in equity in the period in which they occur. Past service cost is recognized in profit or loss in the period of a plan amendment.

ii) Provident fund:

The eligible employees of the Company are entitled to receive the benefits of Provident fund in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently at 12% of the basic salary) which are charged to the Statement of Profit and Loss on accrual basis. A portion of the contribution is made to the approved provident fund trust managed by the Company while the remainder of the contribution is made to the government administered pension fund. The contributions to the trust managed by the Company is accounted for as a defined benefit plan as the Company is liable for any shortfall in the fund assets based on the government specified minimum rates of return.

iii) Compensated absences:

The group provides for the compensated absences subject to group's certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment or availment. The liability is provided based on the number of days of unavailed leave at each Balance Sheet date on the basis of an independent actuarial valuation using the Projected Unit Credit method for India location and some branches of Company, whereas provision for encashment of unavailed leave on retirement is made on actual basis for foreign subsidiaries and other branches of Company.

Actuarial gains and losses are recognized in full in the Statement of Profit and Loss in the period in which they occur.

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 recognized as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

iv) **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 recognized during the period when the employee renders the service.

2.15 Taxation:

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.

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the income taxes or deferred taxes are recognized in other comprehensive income or directly in equity, respectively.

Advance taxes and provisions for current income taxes are presented in the statement of financial position after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

Deferred income taxes

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax asset are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

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

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is probable evidence that the company will pay normal income tax in future.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

2.16 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.

2.17 Provisions, Contingent Liabilities and Contingent Assets

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. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities and Contingent assets are not recognized in the financial statements.

2.18 Provision for Warranty

The Group 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 Group estimates such cost based on historical experience and the estimates are reviewed periodically for material changes in the assumptions.

2.19 Treasury Stock

When any entities within the Group purchases the company’s ordinary shares, the consideration paid including any directly attributable incremental cost is presented as a deduction from total equity, until they are cancelled, sold or reissued. When treasury shares are reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to/from share premium.

2.20 Research and Development

Research costs are recognized in the statement of profit and loss in the period it is incurred. Development costs are recognized in the statement of profit and loss in the period it is incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Group has an intention and ability to complete and use the asset and the costs can be measured reliably.

2.21 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.

2.22 Government grants:

Government grants are recognised when there is reasonable assurance that the Group will comply with the conditions attached to them and the grants will be received. Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the financial statements and transferred to profit or loss on a systematic and rational basis over the useful life of the related assets. Grants related to revenue are accounted for as other income in the period in which the related costs which Government intend to compensate are accounted for to the extent there is no uncertainty in receiving the same. Incentives which are in the nature of subsidies given by the Government which are based on the performance of the Group are recognised in the year of performance/eligibility in accordance with the related scheme. Government grants in the form of non-monetary assets, given at a concessional rate, are accounted for at their fair value.

2.23 Accounting Standard yet to be adopted:

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company will adopt Ind AS 16, effective annual reporting period beginning April 1, 2019. The Company will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the Company will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement date, but discounted using the lessee’s incremental borrowing rate as at April 1, 2019. In accordance with the standard, the Company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

On transition, the Company will be using the practical expedient provided the standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application.

The Company is in the process of finalising changes to systems and processes to meet the accounting and reporting requirements of the standard.

With effect from April 01, 2019, the Company will recognise new assets and liabilities for its operating leases of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to a) amortization change for the right-to-use asset, and b) interest accrued on lease liability.

Previously, the Company recognised operating lease expense on a straight line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

As a lessor, sublease shall be classified an operating lease if the head lease is classified as a short term lease. In all other cases the sublease shall be classified as a finance lease.

The company is evaluating the impact of these pronouncements.

Ind AS 12 - Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments). The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following:

(1) The entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty.

(2) The entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount.

(3) Entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability.

Ind AS 109 – Prepayment Features with Negative Compensation. The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments.

Ind AS 19 – Plan Amendment, Curtailment or Settlement. The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the remeasurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling.

The company is under the process of evaluation of the possible impact of these recent accounting pronouncements.

Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements. The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The company is under the process of evaluation of the possible impact of these recent accounting pronouncements.

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NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 3 - Property, Plant and Equipment

Rs. in million

Particulars	Gross Block							Accumulated Depreciation/Amortization							Net Block	
	As at April 1, 2018	Additions on Acquisition during the year	Additions during the year	Disposals during the year	Adjustment impact due to Ind AS-29 Hyperinflation	Translation exchange difference during the year	As at March 31, 2019	As at April 1, 2018	Additions on Acquisition during the year	For during the year	On disposal during the year	Adjustment impact due to Ind AS-29 Hyperinflation	Translation exchange difference during the year	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
3A. Tangible Assets																
Plant and equipment	1,038	-	74	73	5	5	1,049	858	-	92	73	2	4	883	166	180
(Previous year)	933	3	133	31	-	(0)	1,038	796	3	91	31	-	(1)	858	180	137
Furniture and fixtures	82	-	0	1	16	(16)	81	61	-	7	1	14	(12)	69	12	21
(Previous year)	78	4	14	2	-	(12)	82	59	3	9	2	-	(8)	61	21	19
Office equipment	74	-	7	3	0	(0)	78	47	-	10	3	0	(0)	54	24	27
(Previous year)	57	1	15	3	-	4	74	36	1	13	2	-	(1)	47	27	21
Vehicle	0	-	0	-	0	(0)	0	0	-	0	-	0	(0)	0	0	-
(Previous year)	0	-	-	-	-	(0)	0	0	-	0	-	-	(0)	0	-	0
Improvement to leased premises	131	-	0	-	0	(0)	131	61	-	18	-	0	(0)	79	52	70
(Previous year)	54	7	71	-	-	(1)	131	53	2	4	-	-	2	61	70	1
Total	1,325	-	81	77	21	(11)	1,339	1,027	-	127	77	16	(8)	1,085	254	298
Previous Year	1,122	15	233	36	-	(9)	1,325	944	9	117	35	-	(8)	1,027	298	178
3B. Intangible Assets (Other than internally generated)																
Computer software	517	-	57	10	5	(3)	566	513	-	60	10	4	(3)	564	2	4
(Previous year)	447	-	72	-	-	(2)	517	440	-	75	-	-	(2)	513	4	7
Intellectual property rights	217	-	10	-	-	(6)	221	42	-	55	-	-	(2)	95	126	175
(Previous year)	34	176	0	-	-	7	217	8	-	34	-	-	0	42	175	26
Intangible Assets-Customer rights	175	-	0	-	-	(6)	169	108	-	51	-	-	(6)	153	16	67
(Previous year)	121	35	0	-	-	19	175	47	-	50	-	-	11	108	67	74
Intangible Assets-Licences	9	-	0	-	-	(0)	9	7	-	2	-	-	(0)	9	-	2
(Previous year)	9	-	0	-	-	0	9	3	-	4	-	-	0	7	2	6
Total	918	-	67	10	5	(15)	965	670	-	168	10	4	(11)	821	144	248
Previous Year	611	211	72	-	-	24	918	498	-	163	-	-	9	670	248	113

Note 4A - Deferred tax assets (net) :

Rs. in million

Particulars	As at March 31, 2019	As at March 31, 2018
Break up of deferred tax assets		
Provision for Employee benefits	**196**	126
Provision for Inventory and Trade receivables	**176**	91
Carried forward of business losses	**59**	61
Property, Plant & Equipment and Intangible assets	**62**	52
MAT credit entitlement	**18**	18
Cash flow hedging reserve	**-**	2
Others	**75**	68
Break up of deferred tax liability		
Cash flow hedging reserve	**(2)**	-
Others	**(0)**	-
Total	**584**	418

Note 4B - Deferred tax liablities (net) :

Rs. in million

Particulars	As at March 31, 2019	As at March 31, 2018
Others	**12**	13
Total	**12**	13

Note 5 - Other Assets :

(i) 0ther non current assets

Rs. in million

Particulars	As at March 31, 2019	As at March 31, 2018
Capital advances		
Considered good	**1**	1
Considered doubtful	**0**	0
	1	1
Provision for doubtful advances	**0**	0
	1	1
Prepaid expenses	**69**	26
Balance with Government authorities	**210**	194
Total	**280**	221

(ii) 0ther current assets

Rs. in million

Particulars	As at March 31, 2019	March 31, 2018
Considered good	**121**	162
Considered doubtful	**-**	1
	121	163
Provision for doubtful advances	**-**	1
	121	162
Loans and advances to employees	**46**	38
Balance with Government authorities	**133**	70
Prepaid expenses	**78**	103
Contract Assets	**380**	-
Total	**758**	373

Note 6 - Inventories :

Rs. in million

Particulars	As at March 31, 2019	March 31, 2018
Others - Stock of IT equipments, purchased software (Consumed in IT projects) and others	55	94
(Valued at lower of cost and net realizable value)		
Total	55	94

Note 7 - Trade receivables :

Rs. in million

Particulars	As at March 31, 2019	March 31, 2018
Trade Receivables (Unsecured)		
- Considered good*	**4,026**	3,580
- Considered doubtful	**496**	242
Total	**4,522**	3,822
Less: Provision for doubtful trade receivables	**496**	242
Total	**4,026**	3,580

* Net of Advances aggregating to Rs. 149 million (Previous Year: Rs. 193 million) pending adjustments with invoices

Note 8 - Cash and cash equivalents :

Rs. in million

Particulars	As at March 31, 2019	March 31, 2018
Cash on hand	**1**	0
Remittances in transit	**0**	153
Balances with banks:		
- In current accounts	**1,198**	1,087
	1,199	1,240

Note 9 - Other balances with bank :

Rs. in million

Particulars	As at March 31, 2019	As at March 31, 2018
Earmarked balances with bank		
-Balance held under Escrow account	**29**	34
Balances held as Margin Money/Security towards obtaining Bank Guarantees	**54**	8
Remittances in transit (More than three months)	**86**	-
Total	**169**	42

Note -10 Other Financial assets

(i) 0ther non current financial assets

Rs. in million

Particulars	As at March 31, 2019	As at March 31, 2018
Security deposits	**54**	74
Considered doubtful	**2**	2
	56	76
Provision for doubtful security deposit	**2**	2
	54	74
Balances held as Margin Money/Security towards obtaining Bank Guarantees	**24**	69
Total	**78**	143

(ii) 0ther current financial assets

Rs. in million

Particulars	As at March 31, 2019	As at March 31, 2018
Unbilled Revenue (Net of provision of Rs. Nil million (previous year: Rs. 14 million))	**1,567**	1,509
Fair values of foreign exchange forward contracts	**33**	2
Security deposits	**53**	4
Interest accrued	**1**	1
Total	**1,654**	1,516

Note 11 -Equity Share capital :

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number	**Rs. in million**	Number	Rs. in million
(a) Authorised :				
Equity shares of Rs. 10 each	**25,500,000**	**255**	25,500,000	255
Series A 0.001% fully convertible non-cumulative preference shares of Rs. 10 each	**8,000,000**	**80**	8,000,000	80
(b) Issued, subscribed and fully paid up :				
Equity shares of Rs. 10 each fully paid up	**21,869,000**	**219**	21,720,364	217
Add: Shares issued from treasury stock	**-**	**-**	148,636	2
Total	**21,869,000**	**219**	21,869,000	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			
	March 31, 2019		**March 31, 2018**	
	Number	**Rs. in million**	Number	Rs. in million
Equity Shares				
Opening Balance	**21,869,000**	**219**	21,720,364	217
Add: Shares issue from treasury stock lying with ESOP trust during the year	**-**	**-**	148,636	2
Closing Balance	**21,869,000**	**219**	21,869,000	219

(ii) Terms, rights and restrictions attached to:

Equity Shares:

The Company has equity shares having par value of Rs. 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 fully convertible non-cumulative redeemable preference shares having a par value of Rs. 10 per share. Non-cumulative redeemable preference shares carry cumulative dividend @ 0.001 % per annum.

(iii) Details of shares held by the holding company

Particulars	Number of Shares as at	
	March 31, 2019	March 31, 2018
	21,866,906	21,835,698
Tech Mahindra Limited		

(iv) Details of equity shares held by shareholder holding more than 5%:

Name of shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	**% of Holding #**	No. of Shares	% of Holding #
Equity shares of Rs. 10 each fully paid up				
Tech Mahindra Limited	21,866,906	99.99%	21,835,698	99.85%

This percentage of holding is presented with reference to Issued, Subscribed and Paid up.

Note 12 - Other Equity :

Rs. in million

Particulars	As at March 31, 2019		March 31, 2018	
Securities premium account				
Opening balance	**567**		552	
Add: Addition on account of issue of treasury shares	**-**		15	
Closing balance		**567**		567
Capital Reserve				
Opening balance	**53**		-	
Add: Additions on issue of treasury stock#	**-**		53	
Closing balance		**53**		53
Hedging Reserve (Refer Note 27)				
Opening balance	**(2)**		13	
Add/(Less): change in fair value of forward contracts (net)	**6**		(15)	
Closing balance		**4**		(2)
Foreign Currency Translation Reserve				
Opening balance	**27**		33	
Less: Foreign currency translation for the year	**17**		(6)	
Closing balance		**44**		27
Surplus in the statement of profit and loss				
Opening balance	**4,259**		3,657	
Less: Transfer from non controlling interest	**(80)**		-	
Add: Profit for the year	**493**		601	
Add/(Less): Other comprehensive income	**(18)**		1	
Closing balance		**4,654**		4,259
Statutory Reserve*		**0**		0
Total		**5,322**		**4,904**

*In accordance with the Memorandum and Articles of Association, the Company, Comviva Technologies FZ LLC, has established a statutory reserve by appropriation of 10% of net profit for each year until the reserve equals 50% of the share capital. This reserve is not available for distribution, except in the circumstances stipulated by the Memorandum and Articles of Association. No further transfer is required as the reserve is equal to 50% of share capital as at March 31, 2019.

This denotes profit on sale of 148,636 equity shares lying as treasury shares with ESOP Trust to Tech Mahindra Limited (holding company).

Note 13 -Borrowings :

Rs. in million

Particulars	**As at March 31, 2019**	March 31, 2018
Secured		
From bank (Secured by book debt, inventory, fixed deposits and guarantee)	**1,722**	1,329
Working Capital Demand Loan	**280**	-
Unsecured		
From related parties (Refer Note 25)	**71**	65
Total	**2,073**	**1,394**

Note 14 -Provisions :

(i) Long-term provision

Rs. in million

Particulars	**As at March 31, 2019**	March 31, 2018
Provision for employee benefits		
- Gratuity (Refer Note 22)	**142**	128
- Compensated absences	**36**	54
Total	**178**	**182**

(ii) Short-term provisions

Rs. in million

Particulars	**As at March 31, 2019**	March 31, 2018
Provision for employee benefits		
- Gratuity (Refer Note 22)	**23**	13
- Compensated absences	**69**	63
	92	76
Provision for warranties (Refer Note 29)	**7**	9
Total	**99**	**85**

Note 15 - Other liabilities :

(i) Non-current liabilities

Rs. in million

Particulars	**As at March 31, 2019**	March 31, 2018
Unearned revenue	**54**	45
Total	**54**	**45**

(ii) Current liabilities

Rs. in million

Particulars	**As at** March 31, 2019	March 31, 2018
Unearned revenue	78	181
Statutory remittances	131	146
Advance from customers	218	243
Total	**427**	**570**

Note 16 - Trade payables :

Rs. in million

Particulars	**As at** **March 31, 2019**	March 31, 2018
Trade payables other than Accrued Salaries and Benefits	**1,545**	1,640
Creditors for supplies / services under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)*	**0**	58
Accrued Salaries and Benefits	**306**	326
Total	**1,851**	**2,024**

*Refer Note 36 for Disclosures under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

Note 17 - Other Financials liabilities:

(i) Other Financial Liabilities : Non Current

Rs. in million

Particulars	**As at** **March 31, 2019**	March 31, 2018
Contingent Contractual Obligation	**173**	130
Accrued Salaries and Benefits	**90**	-
Total	**263**	**130**

(ii) Other Financial Liabilities : Current

Rs. in million

Particulars	**As at** **March 31, 2019**	March 31, 2018
Current maturities of long term borrowings (unsecured)	**-**	3
Contingent Contractual Obligation	**-**	96
Payables on purchase of property, plant and equipment	**52**	81
Interest accrued	**29**	16
Total	**81**	**196**

Note 18 - Revenue from operations :

Rs. in million

Particulars	**For the the year ended March 31, 2019**	For the year ended March 31, 2018
Income from Comviva Product and related managed support		
Licence Fee with Implementation and other services*	**4,668**	4,178
Revenue sharing arrangements	**2,060**	2,091
Annual maintenance contract services	**1,764**	1,700
	8,492	7,969
Income from sale of equipments and software (third party)**	**641**	603
Total	**9,133**	8,572

* Includes revenue in respect of time & material and Managed Services Contracts.

** 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 equipments, softwares and other items (Refer Note 21)

Note 19 - Other income (net):

Rs. in million

Particulars	**For the the year ended March 31, 2019**	For the year ended March 31, 2018
Interest income	**25**	5
Dividend income	**0**	0
Exchange gain (net)	**-**	164
Profit on sale of current investments	**-**	1
Sundry Balances written back	**81**	46
Miscellaneous Income	**3**	12
Total	**109**	228

Note 20. Employee benefits expense :

Rs. in million

Particulars	**For the the year ended March 31, 2019**	For the year ended March 31, 2018
Salaries, wages and bonus	**2,951**	2,781
Contribution to provident and other funds (Refer Note 22)	**243**	238
Staff Welfare Expenses	**109**	85
Total	**3,303**	3,104

Note 21. Operating and other expense:

Rs. in million

Particulars		**For the the year ended March 31, 2019**		For the year ended March 31, 2018
Cost of hardware equipment, softwares and other items		**1,216**		1,059
Royalty and software charges		**885**		1,034
Travelling and conveyance		**496**		450
Freight and forwarding charges		**12**		16
Recruitment Expenses		**9**		5
Power and fuel		**31**		34
Rent		**168**		189
Rates and taxes		**73**		102
Insurance		**48**		57
Repairs and maintenance:				
Machinery and computers	**12**		29	
Building	**52**		57	
Others	**127**		94	
		191		180
Advertising and sales promotion		**103**		158
Communication costs		**64**		68
Profit on sale of property, plant and equipment		**(0)**		(1)
Corporate Social Responsibility		**23**		23
Legal and professional fees		**173**		163
Conference expenses		**35**		34
Hyperinflation Adjustment on net monetary position		**25**		-
General office expenses		**24**		28
Provision for doubtful debts (net)		**262**		124
Exchange loss (net)		**208**		-
Miscellaneous expenses (including warranty) (Refer Note 29)		**28**		33
Total		**4,074**		3,756

22. Employee Benefits

a) Defined Contribution Plan

Amounts recognised as an expense in the Statement of Profit and Loss in respect of defined contribution plan is Rs. 201 million (year ended March 31, 2018 : Rs. 200 million).

b) Provident Fund

The Company makes Provident fund contributions for eligible employees to the trust administrated by the Board of trustees at a specified percentage of the salary components. In respect of Provident fund contributions, the Company is liable for annual contribution and any deficiency in interest cost compared to interest computed based on the rate of interest declared by the Central Government under the Employees' Provident Fund Scheme, 1952. In addition to such contributions, the Company also recognises potential deficiency in interest, if any, computed as per actuarial valuation of interest as an expense in the year it is determined. As of March 31, 2019, the fair value of the assets of the fund and the accumulated members' corpus is Rs. 1048 million (March 31, 2018 Rs. 901 million) and Rs. 587 million (March 31, 2018 Rs.503 million) respectively. In accordance with an actuarial valuation, there is no deficiency in the interest cost as the present value of the expected future earnings on the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest of 8.65% with a expected shortfall of 0.05%. The actuarial assumptions include discount rate of 7.66%. The Company recognised Rs. 68 million (March 31, 2018: Rs. 63 million) for provident fund contributions in the statement of profit and loss.

b) Defined Benefit Plan - Gratuity

i) The Defined Benefit Plan comprises of Gratuity.

ii) Gratuity is a benefit to an employee based on 15 days last drawn salary for each completed year of service.

iii) The defined benefit plan is funded.

iv) Actuarial gains and losses in respect of defined benefit plans are recognised in other comprehensive income.

I] Changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows :

Rs. in million

Particulars	**As at March 31, 2019**	As at March 31, 2018
Present Value of Defined Benefit Obligation as at the beginning of the year	**151**	133
Service Cost	**33**	31
Interest cost	**10**	8
Benefits Paid	**(28)**	(20)
Actuarial (gain)/loss - experience	**2**	2
Actuarial (gain)/loss - demographic assumptions	**-**	0
Actuarial (gain)/loss - financial assumptions	**2**	(3)
Present Value of Defined Benefit Obligation as at the end of the year	**170**	151

II] Change in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows :

Rs. in million

Particulars	**As at March 31, 2019**	As at March 31, 2018
Opening fair value of plan assets	**10**	9
Interest income on plan assets	**1**	1
Contributions by employer	**8**	19
Benefits Paid	**(13)**	(19)
Remeasurement- Return on plan assets excluding amount included in interest income	**(1)**	(0)
Closing fair value of plan assets as at end of the year	**5**	10

III] Reconciliation of Present Value of Defined Benefit Obligation and fair value of plan assets showing amount recognised in the Balance Sheet :

Net defined benefit Asset/(Liability) Rs. in million

Particulars	**As at March 31, 2019**	As at March 31, 2018
Net defined benefit asset/(liability) at end of prior period	**(141)**	(124)
Service Cost	**(33)**	(31)
Net interest on net defined benefit liability/(asset)	**(9)**	(7)
Amount recognised in OCI	**(5)**	1
Employer contribution	**8**	19
Benefits Paid (Net)	**15**	1
Net defined benefit Asset/(Liability) recognised in Balance Sheet	**(165)**	(141)

IV] Components of employer expenses recognised in the Statement of Profit and Loss:

Rs. in million

Particulars	**For the year ended March 31, 2019**	For the year ended March 31, 2018
Service Cost	**33**	31
Interest cost	**10**	8
Expected return on plan assets	**(1)**	(1)
Total expense recognised in the Statement of Profit & Loss	**42**	38

V] Components of employer expenses recognised in the other comprehensive income:

Rs. in million

Particulars	**For the year ended March 31, 2019**	For the year ended March 31, 2018
Actuarial (Gain)/Loss due to DBO experience	2	2
Actuarial (gain)/loss - demographic assumptions		0
Actuarial (Gain)/Loss due to DBO assumption changes	2	(3)
Remeasurement- Return on plan assets excluding amount included in interest income	1	0
Actuarial (Gain)/Loss recognised in OCI	**5**	(1)

VI] Assumptions

Particulars	**As at March 31, 2019**	As at March 31, 2018
Discount Rate	**7.10%**	7.30%
Salary Escalation Rate	**7.00%**	7.00%
Employee separation Rate	**16.00%**	16.00%

a) **Discount rate:** It is based upon the market yields available on Government Bonds at the accounting date with a term that matches that of the obligation.

b) **Salary Escalation Rate:** The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

c) **Employee separation Rate:** The assumption of Employee separation rate represents the company's expected experience of employee turnover.

VII] Sensitivity analysis

Rs. in million

Particulars	**As at March 31, 2019**	As at March 31, 2018
A: Discount rate		
1. Effect on DBO due to 0.5% increase in discount rate	**(4)**	(3)
2. Effect on DBO due to 0.5% decrease in discount rate	**4**	3
B: Salary Escalation Rate		
1. Effect on DBO due to 0.5% increase in Salary escalation rate	**4**	3
2. Effect on DBO due to 0.5% decrease in Salary escalation rate	**(3)**	(3)
C: Withdrawal Rate		
1. Effect on DBO due to 5% increase in withdrawal rate	**(1)**	(8)
2. Effect on DBO due to 5% decrease in withdrawal rate	**1**	(9)

Method used for sensitivity analysis: The sensitivity results above determine their individual impact on the Plan's end of year Defined Benefit Obligation. In reality, the Plan is subject to multiple external experience items which may move the Defined Benefit Obligation in similar or opposite directions, while the Plan's sensitivity to such changes can vary over time.

VIII] Expected benefit payments for the period ended (Rs. in million)

1. March 31, 2020	29
2. March 31, 2021	26
3. March 31, 2022	27
4. March 31, 2023	27
5. March 31, 2024	28
6. March 31, 2025 to March 31, 2029	135

IX] Expected employer contributions for the period ended March 31, 2020 (Rs. in million)	8
X] Weighted average duration of defined benefit obligation	6 years
XI] Accrued benefit obligation as at March 31, 2019 (Rs. in million)	116
XII] Vested benefit obligation as at March 31, 2019 (Rs. in million)	139

XIII] Plan asset information:

Particulars	**As at March 31, 2019**	As at March 31, 2018
Schemes of insurance - conventional products	**100%**	100%

XIV] Description of Plan characteristics and associated risks-

The Gratuity scheme is a final salary Defined Benefit Plan that provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The Plan design means the risks commonly affecting the liabilities and the financial results are expected to be:

1. Interest rate risk
2. Salary Inflation risk
3. Demographic risk

XV] Description of Funding arrangements and policies-

The Gratuity scheme of the company is funded by way of a separate irrevocable Trust and the company is expected to make regular contributions to the Trust. The fund is managed internally by the company and assets are invested in a combination of insurance funded arrangements as well as some assets directly invested in securities.

23. Leases

The Group has taken premises on 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, 2019 is Rs. 168 Million (year ended March 31, 2018 is Rs. 189 Million). The future lease payments of such operating lease are as follows:-

Rs. in million

Particulars	**As at March 31, 2019**	As at March 31, 2018
Minimum Lease Payments		
- Not later than one year	**53**	41
- Later than one year and not later than five years	**318**	11
- Later than five years	**-**	-

24. Segment Information

Ind AS 108 establishes standards for the way that companies report information about their operating segments and related disclosures, as applicable about products and services, geographic areas, and major customers.

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Group's chief operating decision maker is the Chief Executive Officer and Managing Director.

The group has identified geographic segment as reportable segment.

Geographical information on revenue is collated based on individual customers invoiced or in relation to which the revenue is otherwise recognized.

Information on reportable segments for the year ended March 31, 2019 is given below:

Operating Segments:

A) India

B) Rest of World

Rs. in million

Particulars	**For the year ended March 31, 2019**			For the year ended March 31, 2018		
	India	**Rest of the world**	**Total**	India	Rest of the world	Total
Revenue from operations	**1,195**	**7,938**	**9,133**	1,406	7,166	8,572
Total Segmental Revenue	**1,195**	**7,938**	**9,133**	1,406	7,166	8,572
Unallocable Expenses	**-**	**-**	**8,416**	-	-	7,827
Other Income (net)	**-**	**-**	**109**	-	-	228
Profit before tax	**-**	**-**	**826**	-	-	973
Tax expense	**-**	**-**	**347**	-	-	398
Profit after tax	**-**	**-**	**479**	-	-	575
Depreciation and Amortization Expenses	**-**	**-**	**295**	-	-	280

Rs. in million

Statement of Segment Assets and Liabilities	As at March 31, 2019	As at March 31, 2018
Segment Assets		
Trade Receivables		
India (without ECL)	**559**	865
Rest of the World	**3,467**	2,715
Total Trade Receivables	**4,026**	3,580
Unallocated Assets	**6,732**	6,194
Total Assets	**10,758**	9,774
Segment Liabilities		
Unallocable Liabilities	**5,217**	4,717
Total Liabilities	**5,217**	4,717

Note: Segregation of assets (except trade receivables), liabilities and other expenses into various geographic segments has not been done as the assets are used interchangeably between segments and Comviva is of the view that it is not practical to reasonably allocate liabilities and expenses to individual segments and an ad-hoc allocation will not be meaningful.

Information about major Customer:

1. Total revenue from rest of the world includes Rs. 2,476 million from two customers (year ended March 31, 2018: Rs. 2946 million from three customers).

25. Related Party Disclosure

a) Name of the related party and nature of relationship:

Name of the Related Party	Nature of Relationship
Tech Mahindra Limited	Holding company
Related parties with whom transactions during the year:	
PT Tech Mahindra Indonesia	Fellow subsidiary
Tech Mahindra Foundation	Fellow subsidiary
Tech Mahindra Nigeria Limited	Fellow subsidiary
LCC Middle East FZ- LLC	Fellow subsidiary
Tech Mahindra Guatemala, S.A.	Fellow subsidiary
Tech Mahindra Growth Factories Limited	Fellow subsidiary
Bharti Telesoft International Pvt. Ltd. Executive Providend Fund Trust	Post-employment benefit plan (Trust)
Bharti Telesoft Ltd. Employee Group Gratuity Trust	Post-employment benefit plan (Trust)
Key Management Personnel:	
Manoranjan Mohapatra	Chief Executive Officer
Neeraj Jain	Chief Financial Officer (From November 15, 2018)
Sriram Gopalakrishnan	Chief Financial Officer (Till November 8, 2018)

b) Transactions with Related Parties:

Rs. in million

Particulars	Transactions for the year ended March 31, 2019 Revenue/(Expense)						Balance as at March 31, 2019 Debit/(Credit)										
	Sales	Interest Expense	Cost of Goods/ Service (received)	Reimbursement of Expenses (Net)	Donation Given	Managerial Remuneration	Trade Receivable	Unbilled Revenue	Contract Asset	Trade Payables#	Loans	Other current assets	Prepaid Expenses	Interest Accrued	Deferred Revenue	Advance from Customers	Accrued benefit payable
<u>Holding Company</u>																	
¶Tech Mahindra Limited	176	-	-	(7)	-	-	179	131	18	(3)	-	-	-	-	(0)	(17)	-
<u>Fellow Subsidiaries</u>																	
PT Tech Mahindra Indonesia	76	-	-	-	-	-	20	55	-	-	-	-	-	-	-	(0)	-
Tech Mahindra Foundation	-	-	-	-	(13)	-	-	-	-	-	-	-	-	-	-	-	-
Tech Mahindra Nigeria Limited	1	(12)	-	-	-	-	29	0	-	-	(71)	-	-	(22)	-	(26)	-
LCC Middle East FZ- LLC	-	-	-	-	-	-	-	-	-	(0)	-	-	-	-	-	-	-
Tech Mahindra Guatemala, S.A.	29	-	-	-	-	-	29	33	7	-	-	-	-	-	-	-	-
Tech Mahindra Growth Factories Limited	-	-	(6)	1	-	-	1	-	-	(0)	-	-	-	-	-	-	-
<u>Key Management Personnel*</u>																	
Manoranjan Mohapatra	-	-	-	-	-	(31)	-	-	-	-	-	-	-	-	-	-	(4)
Neeraj Jain	-	-	-	-	-	(4)	-	-	-	-	-	-	-	-	-	-	(1)
Sriram Gopalakrishnan	-	-	-	-	-	(8)	-	-	-	-	-	-	-	-	-	-	(1)

Rs. in million

Particulars	Transactions for the year ended March 31, 2018 Revenue/(Expense)						Balance As at March 31, 2018 Debit/(Credit)									
	Sales	Interest Expense	Reimbursement of Expenses (Net)	Donation Given	Loan taken	Managerial Remuneration	Trade Receivable	Unbilled Revenue	Trade Payables#	Loans	Other current assets	Prepaid Expenses	Interest Accrued	Deferred Revenue	Advance from Customers	Accrued benefit payable
Holding Company																
Tech Mahindra Limited	297	-	(11)	-	-	-	128	120	(1)	-	0	0	-	(7)	-	-
Fellow Subsidiaries																
PT Tech Mahindra Indonesia	-	-	-	-	-	-	-	0	-	-	-		-	(0)	-	-
Tech Mahindra Foundation	-	-	-	(13)	-	-	-	-	-	-	-	-	-	-	-	-
Tech Mahindra Nigeria Limited	2	(8)	-	-	(44)	-	27	-	-	(65)	-	-	(10)	-	(23)	
LCC Middle East FZ- LLC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tech Mahindra Guatemala, S.A.	32	-	-	-	-	-	28	4	-	-	-	-	-	-	-	-
Key Management Personnel*																
Manoranjan Mohapatra	-	-	-	-	-	(31)	-	-	-	-	-	-	-	-	-	(8)
Sriram Gopalakrishnan	-	-	-	-	-	(15)	-	-	-	-	-	-	-	-	-	(3)

*The breakup of compensation of Key management personnel is as follows:

Rs. in million

Key Management Personnel	**Short-term employee benefits**	**Post-employment benefits****	**Other long-term benefits****	**Termination benefits**	**Total**
Manoranjan Mohapatra	31	-	-	-	**31**
	[31]	[-]	[-]	[-]	**[31]**
Neeraj Jain	4	-	-	-	**4**
	[-]	[-]	[-]	[-]	**[-]**
Sriram Gopalakrishnan	8	-	-	-	**8**
	[15]	[-]	[-]	[-]	**[15]**

** Employment benefits comprising gratuity, and compensated absences are not disclosed as these are determined for the company as a whole.

Figures in brackets ‘’[ ]” are for year ended March 31, 2018.

Trade payables includes creditors for capital goods.

26 Contingent Liabilities and Commitments:

(i) Contingent Liabilities:

Rs. in million

Sr. No.	**Particulars**	**As at March 31, 2019**	As at March 31, 2018
1	Bank Guarantees	**72**	67
2	Corporate Guarantee*	**1,902**	1,792
3	Income tax matters (Refer Note I)	**461**	392
4	Indirect tax matters (Refer Note II)	**424**	423
5	Other claims against the company not acknowledged as debts (Refer Note III)	**50**	46

*Corporate Guarantee of USD 28 million (Rs.1,919 million) given to the bank for availing credit facility by Comviva Technologies B.V. (100% subsidiary of the company).

Note:

I Income Tax Matter:

a) Demand from Income Tax Authorities for Assessment year 2005-06 (from Assistant Commissioner of Income Tax) Rs. 3 million (March 31, 2018 Rs. 3 million) against which company has paid Rs. 2 million (March 31, 2018 - Rs. 2 million) under protest.

b) Demand from Income Tax Authorities for Assessment year 2006-07 (from Assistant Commissioner of Income Tax) Rs. 2 million (March 31, 2018 Rs. 2 million)

c) Demand from Income Tax Authorities for Assessment year 2007-08 u/s 154 (from Assistant Commissioner of Income tax) Rs. 3 million (March 31, 2018 Rs. 3 million) against which company has paid Rs. 2 million (March 31, 2018 Rs. 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 Assessing Officer (AO) for Rs. 58 Million (March 31, 2018 Rs. 58 Million). The Company had filed an appeal before the CIT(A) and the ITAT on the disallowances made by the AO and got favourable orders from both the authorities. However on disallowance under section 14A, ITAT referred back the matter to AO and the AO vide his order dated March 28, 2017 upheld the additions. The Company filed a rectification application before the AO and an appeal before the CIT(A). The CIT(A) vide his order dated January 31, 2019 upheld the disallowance under section 14A of approx. Rs 3 million. The rectification application is yet to be disposed of by the AO.

e) DR Congo tax authorities has raised tax demands (including interest and penalties) by issuing AMR's for the year's 2012-2018 on account of late deposit of tax returns, VAT and WHT notices for an amount of CDF 230 million (Rs 10 million) (March 31, 2018: CDF 166 million (Rs. 7 million) net of provision. Recovery of these AMR's have been done from our bank account as well as from our customers. We are in the process of discussions with the tax authorities. The Company believes that the tax demand is erroneous and will not sustain in the appeal before the appellate authorities.

f) The Company has received an order u/s 143(3) from the AO for Assessment year 2012-13 wherein the AO gave short credit of the prepaid taxes of Rs. 196 million resulting in a demand of Rs.134 million (March 31, 2018 Rs. 134 million). The Company has filed a rectification application u/s 154 before the AO on April 4, 2016 and appeal before CIT (A) on April 14, 2016. For this year we have received the order from the CIT(A) dated 10 July 2017 wherein the CIT(A) has redirected the AO to verify the tax credits.

g) Demand from Income tax Authorities (Federal Inland Revenue Service) for the Assessment year 2011-12 and 2012-13 for payment of additional income tax for NGN 50 million (Rs 11 million) (March 31, 2018 NGN 50 million (Rs 11 million)).The company has filed an objection letter with the respective tax department and appeal before Income Tax Appellant Tribunal against the said demand on March 29, 2016.

h) The Chad Income tax authorities have raised the tax demand for the year 2014 and the company has disclosed contingent liability of XAF 351 million (Rs 39 million) (March 31,2018 : XAF 357 million, Rs. 43 million). The company has filed an appeal against the final order in June 2018 and deposited 15% of the disputed tax demand with the tax authorities in April 2018.

i) The Chad Income tax authorities have revised the tax demand to XAF 24 million (Rs 3 million) (March 31,2018 : XAF 24 million, Rs 3 million) for the year 2015 vide final order dated March 15, 2018. The company has filed an appeal against the final order in June 2018 and deposited 15% of the disputed tax demand with the tax authorities in April 2018.

j) The Company has received an order u/s 143(3) from the AO for Assessment year 2013-14 with adjustments in the returned income and short grant of prepaid taxes . Consequently there is reduction in refund of Rs 29 million. The Company has filled appeal before CIT (A) on January 27, 2017 and has furnished additional evidences to the CIT(A) in the last hearing dated 25 March 2019 The order is still awaited from the CIT(A) on this matter.

k) The Company has received an order u/s 143(3) from the AO for Assessment year 2014-15 with adjustments in the returned income and short grant of prepaid taxes. Consequently there is reduction in refund of Rs 119 Million. The Company has filled appeal before CIT (A) on January 27, 2017 and has furnished additional evidences to the CIT(A) in the last hearing dated 25 March 2019 The order is still awaited from the CIT(A) on this matter.

l) The company has received a draft order from Republique du Congo for the calendar year 2012, 2013 and 2014, Officer has raised tax demand including penalties for corporate tax, VAT and WHT matters. The company is in the process of filing an appeal with the authorities and the company has disclosed contingent liability XAF 277 million (Rs. 31 million) (March 31,2018 : XAF 277 million, Rs 33 million).

m) Demand from Income tax Authorities (Lagos Internal Revenue Services) for the years 2011 to 2016 on account of additional tax liabilities on account of PAYE taxes, WHT and State Development levy for NGN 44 million (Rs 10 million) including Interest and penalty of NGN 11 mn (Rs 2.5 million) (March 31,2018 : Nil).The company is in the process of filing an objection letter with the respective tax department. The date for the hearing of the case is May 21, 2019.

n) Tax demand of XOF 193 million (Rs. 23 million) (March 31, 2018 : NIL) has been raised in Burkina Faso for corporate tax, employer and apprenticeship tax, patent Tax, single tax on wages and salaries, VAT and applicable penalties from CY 2012 to CY 2018 as per the summary tax notice received from the tax authorities. We have not been provided with the complete backup notices for the tax demand raised by the tax authorities. The company is in the process of filing an objection letter with the tax department.

o) The company has received a tax demand of NGN 15 million for year 2017 and NGN 1.5 million for year 2018 (Rs. 4 million for year 2017 and 2018) (March 31,2018 : Nil) issued on Comviva Technologies Nigeria Limited on account of non filing of financial statements and tax return which was on account of non-availability of FRC number for the directors as prescribed by the Financial Reporting Council. The Company has got the financials signed and filed the same with the authorities.

p) The Company has received an order u/s 143(3) read with section 144C from the AO/ TPO for Assessment year 2015-16 with transfer pricing adjustment to the returned income for an amount of Rs. 12 million. The Company has filed an appeal before CIT(A) on March 1, 2019 and is pending for hearing.

q) The Company has received a draft tax order for CY 2016 from the Chad tax authorities with tax demand being raised for issues relating to VAT, WHT and Corporate Tax, payroll tax and penalties thereon for an amount of XAF 58 million (Rs. 7 million) in December 2018 (March 31, 2018 : NIL). We are awaiting for final draft from the authorities.

r) The Company has received a draft tax order from the Malawi tax authorities with tax demand being raised for issues relating to Corporate Tax and penalties thereon for an amount of MWK 187 million (Rs. 18 million) in March 2019 (March 31, 2018 : NIL). The Company is in the process of collating further details and filing objections before the Malawi tax authorities.

s) The Company has received a draft tax order from the Netherlands tax authorities with tax demand raised for VAT return filed for the period Sep to Dec 2018 for an amount of Euro 0.16 million (Rs. 12 million) in March 2019 (March 31, 2018 : NIL). The Company has filed objections before the Netherlands tax authorities and the order is still awaited in this regard.

II Indirect Tax Matter:

a) The Company has received an order from Commissioner of service tax confirming demand (including penalty of Rs. 204 million) for the financial years 2004-05 to 2007-08 amounting to Rs. 407 million (March 31, 2018 - Rs. 407 million). An amount of Rs. 15 million has been adjusted against the cenvat credit as a protest payment. The Company has filed an appeal before the Honorable Customs, Excise & Service Tax Appellate(CESTAT) and is pending hearing.

b) The Company has received an order u/s 6 (4Uma), 6 (8Chha, Aa) of the Value Added Tax Act, 1991 in Bangladesh containing arrear VAT Demand to the tune of BDT 18 Million (Rs.15 million). The demand relates to four financial years 2012-13 to 2015-16 VAT against the service received has not been deducted at source or remained unpaid. The Company has submitted the relevant information / documents with the Bangladesh Revenue Authority and the assessment is still pending with the authorities.

c) The company has received draft order from Gabon Tax office pursuant to article P 911 of general tax code (CGI) for the amount of XAF 20 million (Rs. 2 million). The officer has confirmed the demand for the Financial Years 2013-14 to 2017-18.

III Other Claims:

a) It includes demand from BSES, New Delhi amounting to Rs. 15 million (March 31, 2018 Rs 15 Million) and from BESCOM, Bangalore amounting to Rs. 7 million (March 31, 2018 Rs 7 Million).

b) Includes a claim of USD-0.6 million (Rs. 41 million) (March 31, 2018 USD-0.6 million (Rs. 39 million)) by a leading telecom customer in Africa. The Company has issued a credit note of Rs. 21 million (50% of the claim amount) as an interim settlement and provided for an amount of Rs. 10 million based on it's estimate of the liability and the balance amount is shown under contingent liabilities.

c) Includes a claim of KES-21 million (Rs. 15 million) (March 31, 2018 KES-22 million (Rs. 14 million)) by a leading telecom customer in Africa. The Company has issued a credit note of Rs 5 million (30% of the claim amount) as an interim settlement and the balance amount is shown under contingent liabilities.

d) Includes a claim of KES- 7 million (Rs. 5 million) (March 31, 2018 KES- 7 Million (Rs. 4 million)) by a leading telecom customer in Africa. The Company believes that it is not liable for this claim and accordingly responded to the customer on November 19, 2015 to which the Company has not received any reply as at March 31, 2018.

e) The Supreme Court on 28 February 2019 has provided its judgement regarding inclusion of other allowances such as travel allowances, special allowances, etc within the expression 'basic wages' for the purpose of computation of contribution of provident fund under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952. There are interpretive challenges on the application of the Supreme Court Judgement including the period from which judgment would apply, consequential implications on resigned employees etc. Further, various stakeholders have also filed representations with Provident fund authorities. All these factors raises significant uncertainty regarding the implementation of the Supreme Court Judgement. Owing to the aforesaid uncertainty and pending clarification from regulatory authorities in this regard, the Company has not recognised provision for the provident fund contribution. The Company has recognised a contingent liability of Rs. 2 million (March 31, 2018 Nil) in respect of the same.

(ii) Commitments :

Rs. in million

Sr. No.	**Particulars**	**As at March 31, 2019**	As at March 31, 2018
1	Estimated amount of contracts remaining to be executed on capital account and not provided for	**29**	66

27 Financial Instruments

I] Financial instruments by category

The carrying value of financial instruments by categories as at March 31, 2019 were as follows:

Rs. in million

Particulars	**Amortised cost**	**Financial assets/ liabilities at fair value through profit or loss**	**Financial assets at fair value through OCI**	**Total carrying value**
Assets:				
Cash and cash equivalents (Refer Note 8)	1,199	-	-	1,199
Other balances with banks (Refer Note 9)	169	-	-	169
Trade receivables (Refer Note 7)	4,026	-	-	4,026
Other financial assets (Refer Note 10(i) and 10(ii))	1,699	28	5	1,732
Total	**7,093**	**28**	**5**	**7,126**
Liabilities:				
Trade payables (Refer note 16)	1,851	-	-	1,851
Borrowings (Refer Note 13)	2,073	-	-	2,073
Other financial liabilities (Refer Note 17(i) and 17(ii))	344	-	-	344
Total	**4,268**	**-**	**-**	**4,268**

The carrying value of financial instruments by categories as at March 31, 2018 were as follows:

Rs. in million

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets at fair value through OCI	Total carrying value
Assets:				
Cash and cash equivalents (Refer Note 8)	1,240	-	-	1,240
Other balances with banks (Refer Note 9)	42	-	-	42
Trade receivables (Refer Note 7)	3,580	-	-	3,580
Other financial assets (Refer Note 10(i) and 10(ii))	1,657	6	(4)	1,659
Total	6,519	6	(4)	6,521
Liabilities:				
Trade payables (Refer note 16)	2,024	-	-	2,024
Borrowings (Refer Note 13)	1,394	-	-	1,394
Other financial liabilities (Refer Note 17(i) and 17(ii))	100	226	-	326
Total	3,518	226	-	3,744

II] Fair Value Hierarchy

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosure are required):

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at March 31, 2019:

Rs. in million

Particulars	As at March 31, 2019	Fair value measurement As at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Derivative financial instruments - foreign currency forward contracts	**33**	**-**	**33**	**-**
Liabilities				
Contingent Contractual Obligation	**-**	**-**	**-**	**-**
Derivative financial instruments - foreign currency forward contracts	**-**	**-**	**-**	**-**

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at March 31, 2018:

Rs. in million

Particulars	As at March 31, 2018	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Derivative financial instruments - foreign currency forward contracts	2	-	2	-
Liabilities				
Contingent Contractual Obligation	226	-	-	226

III] Financial Risk Management

Financial Risk Factors

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Group is foreign exchange risk. The Group uses derivative financial instruments to mitigate foreign exchange related risk exposures.

(i) Market Risk

Market risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Group's exposure to market risk is primarily on account of foreign currency exchange rate risk.

Foreign currency exchange rate risk

The Group revenue is denominated majorly in USD and EUR. The majority of the costs are in Indian rupee. This exposes the Group to currency fluctuation risk. The Group holds derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace. These forward contracts period lies between 1 day to 1 year.

The following are the outstanding USD/EUR : INR currency exchange contracts entered into by the company which have been designated as cash flow hedges:

Currency	Amount outstanding as at March 31, 2019 in foreign currency	Fair value Gain/(loss) in Rs.	Amount outstanding as at March 31, 2019 in Rs.	No. of Contracts
In USD	21 million	29 million	1,475 million	16 Contracts
	(March 31, 2018: 21 mn)	(March 31, 2018: 10 mn)	(March 31, 2018: 1365 mn)	(March 31, 2018: 20 Contracts)
In Euro	0.5 million	4 million	39 million	1 Contract
	(March 31, 2018: 2 mn)	(March 31, 2018: (8) mn)	(March 31, 2018: 197 mn)	(March 31, 2018: 5 Contracts)

(ii) Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled revenue, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Group result in material concentration of credit risk.

Credit Risk Exposure

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was Rs. 5,725 million, Rs. 5,237 million as at March 31, 2019, March 31, 2018 respectively, being the total of the carrying amount of trade receivables, unbilled revenue and other financial assets. In addition, the Group is exposed to credit risk in relation to financial guarantees given to banks provided by the Group. The Group's maximum exposure in this respect is the maximum amount the Group would have to pay if the guarantee is called on. Refer Note 26(i).

Trade receivable

Ind AS requires expected credit losses to be measured through a loss allowance. The Group assesses at each date of statements of financial position whether a financial asset or a group of financial assets is impaired. The Group recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. Group's exposure to customers is diversified. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. Movement in the Expected credit loss allowance:

		Rs. in Million
Particulars	**As at March 31, 2019**	As at March 31, 2018
Balance at the beginning of the year	**242**	348
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	**254**	(106)
Balance at the end of the year	**496**	242

(iii) Liquidity Risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligation. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of net debt (borrowings as detailed in note 13 offset by cash and bank balances) and total equity of the Group.

The Group is not subject to any externally imposed capital requirements.

The Group's risk management committee reviews the capital structure of the Group on an ongoing basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital.

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2019:

			Rs. in million
Particulars	**Less Than 1 Year**	**More than 1 year**	**Total**
Trade Payables	1,851	-	1,851
Other financial liabilities	81	263	344

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2018:

			Rs. in million
Particulars	**Less Than 1 Year**	**More than 1 year**	**Total**
Trade Payables	2,024	-	2,024
Other financial liabilities	196	130	326

IV] Details of foreign currency exposures that are not hedged by a derivative instrument or otherwise:-

Rs. in million

Particulars	Currency	**As at March 31, 2019**		As at March 31, 2018	
		Amount in Foreign Currency	**Amount in INR Currency**	Amount in Foreign Currency	Amount in INR Currency
Trade Receivables, Unbilled Debtors & Contract Assets	BDT	**2**	**1**	13	10
	CDF	**56**	**2**	78	3
	EUR	**6**	**499**	10	796
	GBP	**0**	**1**	0	6
	GHS	**0**	**4**	2	25
	KES	**10**	**7**	30	19
	MGA	**119**	**2**	1,747	36
	MWK	**43**	**4**	148	14
	RWF	**27**	**2**	91	7
	SCR	**0**	**0**	0	0
	QAR	**0**	**0**	0	1
	NGN	**0**	**0**	154	32
	IDR	**801**	**4**	-	-
	SLL	**78**	**1**	132	1
	AUD	**1**	**38**	-	-
	KWD	**0**	**58**	-	-
	TZS	**0**	**0**	1,281	37
	UGX	**9**	**0**	932	17
	USD	**17**	**1,199**	19	1,208
	XAF	**29**	**3**	341	41
	XOF	**111**	**13**	403	50
	ZMW	**1**	**4**	2	16
Other financial assets	AED	**-**	**-**	0	0
	AUD	**0**	**0**	0	0
	BDT	**7**	**5**	43	34
	CDF	**152**	**6**	138	6
	EUR	**0**	**31**	0	18
	GBP	**0**	**5**	0	1
	GHS	**0**	**1**	0	0
	KES	**7**	**5**	5	3
	HKD	**0**	**0**	0	0
	MGA	**116**	**2**	3,241	66
	XOF	**16**	**2**	-	-
	QAR	**0**	**1**	-	-
	MUR	**0**	**0**	(0)	(0)
	MYR	**-**	**-**	0	3
	RWF	**1**	**0**	3	0
	SGD	**0**	**0**	0	0
	SCR	**-**	**-**	1	5
	SLL	**466**	**4**	319	3
	TZS	**77**	**2**	-	-
	UGX	**-**	**-**	129	2
	USD	**3**	**197**	4	264
	XAF	**164**	**18**	1	0
	ZAR	**-**	**-**	(0)	(0)
	ZMW	**0**	**1**	0	0

Particulars	Currency	**As at March 31, 2019**		As at March 31, 2018	
		Amount in Foreign Currency	**Amount in INR Currency**	Amount in Foreign Currency	Amount in INR Currency
Trade Payables and Other financial liabilities	AED	**0**	**6**	0	5
	AUD	**4**	**172**	3	174
	BDT	**5**	**4**	5	4
	CDF	**26**	**1**	8	0
	EUR	**1**	**95**	1	74
	GBP	**0**	**4**	0	8
	GHS	**0**	**1**	0	3
	KES	**24**	**16**	2	2
	KWD	**0**	**100**	0	8
	LKR	**8**	**3**	10	4
	MGA	**0**	**0**	14	0
	MWK	**1**	**0**	5	0
	MYR	**0**	**0**	0	1
	RWF	**14**	**1**	11	1
	SCR	**0**	**1**	0	0
	SGD	**0**	**2**	0	4
	SLL	**125**	**1**	7	0
	QAR	**0**	**1**	0	2
	TZS	**44**	**1**	6	0
	MUR	**0**	**0**	-	-
	IDR	**455**	**2**	-	-
	UGX	**77**	**1**	49	1
	USD	**39**	**2,710**	33	2,179
	XAF	**290**	**33**	283	34
	XOF	**9**	**1**	379	47
	ZAR	**1**	**3**	0	2
	ZMW	**0**	**0**	0	0

Forex sensitivity analysis:

10% appreciation/depreciation of the respective foreign currencies with respect to functional currency of the Group would result in increase/decrease in the Group's profit before tax by approximately Rs. 184 million (Rs. 232 million as at March 31, 2018) for Trade Receivables, Unbilled Debtors & Contract Assets and Rs. 28 million as at March 31, 2019 (Rs. 41 million as at March 31, 2018) for other financial assets.

10% appreciation/depreciation of the respective foreign currencies with respect to functional currency of the Group would result in decrease/increase in the Group's profit before tax by approximately Rs. 316 million as at March 31, 2019 (Rs. 255 million as at March 31, 2018) for trade payables and Other financial liabilities.

28 Basic and Diluted Earning per share

Rs. in million except earning per share

Particulars	**For the year ended March 31, 2019**	For the year ended March 31, 2018
Nominal value per equity share	**10**	10
Profit for the year	**493**	601
Profit for the year attributable to equity shareholders	**493**	601
	No. of Shares	No. of Shares
Weighted average number of equity shares	**21,869,000**	21,724,436
Weighted average number of diluted equity shares	**21,869,000**	21,724,436
Earning Per Share- Basic	**22.56**	27.67
Earning Per Share- Diluted	**22.56**	27.67

29 Provision for warranty:

The movement in the said provision is summarized below:

Rs. in million

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	**9**	13
Add: Additional provision made during the year	**-**	-
Add: Addition on Acquisition	**-**	1
Less: Provision reversed during the year	**(2)**	(5)
Closing balance	**7**	9

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.

30 The Group has accounted as an expense of Rs. 7 million (year year ended March 31, 2018: Rs. 7 million) pertaining to amortised cost of stock options granted to certain employees of the group granted by Tech Mahindra Limited, its holding company. This cost is being accounted as an employee benefits expense.

31 There are no non-wholly owned subsidiaries that have material non-controlling interests.

32 Business Combinations:

A On Aug 31, 2017, Comviva Technologies B.V. through its 100% subsidiary Comviva Technologies (Australia) Pty. Ltd, has acquired 100% stake of Emagine International Holdings Pty. Ltd. and its subsidiary Emagine International Pty. Ltd., as per share purchase agreement entered dated Aug 31, 2017, for a consideration of AUD 9,529,849 (Rs. 482 Million) out of which AUD 4,614,849 (Rs. 236 Million) is based out on earnouts conditions. Purchase price allocated to the fair values of assets acquired and liabilities assumed includes value of customer contract as an Intangible asset and Intellectual property rights, which have been valued at AUD 697,211 (Rs.35 Million) and AUD 3,478,239 (Rs 176 Million) respectively, to be amortised over the period of 3 years and 4 years respectively. The difference between purchase consideration and net assets and the identified Intangible assets has been recognised as Goodwill and defered tax liability has also been created on customer relations and intellectual property rights and corresponding goodwill has been increased.

Purchase consideration paid for this acquisition has been allocated as follows:

Particulars	AUD in million	Rs. in million
Property, plant and equipment	0.13	6.39
Trade receivables	0.96	48.68
Cash and Bank	0.31	15.91
Deferred Tax Assets	0.43	21.87
Other Assets	1.56	78.80
Non current other assets	0.03	1.61
Non-Current liabilities	(0.34)	(17.34)
Deferred Tax Liabilities	(1.43)	(72.98)
Current liabilities	(1.80)	(91.23)
Net Assets Acquired	**(0.15)**	**(8.28)**
Intellectual property rights	3.48	175.92
Customer Relations	0.70	35.26
Goodwill	5.50	279.10
Purchase Consideration	**9.53**	**482.00**

33 Auditors Remuneration (Net of indirect taxes)

Rs. in million

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Audit Fees	**4**	4
For other services	**2**	-
For taxation matter	**1**	1
For reimbursement of expenses	**0**	-
Total	**7**	5

34 Corporate Social Responsibility:

a) Gross amount required to be spent by the Company Rs. 23 million during the year.

b) Amount spent during the year Rs. 23 million.

Particulars	In Cash	Yet to be paid in cash	Total
Construction/acquisition of any asset*	- (-)	- (-)	- (-)
On purposes other than Construction/ acquisition of any asset*	23 (23)	- (-)	23 (23)

* Numbers in brackets pertains to previous year.

35 Research & Development Expenditure under section 35(2AB) of the Income tax Act, 1961

The Company has incurred Research Development Expenditure during the year. Details are as follows:

Particulars	**For the year ended March 31, 2019**	For the year ended March 31, 2018
Revenue Expenditure	**317**	206
Capital Expenditure	**-**	74
Total	**317**	280

36 Disclosures under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

Rs. in million

Dues to micro and small suppliers	**As at March 31, 2019**	As at March 31, 2018
The amounts remaining unpaid to micro and small suppliers as at the end of the year:		
Principal	**0**	58
Interest	**-**	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year.	**-**	-
The amount of interest paid under the act beyond the appointed day during the year	**-**	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED	**-**	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	**-**	-
The amount of 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 enterprise for the purpose of disallowance as a deductible expenditure under the MSMED	**-**	-

The management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2019 and March 31, 2018 has been made in the financial statements based on information received and available with the Company.

37 Allocation of goodwill by segments as at March 31, 2019 and March 31, 2018 is as follows:

Rs. in million

Particulars	**As at March 31, 2019**	As at March 31, 2018
Australia	**268**	272
Americas	**115**	161
Rest of World	**16**	16
Total	**399**	449

Allocation of goodwill to cash-generating units:

Goodwill has been allocated for impairment testing purposes to their underlying geographical / segmental classification. The recoverable amount is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the management covering a year and over and an applicable discount rate.Allocation of goodwill to cash-generating units:

The management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount.

The key assumptions used are as follows:

Budgeted Projections: The values assigned to the assumption reflect past experience and are consistent with the management's plans for focusing operations in these markets. The management believes that the planned market share growth is reasonably achievable.

Price inflation: The values assigned to the key assumption are consistent with external sources of information.

38 Disclosures for Revenue from Contracts with Customers

a. Disaggregation of revenue

Revenue disaggregation by reportable segments is as follows:

Rs in million

Reportable Segment	**For the year ended March 31, 2019**
Licence Fee with Implementation and other services	**4,668**
Revenue sharing arrangements	**2,060**
Annual maintenance contract services	**1,764**
Income from sale of equipments and software (third party)	**641**
Total	**9,133**

Revenue disaggregation by geography is as follows:

Rs in million

Geography	**For the year ended March 31, 2019**
India	**1,195**
Rest of world	**7,938**
Total	**9,133**

b. Significant changes in the contract assets balances during the year ended March 31, 2019

Rs in million

Particulars	**For the year ended March 31, 2019**
Balances as on April 1, 2018	**277**
Add: Revenue recognised during the reporting period	**256**
Less: Invoiced during the period	**(141)**
Add/Less: Translation loss/(gain)	**(12)**
Balances as on March 31, 2019	**380**

c. Significant changes in the contract liabilities balances during the period ended March 31 2019:

Rs in million

Unearned Revenue	**For the year ended March 31, 2019**
Balances as on April 1, 2018	**226**
Less: Revenue recognised during the year	**(147)**
Add: Invoiced during the year but not recognised as revenues	**53**
Balances as on March 31, 2019	**132**

d. The following table provides information in respect of amount of revenue recognised in the statement of profit and loss with the contracted price showing separately each of the adjustments made to the contract price:

Rs in million

Particulars	**For the year ended March 31, 2019**
Contracted transaction for year ended March 31, 2019	**9,133**
Less: Adjustment for volume discount	**-**
Less: Adjustment for cash discount	**-**
Less: Adjustment for upfront discount	**-**
Less: Adjustment for penalties / liquidated damages	**-**
Revenue recognized in the statement of profit and loss for the period ended March 31, 2019	**9,133**

39 Income Tax Expense

Income tax expense in the statement of profit and loss comprises:

Rs. in million

Particulars	**For the year ended March 31, 2019**	For the year ended March 31, 2018
Current tax	**514**	461
Deferred tax	**(167)**	(63)
Income tax expense recognized in profit or loss	**347**	398
Deferred tax in other comprehensive income	**2**	(8)
Total tax expense recognized in total comprehensive income	**349**	390

The tax expense for the year can be reconciled to the accounting profit as follows:

Rs. in million

Particulars	**For the year ended March 31, 2019**	For the year ended March 31, 2018
Profit before Tax	**826**	973
Effective Tax Rate	**62%**	47%
Current tax (A)	**514**	461
Effective Deferred Tax Rate	**-20%**	-6%
Deferred tax(B)	**(167)**	(63)
Income tax expense recognised in profit or loss (A+B)	**347**	398
Enacted tax rate	**34.944%**	34.608%
Income tax expense calculated at Effective Tax Rate	**288**	337
Effect of expenses/income that are not admissible in determining taxable profit	**124**	88
Effect of differential overseas tax rates	**(110)**	(83)
Tax effect of losses in subsidiaries	**165**	140
Additional deduction on Research & Development expenditure	**(55)**	(93)
Others	**(65)**	9
Income tax expense recognised in profit or loss	**347**	398

Note: The tax rate used for the above reconciliations are the rates as applicable for the respective periods payable by corporate entities in India on taxable profits under the Indian tax laws.

40 Deferred Tax:

The following is the analysis of Deferred tax assets presented in the Balance Sheet:

Rs. in million

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax assets	**586**	418
Deferred tax liabilities	**(2)**	-
Deferred tax assets	**584**	418

The tax effect of significant timing differences that has resulted in deferred tax assets are given below:

Rs. in million

Particulars	For the year ended March 31, 2019					
	Opening balance	Recognised in Profit and loss	Recognised in OCI	Exchange rate difference	Addition on Business Combination	Closing balance
Provision for Employee benefits	126	68	2	-	-	196
Provision for Inventory and Trade receivables	91	85	-	-	-	176
Carried forward of business losses	61	(2)	-	-	-	59
Property, Plant & Equipment and Intangible assets	52	8	-	2	-	62
MAT credit entitlement	18	-	-	-	-	18
Others	68	7	-	-	-	75
Cash flow hedging reserve	2	0	(4)	-	-	(2)
Deferred Tax Assets	418	166	(2)	2	-	584

The following is the analysis of Deferred tax liabilities presented in the Balance Sheet:

Rs. in million

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax assets	**-**	-
Deferred tax liabilities	**12**	13
Deferred tax liabilities	**12**	13

The tax effect of significant timing differences that has resulted in deferred tax liabilities are given below:

Rs. in million

Particulars	For the year ended March 31, 2019					
	Opening Balance	Recognised in Profit and loss	Recognised in OCI	Exchange rate difference	Addition on Business Combination	Closing balance
Others	**13**	**(1)**	**-**	**-**	**-**	**12**
Deferred Tax Liabilities	**13**	**(1)**	**-**	**-**	**-**	**12**

The tax effect of significant timing differences that has resulted in deferred tax assets are given below:

Rs. in million

Particulars	For the year ended March 31, 2018					
	Opening balance	Recognised in Profit and loss	Recognised in OCI	Exchange rate difference	Addition on Business Combination	Closing balance
Provision for Employee benefits	101	25	0	-		126
Provision for Inventory and Trade receivables	133	(42)	-	-		91
Carried forward of business losses	69	(8)	-	-		61
Property, Plant & Equipment and Intangible assets	39	12	-	1		52
MAT credit entitlement	18	-	-	-		18
Others	29	27	-	-	12	68
Cash flow hedging reserve	(6)	(0)	8	-		2
Deferred Tax Assets	383	14	8	1	12	418

The tax effect of significant timing differences that has resulted in deferred tax liability are given below:

Rs. in million

Particulars	For the year ended March 31, 2018				
	Recognised in Profit and loss	Recognised in OCI	Exchange rate difference	Addition on Business Combination	Closing balance
Intangible assets on Acquisition	(62)	-	-	62	(0)
Others	13	-	-	-	13
Deferred Tax Liabilities	(49)	-	-	62	13

41 Disclosure for Hyperinflation adjustments as per Ind AS 29:

For the calculation of the hyperinflation adjustment of Subsidiary Company with functional Argentine Peso, the company uses the index calculated by the Argentine Federation of Professional Councils of Economic Sciences resulting from combining the National Consumer Price Index ("CPI") published by the National Institute of Statistics and Censuses of the Argentine Republic ("INDEC") with the IPIM.

Month	**Index**	**Coefficient**
Mar-18	133.1054	1.547323
Apr-18	136.7512	1.506072
May-18	139.5893	1.47545
Jun-18	144.8053	1.422304
Jul-18	149.2966	1.379516
Aug-18	155.1034	1.32787
Sep-18	165.2383	1.246425
Oct-18	174.1473	1.18266
Nov-18	179.6388	1.146507
Dec-18	184.2552	1.117782
Jan-19	189.6101	1.086214
Feb-19	196.7501	1.046795
Mar-19	205.9571	1

The consolidated effects of Ind AS 29 adjustment on the balances as of April 1, 2018 were as follows:

Particulars	Rs. in million
Increase/(Decrease) in Assets	4
(Increase)/Decrease in Liabilities	-
(Increase)/Decrease in Components of Equity	(4)

The effect of inflation on the Company's net monetary position in the consolidated income statements for the year ended March 31, 2019 were as follows:

Particulars	Rs. in million
Increase/(Decrease) in Assets	(40)
(Increase)/Decrease in Liabilities	-
(Increase)/Decrease in Components of Equity	15
Net monetary position impact (Income)/Loss	25

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
Comviva Technologies Limited

Tarun Gupta
Partner
Membership No.: 507892

C.P. Gurnani
Director

Ulhas N. Yargop
Director

Jagdish Mitra
Director

Rajat Mukherjee
Director

Sunita Umesh
Director

Vivek Satish Agarwal
Director

Manoranjan Mohapatra
Chief Executive Officer

Neeraj Jain
Chief Financial Officer

Parminder Singh Bakshi
Company Secretary

Place: Gurugram
Date: May 17, 2019

Place: New Delhi
Date: May 17, 2019

Comviva Technologies Limited
Form AOC-1
(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

Sr. No	Name of the subsidiary	The date since when subsidiary was acquired**	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Share capital	Reserves & surplus	Total assets	Total liabilities	Invest-ments	Turnover*	Profit/ (loss) before taxation*	Provision for taxation*#	Profit/ (loss) after taxation*	Proposed dividend	% of share-holding
1	Comviva Technologies Inc.	February 05, 2001	December 31	Subsidiary was disolved during the year.	-	-	-	-	-	-	-	-	-	-	100%
2	Comviva Technologies Nigeria Limited	March 23, 2011	-	NGN/0.226033665631639	155	(70)	358	274	13	98	14	3.64	10.25	-	100%
3	Comviva Technologies Singapore Pte. Ltd.	September 8, 2011	-	SGD/51.063	29	(14)	69	54	-	12	(5)	-1.13	-3.73	-	100%
4	Comviva Technologies FZ-LLC	February 19, 2012	-	AED/18.825	1	235	907	672	-	1,241	17	-	17.46	-	100%
5	Hedonmark {Management Services} Limited	November 20, 2014	-	NGN/0.226033665631639	1	(311)	9	319	-	11	(18)	39.16	-57.40	-	75%
6	Comviva Technologies B.V.	April 30, 2015	-	EUR/77.681	1	(297)	1,908	2,205	435	617	(185)	-7.84	-176.71	-	100%
7	Terra Payment Services (Netherlands) B.V.	July 3, 2015	-	EUR/77.681	198	(164)	208	174	77	3	(26)	-	-26.37	-	100%
8	Mobex Money Transfer Services Limited	December 16, 2015	-	KES/0.686742800397219	17	(1)	18	2	-	-	(1)	-0.30	-0.69	-	100%
9	Terra Payment Services (Tanzania) Limited-	March 10, 2016	-	TZS/0.029976159514521	-	(4)	2	7	-	-	(3)	-	-3.28	-	100%
10	Terra Payment Services (Uganda) Limited	March 11, 2016	-	UGX/0.0186301185344828	1	(2)	39	40	-	-	3	0.00	3.39	-	100%
11	Terra Payment Services South Africa (PTY) Ltd.	October 30, 2014	-	ZAR/4.7735	-	22	24	2	-	-	(1)	-	-1.36	-	100%
12	Terra Payment Services (Mauritius)	January 19, 2017	-	USD/69.155	2	(16)	128	142	-	121	(2)	-	-2.43	-	100%
13	Terra Payment Services (UK) Limited	August 5, 2016	-	GBP/90.413	15	(12)	49	46	-	40	(10)	-	-9.70	-	100%
14	Terra Payment Services Botswana (PTY) Limited	July 13, 2016	-	BWP/6.403753	0	(1)	0	1	-	-	(0)	-	-0.41	-	100%
15	Terra Payment Services S.A.R.L. -(Congo B)	June 29, 2016	-	XAF/0.11232113563644	-	(1)	0	1	-	-	(1)	-	-0.57	-	100%
16	Terra Payment Services S.A.R.L. -(DRC)	July 5, 2016	-	CDF/0.0425046097111248	1	(0)	3	3	-	-	(1)	-	-0.66	-	100%
17	Terra Payment Services S.A.R.L. -(Senegal)	June 20, 2016	-	XOF/0.119181387333046	0	(0)	0	0	-	-	(0)	-	-0.16	-	100%
18	Comviva Technologies (Argentina) S.A. (formerly, ATS Advanced Technology Solutions S.A.)	January 31, 2016	June 30	ARS/1.593548	72	(29)	152	109	-	384	(29)	1.97	-31.08	-	100%
19	ATS Advanced Technology solutions do Brasil Industria,Comercio, importacao E exportacao LTDA	January 31, 2016	December 31	BRL/17.7220542258213	2	(66)	464	528	-	480	(21)	-	-21.32	-	100%
20	Comviva Technologies Colombia S.A.S	June 17, 2016	December 31	COP/0.0218637369585836	8	(6)	9	7	-	55	3	1.68	1.29	-	100%
21	Comviva Technologies Madagascar Sarlu.	December 12, 2016	-	MGA/0.0193603023516237	1	20	25	3	-	20	11	2.19	8.74	-	100%
22	Terrapay Services (UK) Limited	February 24, 2016	No Transactions till march 2019	NA	-	-	-	-	-	-	-	-	-	-	100%
23	Comviva Technologies (Australia) Pty. Ltd	August 31, 2017	-	AUD/49.069	0	(92)	488	580	479	-	(48)	-6.80	-41.24	-	100%
24	Comviva Technologies Mexico, S. de R.L. de C.V.	February 09, 2018	No Transactions till march 2019	NA	-	-	-	-	-	-	-	-	-	-	100%
25	Emagine International Pty. Ltd. ^^	September 01,2017	-	AUD/49.069	94	147	326	85	-	193	(32)	4.89	-37.11	-	100%
26	Terra Payment Services (India) Private Limited	September 01,2017	No Transactions till march 2019	NA	-	-	-	-	-	-	-	-	-	-	100%
27	YABX Technologies (Netherlands) BV	June 04,2018	-	USD/69.155	-	(3)	5	8	-	-	(3)	-	-3.19		100%

* Converted at the average exchange rate.
** It includes the date of incorporation in case of subsidiary which is incorporated.
# The amount also includes impact of deferred taxes.

Notes

I) Following subsidiaries are yet to commence operations as at March 31, 2019:
a) Terra Payment Services South Africa (PTY) Ltd.
b) Comviva Technologies Mexico, S. de R.L. de C.V.
c) Terrapay Services (UK) Limited
d) Terra Payment Services (India) Private Limited
e) Terra Payment Services S.A.R.L. -(Senegal)
f) Terra Payment Services S.A.R.L.-(Congo B)
g) Terra Payment Services S.A.R.L. -(DRC)
h) Terra Payment Services Botswana (Pty) Limited
i) YABX Technologies (Netherlands) BV

^^ Emagine International Pty. Ltd. has been acquired by Comviva Technologies (Australia) Pty. Ltd. with effect from September 01, 2017, which is not included in the above statement as the entity has June 30, 2017 as statutory year end.

Comviva Technologies Limited

Form AOC-1

(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

(Amount in Rs. Million)

Sr. No	Name of the subsidiary	The date since when subsidiary was acquired**	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Share capital	Reserves & surplus	Total assets	Total liabilities	Invest-ments	Turn-over*	Profit/ (loss) before taxation*	Provision for taxation*#	Profit/ (loss) after taxation*	Proposed dividend	% of share-holding
1	Comviva Technologies Inc.	February 05, 2001	December 31	USD/65.17	7	12	31	12	-	45	1	-	1	-	100%
2	Comviva Technologies Nigeria Limited	March 23, 2011	-	NGN/0.207217806	142	(74)	312	244	12	72	(11)	(2)	(9)	-	100%
3	Comviva Technologies Singapore Pte. Ltd.	September 8, 2011	-	SGD/49.748	28	(10)	67	49	-	8	(4)	-	(4)	-	100%
4	Comviva Technologies FZ-LLC	February 19, 2012	-	AED/17.741	1	205	984	778	-	1,337	103	-	103	-	100%
5	Hedonmark {Management Services} Limited	November 20, 2014	-	NGN/0.207217806	1	(233)	48	281	-	11	(84)	21	(105)	-	75%
6	Comviva Technologies B.V.	April 30, 2015	-	EUR/80.478	1	(132)	1,413	1,544	338	210	(113)	(20)	(93)	-	100%
7	Terra Payment Services (Netherlands) B.V.	July 3, 2015	-	EUR/80.478	205	(144)	163	101	75	0	(13)	-	(13)	-	100%
8	Mobex Money Transfer Services Limited -refer note (I)(c) below	December 16, 2015	-	KES/0.647491307	16	(1)	16	0	-	-	(1)	(0)	(1)	-	100%
9	Terra Payment Services (Tanzania) Limited-	March 10, 2016	-	TZS/0.028925877	-	(1)	2	3	-	-	(1)	-	(1)	-	100%
10	Terra Payment Services (Uganda) Limited - refer note (I)(f) below	March 11, 2016	-	UGX/0.017733333	-	(4)	25	29	-	-	(5)	-	(5)	-	100%
11	Terra Payment Services South Africa (PTY) Ltd.- refer note (I)(a) below	October 30, 2014	-	ZAR/5.5355	-	27	28	1	-	-	(1)	-	(1)	-	100%
12	Terra Payment Services (Mauritius)	January 19, 2017	-	USD/65.17	2	(13)	145	155	-	62	(12)	-	(12)	-	100%
13	Terra Payment Services (UK) Limited -refer note (I)(j) below	August 5, 2016	-	GBP/91.864	11	(2)	41	33	-	8	(1)	-	(1)	-	100%
14	Terra Payment Services Botswana (PTY) Limited -refer note (I)(k) below	July 13, 2016	-	BWP/6.816782	0	(0)	0	0	-	-	(0)	-	(0)	-	100%
15	Terra Payment Services S.A.R.L. -(Congo B) -refer note (I)(h) below	June 29, 2016	-	XAF/0.118923358	-	(0)	0	0	-	-	(0)	-	(0)	-	100%
16	Terra Payment Services S.A.R.L. -(DRC) -refer note (I)(i) below	July 5, 2016	-	CDF/0.040445854	1	0	1	0	-	-	1	0	1	-	100%
17	Terra Payment Services S.A.R.L. -(Senegal) -refer note (I)(g) below	June 20, 2016	-	XOF/0.123897338	0	(0)	0	0	-	-	(0)	-	(0)	-	100%
18	ATS Advanced Technology Solution (S.A.)	January 31, 2016	June 30	ARS/3.237457	0	(13)	205	218	-	474	(40)	2	(42)	-	100%
19	ATS Advanced Technology solutions do Brasil Industria,Comercio, importacao E exportacao LTDA	January 31, 2016	December 31	BRL/19.52893231	2	(50)	178	226	-	365	(61)	-	(61)	-	100%
20	Comviva Technologies Colombia S.A.S	June 17, 2016	December 31	COP/0.023380043	1	(0)	2	2	-	-	(6)	-	(6)	-	100%
21	Comviva Technologies Madagascar Sarlu.	December 12, 2016	-	MGA/0.020493711	-	13	18	5	-	17	16	3	13	-	100%
22	Terrapay Services (UK) Limited- refer note (I)(d) below	February 24, 2016	-	GBP/91.864	-	-	-	-	-	-	-	-	-	-	100%
23	Comviva Technologies (Australia) Pty. Ltd - refer note (I)(l) below	August 31, 2017		AUD/49.90	0	(50)	494	544	487	-	(28)	22	(50)	-	100%
24	Comviva Technologies Mexico, S. de R.L. de C.V.-refer note (I)(b) below	February 09, 2018		MXN/3.41	-	-	-	-	-	-	-	-	-	-	100%
25	Emagine International Pty. Ltd. ^^	September 01,2017	11110	AUD/49.90	-	-	-	-	-	-	-	-	-	-	100%
26	Terra Payment Services (India) Private Limited -refer note (I)(e) below	September 01,2017		INR/1	-	-	-	-	-	-	-	-	-	-	100%

*Converted at the average exchange rate.
** It includes the date of incorporation in case of subsidiary which is incorporated.
# The amount also includes impact of deferred taxes.

Notes

I) Following subsidiaries are yet to commence operations as at March 31, 2018:
a) Terra Payment Services South Africa (PTY) Ltd.
b) Comviva Technologies Mexico, S. de R.L. de C.V.
c) Mobex Money Transfer Services Limited
d) Terrapay Services (UK) Limited
e) Terra Payment Services (India) Private Limited
f) Terra Payment Services (Uganda) Limited
g) Terra Payment Services S.A.R.L. -(Senegal)
h) Terra Payment Services S.A.R.L.-(Congo B)
i) Terra Payment Services S.A.R.L. -(DRC)
j) Terra Payment Services (UK) Limited
k) Terra Payment Services Botswana (Pty) Limited
l) Comviva Technologies (Australia) Pty. Ltd.

^^Emagine International Pty. Ltd. has been acquired by Comviva Technologies (Australia) Pty. Ltd. with effect from September 01, 2017, which is not included in the above statement as the entity has June 30, 2017 as statutory year end.

ADDITIONAL INFORMATION AS REQUIRED BY SCHEDULE III OF THE ACT

Name of the entity	Net Assets, i.e., total assets minus total liabilities				Share in profit or loss				Share in other comprehensive income				Share in total comprehensive income			
	F.Y. 2018-2019		F.Y. 2017-2018		F.Y. 2018-2019		F.Y. 2017-2018		F.Y. 2018-2019		F.Y. 2017-2018		F.Y. 2018-2019		F.Y. 2017-2018	
	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)	As % of consolidated other comprehensive income	INR Amount (In Million)	As % of consolidated other comprehensive income	INR Amount (In Million)	As % of consolidated total comprehensive income	INR Amount (In Million)	As % of consolidated total comprehensive income	INR Amount (In Million)
Parent Company																
Comviva Technologies Limited	119%	6,578	104%	5,749	172%	824	162%	928	80%	4	71%	(14)	171%	828	165%	914
Subsidiaries:																
Foreign																
Comviva Technologies Inc.*	0%	-	0%	20	-1%	(5)	0%	2	0%	-	0%	-	-1%	(5)	0%	2
Comviva Technologies Nigeria Limited	2%	91	1%	76	2%	10	-2%	(9)	0%	-	0%	-	2%	10	-2%	(9)
Comviva Technologies Singapore PTE. Limited	0%	15	0%	18	-1%	(4)	-1%	(4)	0%	-	0%	-	-1%	(4)	-1%	(4)
Comviva Technologies FZ-LLC	4%	236	4%	206	4%	17	18%	103	0%	-	0%	-	4%	17	19%	103
Hedonmark {Management Services} Limited	-6%	(311)	-4%	(233)	-12%	(57)	-18%	(105)	0%	-	0%	-	-12%	(57)	-19%	(105)
Comviva Technologies Netherland BV	-6%	(312)	-3%	(161)	-37%	(177)	-16%	(94)	0%	-	0%	-	-37%	(177)	-17%	(94)
Terra Payment Services (Netherlands) B.V.	1%	30	1%	55	-6%	(26)	-2%	(13)	0%	-	0%	-	-5%	(26)	-2%	(13)
Comviva Technologies (Argentina) S.A. (formerly, ATS Advanced Technology Solutions S.A.)	2%	91	-1%	(73)	9%	44	-14%	(81)	-316%	(15)	0%	-	6%	28	-15%	(81)
ATS Advanced Technology solutions do Brasil Industria,Comercio, importacao E Exportacao Ltda	-2%	(90)	-2%	(89)	-2%	(9)	-19%	(110)	0%	-	0%	-	-2%	(9)	-20%	(110)
Terra Payment Services (UK) Limited	0%	3	0%	8	-2%	(10)	0%	(2)	0%	-	0%	-	-2%	(10)	0%	(2)
Terra Payment Services (Uganda) Limited	0%	(1)	0%	(4)	1%	3	-1%	(5)	0%	-	0%	-	1%	3	-1%	(5)
Terra Payment Services Botswana (Pty) Limited	0%	(1)	0%	(0)	0%	(0)	0%	(0)	0%	-	0%	-	0%	(0)	0%	(0)
Terra Payment Services South Africa (PTY) Ltd	0%	22	0%	27	0%	(1)	0%	(1)	0%	-	0%	-	0%	(1)	0%	(1)
Terra Payment Services S.A.R.L. -(DRC)	0%	0	0%	1	0%	(1)	0%	1	0%	-	0%	-	0%	(1)	0%	1
Terra Payment Services S.A.R.L. -(Congo B)	0%	(1)	0%	(0)	0%	(1)	0%	(0)	0%	-	0%	-	0%	(1)	0%	(0)
Terra Payment Services (Tanzania) Limited	0%	(4)	0%	(1)	-1%	(3)	0%	(1)	0%	-	0%	-	-1%	(3)	0%	(1)
Terra Payment Services (Mauritius)	0%	(14)	0%	(11)	-1%	(3)	-2%	(12)	0%	-	0%	-	-1%	(3)	-2%	(12)
Mobex Money Transfer Services Limited	0%	16	0%	15	0%	(1)	0%	(1)	0%	-	0%	-	0%	(1)	0%	(1)
Terra Payment Services S.A.R.L. -(Senegal)	0%	(0)	0%	(0)	0%	(0)	0%	(0)	0%	-	0%	-	0%	(0)	0%	(0)
Comviva Technologies (Australia) Pty. Ltd	-2%	(92)	-1%	(50)	-8%	(40)	-9%	(50)	0%	-	0%	-	-8%	(40)	-9%	(50)
Emagine International Pty. Ltd.	4%	241	2%	89	-8%	(37)	15%	89	0%	-	0%	-	-8%	(37)	16%	89
Comviva Technologies Mexico, S. de R.L. de C.V.	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
Terra Payment Services (India) Private Limited	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
Comviva Technologies Colombia S.A.S	0%	3	0%	0	1%	3	-1%	(7)	0%	-	0%	-	1%	3	-1%	(7)
Comviva Technologies Madagascar Sarlu.	0%	21	0%	13	2%	9	2%	13	0%	-	0%	-	2%	9	2%	13
Terrapay Services (UK) Limited	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
YABX Technologies (Netherlands) BV	0%	(4)	0%	-	-1%	(4)	0%	-	0%	-	0%	-	-1%	(4)	0%	-
Adjustments on consolidation	-18%	(976)	-10%	(532)	-11%	(51)	-11%	(66)	336%	16	29%	(6)	-7%	(35)	-13%	(72)
Total	100%	5,541	92%	5,123	100%	479	100%	575	100%	5	100%	(20)	100%	484	100%	555
Minority interest in all subsidiaries	0%	-	-1%	(66)	-3%	(14)	-5%	(26)	0%	-	0%	-	-3%	(14)	-5%	(26)

* Subsidiary has been wound up during the year, however expenses incurred till date of winding up have been considered.

TERRA PAYMENT SERVICES (UK) LIMITED

Directors:
Roxanne Price
Veerabahu Muthusamy

Registered No:
6648470

Registered Office:
2nd Floor, Unit 4, Milbanke Court,
Milbanke Way, Bracknell, Berkshire,
England, RG12 1RP

DIRECTOR'S REPORT FOR THE YEAR ENDED 31ST MARCH, 2019

The Directors submit their report together with the Management Accounts of Terra Payment Services (UK) Limited (the Company), for the year ended 31st March, 2019.

Principal Activity

The principal activity of the Company is to provide solutions for telecommunication and network.

Financial results and appropriations

The financial results of the Company for the year ended 31st March, 2019 are set out in the statement of profit or loss and other comprehensive income.

Events after the reporting period

There are no significant events after the reporting period.

Shareholder and its interest

Terra Payment Services (Netherlands) B.V. 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 are as follows:

Ms. Roxanne Price

Mr. Veerabahu Muthusamy

On behalf of the Board of Directors,

Roxanne Price	**Veerabahu Muthusamy**
Director	**Director**

BALANCE SHEET AS AT MARCH 31, 2019

			Amount in GBP
Particulars	**Note No.**	**As at March 31, 2019**	As at March 31, 2018
I. Assets			
A Non current assets			
(a) Property, Plant and Equipment	4A	**562**	-
B Current Assets			
(a) Financial Assets			
(i) Trade receivables	3	**4,813**	4,733
(ii) Cash and cash equivalents	4	**253,050**	121,444
(iii) Others financial assets	5	**21,996**	16,484
(c) Other current assets	6	**266,108**	302,786
Total current assets		**545,967**	445,447
TOTAL ASSETS		**546,529**	445,447
II. Equity and Liabilities			
A Equity			
(a) Equity Share capital	7	**165,001**	115,000
(b) Other Equity	8	**(129,164)**	(23,351)
		35,837	91,649
B Liabilities			
1 Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	9	**19,356**	23,843
(i) Trade Payables	10	**93,363**	60,314
(ii) Others financial liabilities	11	**289,842**	21,503
(b) Other current liabilities	12	**103,271**	248,138
(c) Provisions		**4,860**	-
Total current liabilities		**510,692**	353,798
TOTAL EQUITY AND LIABILITIES		**546,529**	445,447

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31,2019

	Particulars	Note No.	For the Year ended March 31, 2019	For the Year ended March 31, 2019
				Amount in GBP
I.	Revenue from operations	15	**431,716**	89,620
II.	Other income	13	**1,560**	818
III.	**Total income (I+II)**		**433,276**	90,438
IV.	**Expenses**			
	(a) Employee benefits expense	16	**99,164**	-
	(b) Finance costs		**545**	1,103
	(c) Depreciation and Amortization expense		**247**	-
	(d) Other expenses	14	**439,131**	99,424
V.	**Total expenses**		**539,087**	100,527
VI.	**Loss before tax**		**(105,811)**	(10,089)
VII.	**Profit/(Loss) after tax before Minority interest**		**(105,811)**	(10,089)
VIII.	**loss for the period**		**(105,811)**	(10,089)
IX.	**Other Comprehensive Income for this Half year net of Tax**		**-**	-
X.	**Total Comprehensive Income for this Half year net of Tax**		**(105,811)**	(10,089)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 3 - Trade receivables :

Amount in GBP

Particulars	As at As at March 31, 2019	As at As at March 31, 2018
Trade Receivables (Unsecured)	**36,141**	4,733
Less: Provision for bad and doubtful debtors	**(31,328)**	-
Total	**4,813**	4,733

Note 4 - Cash and cash equivalents :

Amount in GBP

Particulars	As at As at March 31, 2019	As at As at March 31, 2018
Balances with banks:		
- In current accounts	**253,050**	121,444
	253,050	121,444

Note 5 - Other Financial Assets :

Amount in GBP

Particulars	As at As at March 31, 2019	As at As at March 31, 2018
Unbilled Revenue	**21,996**	16,484
	21,996	16,484

Note 6 - Other Current Assets :

Amount in GBP

Particulars	As at As at March 31, 2019	As at As at March 31, 2018
Other Prepaid Expenses	-	27
Balance with Government Authorities	-	633
Advances to partner-prefund (including inter entity)	266,108	302,126
Total	**266,108**	302,786

Note 7 - Equity Share capital :

Particulars	As at As at March 31, 2019		As at As at March 31, 2018	
	Number	**Amount in GBP**	Number	Amount in GBP
Issued, subscribed and fully paid up:				
1,650,050 shares (previous year 11,500,000) @ GBP .01 each fully paid up	**16,500,050**	**165,001**	11,500,000	115,000
Total	**16,500,050**	**165,001**	11,500,000	115,000

Note 8 - Other Equity :

Amount in GBP

Particulars	As at As at March 31, 2019		As at As at March 31, 2018	
Surplus in the statement of profit and loss				
Opening balance	**(23,353)**		(13,262)	
Add: profit/(loss) for the year	**(105,811)**		(10,089)	
Closing balance		**(129,164)**		(23,351)
Total		**(129,164)**		(23,351)

Note 9 - Borrowings:

Particulars	As at As at March 31, 2019	As at As at March 31, 2019
		Amount in GBP
Unsecured Borrowings inter entity	**19,356**	23,843
	19,356	23,843

Note 10 - Trade payables :

Particulars	As at As at March 31, 2019	As at As at March 31, 2019
		Amount in GBP
Expenses payables other than Accrued Salaries and Benefits	**90,600**	60,314
Accrued Salaries and Benefits	**2,763**	-
Total	**93,363**	60,314

Note 11 - Other Financial liabilities:

Particulars	As at As at March 31, 2019	As at As at March 31, 2019
		Amount in GBP
Inter entity Payables (including cost allocation)	**289,842**	21,503
	289,842	21,503

Note 12 - Other Current liabilities

Particulars	As at As at March 31, 2019	As at As at March 31, 2019
		Amount in GBP
Unearned revenue	**3**	-
Advance from customers-prefund (inluding inter entity)	**100,628**	248,139
TDS Payable	**133**	-
Other Statutory dues	**2,507**	-
Total	**103,271**	248,139

Note 13 - Other income :

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
		Amount in GBP
Miscellaneous Income	**1,560**	376
Exchange gain/loss (net)	**-**	441
Interest income	**-**	2
Total	**(1,560)**	818

Note 14 - Operating and other expense:

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
		Amount in GBP
Receiver Fess	**11,641**	24,615
Travelling and conveyance	**1,996**	-
Cost Allocation expenses-Inter Company	**256,593**	11,060
Rates and taxes	**542**	2,647
Advertising and sales promotion	**71,461**	21,091
Communication costs	**14**	-
Printing and stationery	**2**	-
Legal and professional fees	**47,281**	31,635
Conference expenses	**2,296**	-
Bank charges	**14,144**	-
Exchange gain/loss (net)	**33,019**	-
Miscellaneous expenses	**142**	8,376
Total	**439,131**	99,424

Note 15 - Revenue from operations :

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
		Amount in GBP
Income from Comviva Product and related managed support Licence Fee with Implementation and other services	**373,996**	42,422
Revenue sharing arrangements	**57,720**	47,198
Total	**431,716**	89,620

Note 16 - Employee benefits expense :

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
		Amount in GBP
Salaries, wages and bonus	**87,136**	-
Contribution to provident and other funds	**12,028**	-
Total	**99,164**	-

TERRA PAYMENT SERVICES BOTSWANA (PTY) LIMITED

Directors:
Olivia Maria Britz
Kevin Alexander Hawkins

Registered No:
CO2015/11750

Registered Office:
1st Floor, Mokolwane House,
Prime Plaza Plot 67978, Gaborone,
Botswana

DIRECTOR'S REPORT FOR THE YEAR ENDED 31ST MARCH, 2019

The Directors submit their report together with the Management Accounts of Terra Payment Services Botswana (PTY) Limited (the Company), for the year ended 31st March, 2019.

Principal Activity

The principal activity of the Company is to provide solutions for telecommunication and network.

Financial results and appropriations

The financial results of the Company for the year ended 31st March, 2019 are set out in the statement of profit or loss and other comprehensive income.

Events after the reporting period

There are no significant events after the reporting period.

Shareholder and its interest

Terra Payment Services (Netherlands) B.V. 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 are as follows:

Olivia Maria Britz

Kevin Alexander Hawkins

On behalf of the Board of Directors,

Olivia Maria Britz
Director

Kevin Alexander Hawkins
Director

TERRA PAYMENT SERVICES BOTSWANA (PTY) LIMITED

BALANCE SHEET AS AT MARCH 31, 2019

Amount in BWP

Particulars		Note No.	As at March 31, 2019	As at March 31, 2018
I.	**Assets**			
A	Non current assets		**-**	-
B	Current Assets			
	(i) Cash and cash equivalents	3	**47**	74
	(c) Other current assets		**120**	-
	Total current assets		**167**	74
	TOTAL ASSETS		**167**	74
II.	**Equity and Liabilities**			
A	**Equity**			
	(a) Equity Share capital	4	**120**	120
	(b) Other Equity	5	**(107,859)**	(46,181)
			(107,739)	(46,061)
B	**Liabilities**			
1	**Non Current Liabilities**		**-**	-
2	**Current Liabilities**			
	(a) Financial Liabilities			
	(i) Trade Payables	6	**54,029**	19,790
	(ii) Others financial liabilities	7	**53,877**	26,345
	Total current liabilities		**107,906**	46,136
	TOTAL EQUITY AND LIABILITIES		**167**	74
	See accompanying notes forming part of the financial statements	1-9		

For and on behalf of Terra Payment Services Botswana (Pty) Limited

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2019

	Particulars	Note No.		Amount in BWP
			For the year ended March 31,2019	For the year ended March 31,2018
I.	Revenue from operations		**-**	-
II.	Other income	8	**-**	(586)
III.	**Total income (I+II)**		**-**	(586)
IV.	**EXPENSES**			
	(a) Finance costs		**137**	94
	(b) Other expenses	9	**61,541**	26,905
V.	**Total expenses**		**61,678**	26,999
VI.	**Profit/(Loss) before tax**		**(61,678)**	(27,585)
VII.	**Tax expenses**			
VIII.	**Profit/(loss) for the period**		**(61,678)**	(27,585)
	See accompanying notes forming part of the financial statements	1-9		
				-

For and on behalf of Terra Payment Services Botswana (Pty) Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 3 - Cash and cash equivalents:

Particulars	Amount in BWP As at March 31, 2019	As at March 31, 2018
Balances with banks:		
- In current accounts	**47**	74
	47	74

Note 4 - Equity Share capital:

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number	**Amoaunt in BWP**	Number	Amoaunt in BWP
(a) Authorised:				
120 shares @ BWP 120 each	**120**	**120**	120	120
(b) Issued, subscribed and fully paid up:	**-**	**-**	-	-
Total	**-**	**-**	-	-

Note 5 - Other Equity:

Particulars	As at March 31, 2019		As at March 31, 2018	Amount in BWP
Surplus in the statement of profit and loss				
Opening balance	**(46,181)**		(18,596)	
Add: profit/(loss) for the period/year	**(61,678)**		(27,585)	
Closing balance		**(107,859)**		(46,181)
Total		**(107,859)**		(46,181)

Note 6 - Trade payables:

Particulars	Amount in BWP As at March 31, 2019	As at March 31, 2018
Expenses payables other than Accrued Salaries and Benefits	**54,029**	19,790
Total	**54,029**	19,790

Note 7 - Other Financials liabilities:

Particulars	Amount in BWP As at March 31, 2019	As at March 31, 2018
Inter entity (related party) payables - Terra Netherlands	**53,877**	26,345
Total	**53,877**	26,345

Note 8 - Other income:

Particulars	Amount in BWP For the year ended March 31, 2019	For the year ended March 31, 2018
Rates and taxes	**3,920**	-
Legal and Professional fees	**54,391**	24,834
Bank charges	**27**	2,071
Exchange gain/loss (net)	**3,203**	-
Total	**61,541**	26,905

TERRA PAYMENT SERVICES MAURITIUS

Directors:
Teemulsingh Luchowa (Resigned on 21/03/2019)
Rubina Toorawa
S. Akbar Hussain
Kevin Alexander Hawkins
Dilshaad Banu Rajabalee

Registered No:
144313

Registered Office:
IFS Court, Bank Street, Twenty Eight
Cybercity, Ebene 72201, Mauritius

DIRECTOR’S REPORT FOR THE YEAR ENDED 31ST MARCH, 2019

The Directors submit their report together with the Management Accounts of Terra Payment Services Mauritius (the Company), for the year ended 31st March, 2019.

Principal Activity

The principal activity of the Company is to provide solutions for telecommunication and network.

Financial results and appropriations

The financial results of the Company for the year ended 31st March, 2019 are set out in the statement of profit or loss and other comprehensive income.

Events after the reporting period

There are no significant events after the reporting period.

Shareholder and its interest

Terra Payment Services (Netherlands) B.V. 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 are as follows:

Teemulsingh Luchowa (Resigned on 21st March, 2019)

Rubina Toorawa

S. Akbar Hussain

Kevin Alexander Hawkins

Dilshaad Banu Rajabalee

On behalf of the Board of Directors,

Rubina Toorawa **Director**	**Kevin Alexander Hawkins** **Director**	**S. Akbar Hussain** **Director**	**Dilshaad Banu Rajabalee** **Director**

BALANCE SHEET AS AT MARCH 31, 2019

Particulars			Note No.	As at March 31, 2019	Amount in USD
I	**ASSETS**				
A	**Non current assets**				
B	**Current Assets**				
	(a)	Financial Assets			
		(i) Trade receivables	3	**184,834**	372,383
		(ii) Cash and cash equivalents	4	**225,025**	19,067
		(iii) Others financial assets	5	**944,162**	499,443
	(b)	Other current assets	6	**502,339**	1,329,141
	Total current assets			**1,856,360**	2,220,034
	TOTAL ASSETS			**1,856,360**	2,220,034
II	**EQUITY AND LIABILITIES**				
A	**Equity**				
	(a)	Equity Share capital	7	**31,000**	31,000
	(b)	Other Equity	8	**(230,260)**	(195,513)
				(199,260)	(164,513)
B	**Liabilities**				
1	**Non Current Liabilities**				
2	**Current Liabilities**				
	(a)	Financial Liabilities			
		(i) Borrowings		**-**	-
		(ii) Trade Payables	9	**288,356**	337,411
		(iii) Others financial liabilities	10	**1,239,940**	757,171
	(b)	Other current liabilities	11	**527,325**	1,289,965
	Total current liabilities			**2,055,620**	2,384,547
	TOTAL EQUITY AND LIABILITIES			**1,856,360**	2,220,034

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2019

				Amount in USD
Particulars		**Note No.**	**For the period ended March 31, 2019**	For the period ended March 31, 2018
I.	Revenue from operations	12	**1,730,922**	962,220
II.	Other income	13	**91,813**	(7,424)
III.	**Total income (I+II)**		**1,822,735**	954,796
IV.	**EXPENSES**			
	(a) Finance costs			9,031
	(b) Other expenses	14	**1,857,482**	1,141,278
	Total expenses		**1,857,482**	1,150,309
V.	**Loss before tax**		**(34,747)**	(195,513)
VI.	**Tax expenses**			
	(a) Current tax		**-**	-
	(b) Short/(excess) provision in respect of earlier years		**-**	-
	(c) Deferred tax (Refer Note 6)		**-**	-
			-	-
VII.	**Profit/(Loss) after tax before Minority interest**		**(34,747)**	(195,513)
VII.	**Loss for the period**		**(34,747)**	(195,513)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 3 - Trade receivables:

		Amount in USD
Particulars	**As at March 31, 2019**	As at March 31, 2018
Trade Receivables (Unsecured)		
- Considered good	**172,957**	372,383
Inter Company Customer Receipts	**11,877**	-
Total	**184,834**	372,383

Note 4 - Cash and cash equivalents:

		Amount in USD
Particulars	**As at March 31, 2019**	As at March 31, 2018
Balances with banks:		
- In current accounts	**225,025**	19,067
	225,025.40	19,067

Note 5 - Others financial assets:

		Amount in USD
Particulars	**As at March 31, 2019**	As at March 31, 2018
Inter Entity Receivables	**761,557**	231,980
Interest Accrued	**22**	-
Unbilled Revenue	**182,583**	267,463
	944,162	499,443

Note 6 - Other Current Assets:

		Amount in USD
Particulars	**As at March 31, 2019**	As at March 31, 2018
Advance to partner-prefund	**498,572**	1,325,278
Prepaid expenses	**3,767**	3,863
	502,339	1,329,141

Note 7 - Equity Share capital:

Particulars	**As at As at March 31, 2019**		As at As at March 31, 2018	
	Number	**Amount in USD**	Number	Amount in USD
(a) Authorised:				
Stated Capital @ USD 1 each	**-**	**-**	31,000	31,000
(b) Issued, subscribed and fully paid up:				
Equity shares of USD 1 each fully paid up	**31,000**	**31,000**	-	-
Total	**31,000**	**31,000**	-	-

Note 8 - Other Equity:

Amount in USD

Particulars	As at As at March 31, 2019		As at As at March 31, 2018	
Surplus in the statement of profit and loss				
Opening balance	**(195,513)**		-	
Add: (loss) for the period	**(34,747)**		(195,513)	
Closing balance		**(230,260)**		(195,513)
Total		**(230,260)**		(195,513)

Note 9 - Trade payables:

Amount in USD

Particulars	As at As at March 31, 2019	As at As at March 31, 2018
Expenses payables other than Accrued Salaries and Benefits (including related party)	**288,356**	337,411
Total	**288,356**	337,411

Note 10 - Other Financials liabilities:

Amount in USD

Particulars	As at As at March 31, 2019	As at As at March 31, 2018
Inter Entity Payables	**488,023**	124,802
Cost Allocation Payables	**751,917**	632,369
	1,239,940	757,171

Note 11 - Other current liabilities

Amount in USD

Particulars	As at As at March 31, 2019	As at As at March 31, 2018
Statutory remittances	**61**	61
Advances from partner-prefund	**527,265**	1,289,904
Total	**527,325**	1,289,965

Note 12 - Revenue from operations:

Amount in USD

Particulars	For the period ended March 31, 2019	For the period ended March 31, 2018
Revenue from operations	**1,730,922**	962,220
Total	**1,730,922**	962,220

Note 13 - Other income:

Amount in USD

Particulars	For the period ended March 31, 2019	For the period ended March 31, 2018
Exchange gain/loss (net)	**90,519**	(8,195)
Interest Income - Inter Company	**22**	-
Miscellaneous Income	**1,271**	772
Total	**91,813**	(7,424)

Note 14 - Other expense:

		Amount in USD
Particulars	**For the period ended March 31, 2019**	For the period ended March 31, 2018
Software, hardware and material cost		
Partner fees	**1,093,394**	390,152
Rates and taxes	**12,410**	-
Legal and professional fees	**91,090**	72,125
Bank Charges	**20,389**	-
Miscellaneous expenses	**650.25**	40,339
Cost Allocation (net)	**639,548**	631,693
Advertising and sales promotion	**-**	6,968
Total	**1,857,482**	1,141,278

COMVIVA TECHNOLOGIES MADAGASCAR SARLU.

Directors

Ganeshmurthy Patil
Anil Kumar Krishnan
Devendra Curpen

Registered No:
RCS Antananarivo 2016 B 01082

Registered Office

Immeuble ARO Ampefiloha Escalier A 4è étage
porte A 402 - Antananarivo 101
Analamanga 101, Antananarivo Renivohitra,
Madagascar

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31ST MARCH, 2019

The Directors submit their report together with the Management Accounts of Comviva Technologies Madagascar Sarlu. (the Company), for the year ended 31st March, 2019.

Principal Activity

The principal activity of the Company is to provide solutions for telecommunication and network.

Financial results and appropriations

The financial results of the Company for the year ended 31st March, 2019 are set out in the statement of profit or loss and other comprehensive income.

Events after the reporting period

There are no significant events after the reporting period.

Shareholder and its interest

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 are as follows:

Ganeshmurthy Patil

Anil Kumar Krishnan

Devendra Curpen

On behalf of the Board of Directors,

Ganeshmurthy Patil Director	**Anil Kumar Krishnan** Director	**Devendra Curpen** Director

BALANCE SHEET AS AT MARCH 31, 2019

Amount in MGA

Particulars			Note No.	**As at March 31, 2019**	As at March 31, 2018
I	**Assets**				
A	**Non current assets**				
	(a)	Property, Plant and Equipment	3(i)	**1,966,667**	-
	(b)	Financial Assets			
		(i) Loans		**-**	-
	(c)	Advance Income tax (net)		**5,295,136**	-
	Total non-current assets			**7,261,803**	(0)
B	**Current Assets**				
	(a)	Inventories		**-**	-
	(b)	Financial Assets			
		(i) Trade receivables	4	**26,438,306**	327,879,484
		(ii) Cash and cash equivalents	5	**1,231,817,033**	-
		(iii) Other balances with bank	6	**-**	-
		(iv) Others financial assets	7	**-**	555,299,106
	(c)	Other current assets		**-**	-
	Total current assets			**1,258,255,339**	883,178,590
	TOTAL ASSETS			**1,265,517,142**	883,178,590
II	**Equity and Liabilities**				
A	**Equity**				
	(a)	Equity Share capital		**64,000,000**	-
	(b)	Other Equity	8	**1,042,328,787**	615,312,904
				1,106,328,787	615,312,904
B	**Liabilities**				
1	**Non Current Liabilities**				
	(a)	Provisions		**-**	-
	Total non-current liabilities			**-**	-
2	**Current Liabilities**				
	(a)	Financial Liabilities			
		(i) Borrowings		**-**	-
		(ii) Trade Payables	9	**123,577,930**	59,330,879
		(iii) Others financial liabilities	10	**-**	60,000
	(b)	Other current liabilities	11	**31,964,160**	54,646,581
	(c)	Provisions	12(ii)	**3,646,265**	-
	(d) Current tax liabilities (Net)			**-**	153,828,226
	Total current liabilities			**159,188,355**	267,865,686
	TOTAL EQUITY AND LIABILITIES			**1,265,517,142**	883,178,590
C	**See accompanying notes forming part of the financial statements**		1-16		

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

Amount in MGA

	Particulars	Note No.		For the year ended March 31, 2019	For the year ended March 31, 2018
I.	Revenue from operations	13		**965,436,353**	828,532,009
II.	Other income	14		**(5,830,944)**	-
III.	**Total income (I+II)**			**959,605,409**	828,532,009
IV.	**Expenses**				
	(a) Employee benefits expense	15		**264,859,781**	-
	(b) Subcontracting cost			**45,951,668**	-
	(c) Finance costs			**-**	-
	(d) Depreciation and Amortization expense	3		**983,333**	-
	(e) Other expenses	16		**114,040,772**	59,390,878
	Total expenses			**425,835,554**	59,390,878
V.	**Profit/(Loss) before tax**			**533,769,855**	769,141,131
VI.	**Tax expenses**				
	(a) Current tax		**106,753,971**		-
	(b) Deferred tax		**-**		(262,015)
				106,753,971	(262,015)
VII.	**Profit/(Loss) after tax**			**427,015,884**	769,403,146
VII.	**Profit/(loss) for the Year**			**427,015,884**	769,403,146
VIII.	**See accompanying notes forming part of the financial statements**	1-16			

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 3 - Other Intangible assets

Particulars	Gross Block				Accumulated Depreciation / Amortization				**Net Block**	
	As at 1st April, 2018	Additions during the period	Disposals during the period	**As at March 31, 2019**	As at 1st April, 2018	For the period	On disposal for the period	**As at March 31, 2019**	**As at March 31, 2019**	As at 31st March, 2018
A. Tangible Assets(Computers)										
Computers	-	2,950,000	-	**2,950,000**	-	983,333	-	**983,333**	**1,966,667**	-
Total	**-**	**2,950,000**	**-**	**2,950,000**	**-**	**983,333**	**-**	**983,333**	**1,966,667**	**-**

Note 4 - Trade receivables :

Amount in MGA

Particulars	As at March 31, 2019	As at March 31, 2018
Trade Receivables (Unsecured)		
- Considered good	**26,438,306**	327,879,484
- Considered doubtful	**-**	-
	26,438,306	327,879,484
Total	**26,438,306**	327,879,484

Note 5 - Cash and cash equivalents :

Amount in MGA

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks:		
- In current accounts	**1,231,817,033**	-
Total	**1,231,817,033**	-

Note 6 - Other balances with bank :

Amount in MGA

Particulars	As at March 31, 2019	As at March 31, 2018
Earmarked balances with bank		
-Balance held under Escrow account	**-**	-
Total	**-**	-

Note 7 - Other Financial assets :

Current financial assets

Amount in MGA

Particulars	As at March 31, 2019	As at March 31, 2018
Unbilled Revenue	**-**	555,299,106
Dues from Subsidiary (Net)	**-**	
Total	**-**	555,299,106

Note 8 - Other Equity :

Amount in MGA

Particulars	As at March 31, 2019		As at March 31, 2018	
Surplus in the statement of profit and loss				
Opening balance	**615,312,904**		-	
Add: profit/(loss) for the period/year	**427,015,883**		615,312,904	
Closing balance		**1,042,328,787**		615,312,904
Total		**1,042,328,787**		615,312,904

Note 9 - Trade payables :

Particulars	Amount in MGA	
	As at	
	March 31, 2019	March 31, 2018
Expenses payables other than Accrued Salaries and Benefits	**110,092,295**	59,330,879
Accrued Salaries and Benefits	**13,485,635**	-
Total	**123,577,930**	59,330,879

Note 10 - Other Financials liabilities:

Particulars	Amount in MGA	
	As at	
	March 31, 2019	March 31, 2018
Inter entity (related party) payables	**-**	60,000
Interest accrued but not due	**-**	-
Total	**-**	60,000

Note 11 - Other Current liabilities :

Particulars	Amount in MGA	
	As at	
	March 31, 2019	March 31, 2018
Unearned revenue	**-**	
Other payables	**138,960**	
Statutory remittances	**31,825,200**	54,646,581
Total	**31,964,160**	54,646,581

Note 12 -Provisions :

(i) Long-term provisions

Particulars	Amount in MGA	
	As at	
	March 31, 2019	March 31, 2018
Provision for employee benefits		
-Compensated absences	**-**	-
Total	**-**	-

(ii) Short-term provisions

Particulars	Amount in MGA	
	As at	
	March 31, 2019	March 31, 2018
Provision for employee benefits	**-**	-
-Compensated absences	**3,646,265**	-
Total	**3,646,265**	

Note 13 - Revenue from operations :

Amount in MGA

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Income from Comviva Product and related managed support Licence Fee with Implementation and other services	**965,436,353**	828,532,009
Total	**965,436,353**	828,532,009

Note 14 - Other income :

Amount in MGA

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest income	**(648,916)**	-
Exchange gain/loss (net)	**(5,182,028)**	-
Miscellaneous Income	**-**	-
Total	**(5,830,944)**	-

Note 15. Employee benefits expense :

Amount in MGA

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, wages and bonus	**259,731,691**	-
Contribution to provident and other funds	**5,128,090**	-
Staff Welfare Expenses	**-**	-
Total	**264,859,781**	-

Note 16. Operating and other expense:

Amount in MGA

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Rates and taxes	**511,956**	-
Insurance	**20,732,631**	-
Advertising and sales promotion	**-**	-
Communication costs	**280,000**	-
Legal and professional fees	**91,135,961**	59,310,878
Miscellaneous expenses	**1,380,224**	80,000
Total	**114,040,772**	59,390,878

TERRA PAYMENT SERVICES S.A.R.L. CONGO B

BOARD OF DIRECTORS
Gachlem Zepharos Ngassaki Zoni

REGISTERED NO.
RCCM CG/BZV/16 B 6546

REGISTERED OFFICE:
61 Avenue Patrice LUMUMBA,
Centre ville Brazzaville,
Republic of the Congo.

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31ST MARCH, 2019

The Directors submit their report together with the Management Accounts of Terra Payment Services S.A.R.L., Congo B (the Company), for the year ended 31st March, 2019.

Principal Activity

The principal activity of the Company is to provide solutions for telecommunication and network.

Financial results and appropriations

The financial results of the Company for the year ended 31st March, 2019 are set out in the statement of profit or loss and other comprehensive income.

Events after the reporting period

There are no significant events after the reporting period.

Shareholder and its interest

Terra Payment Services (Netherlands) B.V. 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 are as follows:

Mr. Gachlem Zepharos Ngassaki Zoni

On behalf of the Board of Directors,

Gachlem Zepharos Ngassaki Zoni
Director

TERRA PAYMENT SERVICES S.A.R.L. CONGO B

BALANCE SHEET AS AT MARCH 31, 2019

Amount in XAF

	Particulars	Note No.	**As at March 31,2019**	As at March 31, 2018
I.	**Assets**			
A	**Non current assets**		**-**	-
B	**Current Assets**		**-**	-
	(a) Financial Assets			
	(i) Cash and cash equivalents	3	**676,544**	832,972
	Total Current Assets		**676,544**	832,972
	TOTAL ASSETS		**676,544**	832,972
II.	**Equity and Liabilities**			
A	**Equity**			
	(a) Equity Share capital		**-**	-
	(b) Other Equity	4	**(7,699,477)**	(2,899,881)
			(7,699,477)	(2,899,881)
B	**Liabilities**			
1	**Non Current Liabilities**		**-**	-
2	**Current Liabilities**			
	(a) Financial Liabilities			
	(i) Others financial liabilities	5	**1,000,000**	100,000
	(ii) Trade Payables	6	**7,376,021**	3,632,853
	Total Current Liabilities		**8,376,021**	3,732,853
	Total Equity and Liabilities		**676,544**	832,972
	See accompanying notes forming part of the financial statements	1-8		

For and on behalf of Terra Payment Services S.A.R.L. -(Congo B)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31,2019

Amount in XAF

	Particulars	Note No.	**For the year ended March 31,2019**	For the year ended March 31,2018
I.	Revenue from operations		**-**	-
II.	Other income		**-**	-
III.	**Total income (I+II)**		**-**	-
IV.	**Expenses**			
	(a) Other expenses	7	**4,799,597**	2,792,389
V.	**Total expenses**		**4,799,597**	2,792,389
VI.	**Profit/(Loss) before tax**		**(4,799,597)**	(2,792,389)
VII.	**Tax expenses**		**-**	
VIII.	**Profit/(loss) for the period**		**(4,799,597)**	(2,792,389)

See accompanying notes forming part of the financial statements

For and on behalf of Terra Payment Services S.A.R.L. -(Congo B)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 3 - Cash and cash equivalents :

Amount in XAF

Particulars	**As at March 31,2019**	As at March 31,2018
Balances with banks:		
- In current accounts	**676,544**	832,972
	676,544	832,972

Note 4 - Other Equity :

Amount in XAF

Particulars	**As at March 31,2019**		As at March 31,2018	
Surplus in the statement of profit and loss				
Opening balance	**(2,899,881)**		(107,492)	
Add: profit/(loss) for the year	**(4,799,597)**		(2,792,389)	
Closing balance		**(7,699,478)**		(2,899,881)
Total		**(7,699,478)**		(2,899,881)

Note 5 - Others financial liabilities :

Amount in XAF

Particulars	**As at March 31,2019**	As at March 31,2018
Inter entity (related party) payables	**1,000,000**	100,000
Total	**1,000,000**	100,000

Note 6 - Trade payables :

Amount in XAF

Particulars	**As at March 31,2019**	As at March 31,2018
Expenses payables other than Accrued Salaries and Benefits	**7,376,021**	3,632,853
Total	**7,376,021**	3,632,853

Note 7 - Operating and other expense:

Amount in XAF

Particulars	**For the year ended March 31,2019**	For the year ended March 31,2018
Legal and professional fees	**4,271,728**	2,732,853
Bank charges	**156,429**	59,536
Exchange Gain/ Loss	**371,440**	-
Total	**7,376,021**	2,792,389

TERRA PAYMENT SERVICES S.A.R.L. SENEGAL

Directors
Gachlem Zepharos Ngassaki Zoni

Registered No:
SN.DKR.2016.B.15894

Registered Office
Dakar (Senegal) – Regus,
12 Boulevard Djily Mbaye,
Building Azur 15, 2nd Floor,
Republic of Senegal

DIRECTOR'S REPORT FOR THE YEAR ENDED 31ST MARCH, 2019

The Directors submit their report together with the Management Accounts of Terra Payment Services S.A.R.L. Senegal (the Company), for the year ended 31st March, 2019.

Principal Activity

The principal activity of the Company is to provide solutions for telecommunication and network.

Financial results and appropriations

The financial results of the Company for the year ended 31st March, 2019 are set out in the statement of profit or loss and other comprehensive income.

Events after the reporting period

There are no significant events after the reporting period.

Shareholder and its interest

Terra Payment Services (Netherlands) B.V. 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 are as follows:

Mr. Gachlem Zepharos Ngassaki Zoni

On behalf of the Board of Directors,

Gachlem Zepharos Ngassaki Zoni

Director

BALANCE SHEET AS AT MARCH 31, 2019

Amount in XOF

	Particulars	Note No.	**As at March 31, 2019**	As at March 31,2018
I.	**Assets**			
A	**Non current assets**		**-**	-
B	**Current Assets**			
	(a) Financial Assets			
	(i) Cash and cash equivalents	3	**17,669**	(151,556)
	(b) Other current assets	4	**348,676**	348,676
	Total current assets		**366,345**	197,120
	TOTAL ASSETS		**366,345**	197,120
II.	**Equity and Liabilities**			
A	**Equity**			
	(a) Equity Share capital	5	**1,000,000**	1,000,000
	(b) Other Equity	6	**(2,928,001)**	46,860,886
			(1,928,001)	47,860,886
B	**Liabilities**			
1	**Non Current Liabilities**		**-**	-
2	**Current Liabilities**			
	(a) Other current liabilities		**2,294,346**	786,942
	Total current liabilities		**2,294,346**	-
	TOTAL EQUITY AND LIABILITIES		**366,345**	47,860,886
	See accompanying notes forming part of the financial statements	1-8		

For and on behalf of Terra Payment Services S.A.R.L - (Senegal)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

Amount in XOF

	Particulars	Note No.		**For the year ended March 31, 2019**	For the year ended March 31, 2018
I.	Revenue from operations			**-**	-
II.	Other income			**-**	-
III.	**Total income (I+II)**			**-**	-
IV.	**Expenses**				
	(a) Purchase of Traded Goods				
	(b) Decrease/(Increase) in Inventories of Traded Goods				
	(c) Software services charges				
	(a) Employee benefits expense			**-**	-
	(b) Subcontracting cost			**-**	-
	(a) Finance costs			**-**	-
	(d) Depreciation and Amortization expense			**-**	-
	(b) Other expenses	8		**1,338,179**	1,400,553
V.	**Total expenses**			**1,338,179**	1,400,553
VI.	**Profit/(Loss) before tax**			**(1,338,179)**	(1,400,553)
VII.	**Tax expenses**			**-**	
	(a) Current tax		**-**		-
	(b) Short/(excess) provision in respect of earlier years		**-**		-
	(b) Deferred tax		**-**		-
				-	-
VII.	**Profit/(Loss) after tax before Minority interest**			**(1,338,179)**	(1,400,553)
VIII.	**Profit/(loss) for the period**			**(1,338,179)**	(1,400,553)

See accompanying notes forming part of the financial statements

For and on behalf of Terra Payment Services S.A.R.L - (Senegal)

Note 3 - Cash and cash equivalents :

Amount in XOF

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks:		
- In current accounts	**17,669**	(151,556)
	17,669	(151,556)

Note 4 - Other Assets :

Amount in XOF

Particulars	As at March 31, 2019	As at March 31, 2018
- Advance to suppliers		
Considered good	**348,676**	348,676
Total	**348,676**	348,676

Note 5 -Equity Share capital :

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number	**Amount in XOF**	Number	Amount in XOF
(a) Authorised :				
200 Shares of CFA franc 5,000 each fully paid up	**200**	**1,000,000**	200	1,000,000
(b) Issued, subscribed and fully paid up :				
200 Shares of CFA franc 5,000 each fully paid up	**200**	**1,000,000**	200	1,000,000
Total	**200**	**1,000,000**	200	1,000,000

Note 6 - Other Equity :

Particulars	As at March 31, 2019		As at March 31, 2018	
Surplus in the statement of profit and loss				
Opening balance	**(1,589,822)**		(189,269)	
Add: profit/(loss) for the year	**(1,338,179)**		(1,400,553)	
Closing balance		**(2,928,001)**		(1,589,822)
Total		**(2,928,001)**		(1,589,822)

Note 7 - Trade payables :

Amount in XOF

Particulars	As at March 31, 2019	As at March 31, 2018
Expenses payables other than Accrued Salaries and Benefits	**2,294,346**	786,942
Total	**786,942**	-

Note 8 - Operating and other expense:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Legal and professional fees	**868,424**	786,942
Bank charges	**4,69,755**	6,13,611
Total	**13,38,179**	14,00,553

HEDONMARK (MANAGEMENT SERVICES) LIMITED

Directors:	Emmanuel Ikazoboh	Nigerian
	Vipul Sharma	Indian
	Sriram Gopalakrishnan	Indian
	Srinivas Nidugondi	Indian

Chief Finance Officer: **Olabisi Fayombo**

Registered No: RC 603677

Registered Office: Plot 52, Ahmadu Bello Way,
Victoria Island,
Lagos.

Secretaries: Cityside Solicitors,
Legal, Corporate, Property & Immigration Consultant,
7, Asiata Solarin Crescent,
Off Kudirat Abiola Way,
Oregun Road, Ikeja,
Lagos.

Auditors: Baker Tilly Nigeria
(Chartered Accountants)
Kresta Laurel Complex,
376, Ikorodu Road,
Maryland,
Lagos.

Banker: Stanbic IBTC Bank Plc.

DIRECTOR'S REPORT FOR THE YEAR ENDED 31ST MARCH, 2019

The Directors submit their report together with the Management Accounts of Hedonmark (Management Services) Limited (the Company), for the year ended 31st March, 2019.

Principal Activity

The principal activity of the Company is to provide solutions for telecommunication and network.

Financial results and appropriations

The financial results of the Company for the year ended 31st March, 2019 are set out in the statement of profit or loss and other comprehensive income.

Events after the reporting period

There are no significant events after the reporting period.

Shareholder and its interest

Comviva Technologies Nigeria Limited is the 75% shareholder of the issued share capital of the Company and rest 25% are held by individuals at the reporting date. There were no changes to the shareholding structure during the year.

Directors

The Directors who served during the year are as follows:

Mr. Emmanuel Ikazoboh

Mr. Sriram Gopalakrishnan

Mr. Srinivas Nidugondi

Mr. Vipul Sharma

Mr. Ocholi Emmanuel

On behalf of the Board of Directors,

Emmanuel Ikazoboh	**Srinivas Nidugondi**	**Vipul Sharma**	**Ocholi Emmanuel**	**Sriram Gopalakrishnan**
Director	Director	Director	Director	Director

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH, 2019

Amount in NGN

	Particulars			Note No.	As at March 31, 2019	As at March 31, 2018
I	**Assets**					
A	**Non current assets**					
	(a)	Property, Plant and Equipment		3	**224,993**	303,083
	(b)	Financial Assets				
		(i)	Other financial assets	4	**100,000**	-
	(c)	Advance Income tax (net)			**45,659**	-
	(d)	Deferred tax assets		5	**-**	172,362,579
	Total non-current assets				**370,652**	172,665,662
B	**Current Assets**					
	(a)	Inventories		6	**-**	13,290,105
	(b)	Financial Assets				
		(i)	Trade receivables		**-**	3,289,404
		(ii)	Cash and cash equivalents	7	**35,443,225**	42,635,339
		(iii)	Others financial assets	8	**112,567**	-
	(c)	Other current assets		9	**2,297,065**	1,280,520
	Total current assets				**37,852,858**	60,495,368
	TOTAL ASSETS				**38,223,509**	233,161,030
II	**Equity and Liabilities**					
A	**Equity**					
	(a) Equity Share capital			10	**2,500,000**	2,500,000
	(b) Other Equity			11	**(1,377,401,682)**	(1,124,764,803)
					(1,374,901,682)	(1,122,264,803)
B	**Liabilities**					
1	**Non Current Liabilities**					
	(a)	Financial Liabilities				
		(i)	Borrowings	12	**1,049,300,000**	1,049,300,000
	(b)	Deferred tax liabilities				10,518
	Total non-current liabilities				**1,049,300,000**	1,049,310,518
2	**Current Liabilities**					
	(a)	Financial Liabilities				
		(i)	Trade Payables	13	**167,880,796**	237,679,768
		(ii)	Other Financial Liabilities	14	**169,900,707**	62,972,675
	(b)	Other current liabilities		15	**25,939,492**	-
	(c)	Provisions		16	**104,196**	5,456,593
	(d)	Current tax liabilities			**-**	6,279
	Total current liabilities				**363,825,192**	306,115,315
	TOTAL EQUITY AND LIABILITIES				**38,223,509**	233,161,030
C	See accompanying notes forming part of the financial statements			1-20	**1**	(0)

For and on behalf of Hedonmark Mangement Services Ltd, Nigeria

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2019

Amount in NGN

	Particulars	Note No.		**For the Year ended March 31, 2019**	For the Year ended March 31, 2018
I.	**Revenue from operations**	17		**48,576,680**	53,692,221
II.	**Other income**	18		**418,639**	25,000,000
III.	**Total income (I+II)**			**48,995,319**	78,692,221
IV.	**Expenses**				
	(a) Employee benefits expense	19		**14,864,683**	49,754,951
	(b) Subcontracting cost			**2,296,470**	27,002,969
	(c) Finance costs			**74,743,725**	60,940,334
	(d) Depreciation and Amortization expense	3		**78,090**	233,705
	(e) Other expenses	20		**37,297,170**	347,690,235
	Total expenses			**129,280,136**	485,622,194
V.	**Profit/(Loss) before tax**			**(80,284,819)**	(406,929,973)
VI.	**Tax expenses**			**-**	-
	(b) Deferred tax		**172,352,060**		(98,939,917)
				172,352,060	(98,939,917)
VII.	**Profit/(Loss) after tax before Minority interest**			**(252,636,879)**	(505,869,890)
VII.	**Profit/(loss) for the Nine Months**			**(252,636,879)**	(505,869,890)
VIII.	**See accompanying notes forming part of the financial statements**	1-20			

For and on behalf of Hedonmark Mangement Services Ltd, Nigeria

NOTE 3 - PROPERTY, PLANT AND EQUIPMENT

Particulars	Gross Block				Accumulated Depreciation / Amortization				Net Block	
	As at 1st April, 2018	Additions during the Period	Disposals during the period	**As at March 31, 2019**	As at 1st April, 2018	For the period	On disposal for the period	**As at March 31, 2019**	**As at March 31, 2019**	As at 31st March, 2018
Computers	673,680	4,956,324	-	**5,630,004**	471,211	56,140	-	**5,483,665**	**146,339**	202,469
Plant and Machinery	4,956,324			**-**	4,956,314			**-**	**-**	10
Office Equipments	109,750	-	-	**109,750**	9,146	21,950	-	**31,096**	**78,654**	100,604
	5,739,754	4,956,324	-	**5,739,754**	5,436,671	78,090	-	**5,514,761**	**224,993**	303,083

Note 4 - Other Financial Assets :

Amount in NGN

Particulars	As at March 31,2019	As at March 31,2018
Security deposits	**100,000**	100,000
Total	**100,000**	100,000

Note 5 - Deferred tax assets (net) :

Particulars	As at March 31,2019	As at March 31,2018
Break up of deferred tax assets		
Nature of timing difference		
Others	**-**	172,362,579
	-	172,362,579

Note 6 - Inventories :

Particulars	As at March 31,2019	As at March 31,2018
Others - Airtime	**-**	13,290,105
	-	13,290,105

Note 7 - Cash and cash equivalents :

Particulars	As at March 31,2019	As at March 31,2018
Balances with banks:		
- In current accounts	**35,443,225**	42,635,339
	35,443,225	42,635,339

Note 8 Other Financial assets :

Particulars	As at March 31,2019	As at March 31,2018
Current financial assets		
Particulars		
Unbilled Revenue (Less alloances for credit loss)	**112,567**	-
Total	**112,567**	-

Note 9 - Other Assets :

Particulars	As at March 31,2019	As at March 31,2018
Other current assets		
- Advance to suppliers		
Considered good	**2,297,065**	-
Considered doubtful	**-**	-
	2,297,065	-
Provision for doubtful advances	**-**	-
	2,297,065	-
	-	
Prepaid expenses	**0**	1,280,520
	2,297,065	1,280,520

Note 10 -Equity Share capital :

Particulars	As at			
	March 31,2019		As at March 31, 2018	
	Number	**Amount in NGN**	Number	Amount in NGN
(a) Authorised :				
Equity shares of N 1 each	**10,000,000**	**10,000,000**	10,000,000	10,000,000
	-	**-**	-	-
(b) Issued, subscribed and fully paid up :				
Equity shares of N 1 each fully paid up	**2,500,000**	**2,500,000**	2,500,000	2,500,000
Total	**2,500,000**	**2,500,000**	2,500,000	2,500,000

Note 11 - Other Equity :

Amount in NGN

Particulars	As at			
	March 31,2019		March 31, 2018	
Surplus in the statement of profit and loss				
Opening balance	**(1,124,764,802)**		(618,894,913)	
Add: profit/(loss) for the period/year	**(252,636,879)**		(505,869,890)	
Closing balance		**(1,377,401,682)**		(1,124,764,803)
Total		**(1,377,401,682)**		(1,124,764,803)

Note 12 -Borrowings :

(i)Long-term borrowings

Amount in NGN

Particulars	**As at March 31,2019**	As at March 31,2018
Unsecured		
-From Holding Company -Comviva Nigeria	**840,100,000**	1,049,300,000
-From Holding Company -Tech Mahindra Nigeria	**209,200,000**	-
Total	**1,049,300,000**	1,049,300,000

Note 13 - Trade payables :

Particulars	**As at March 31,2019**	As at March 31,2018
Expenses payables other than Accrued Salaries and Benefits	**167,255,618**	236,774,515
Accrued Salaries and Benefits	**625,178**	905,253
Total	**167,880,796**	237,679,768

Note 14 - Other Financial Liabilities :

Particulars	**As at March 31,2019**	As at March 31,2018
Inter Entity Payable - Comviva Nigeria	**107,447,641**	13,083,371
Interest Accrued not due	**62,453,067**	49,889,304
Total	**169,900,707**	62,972,675

Note 15 - Other current liabilities :

Particulars	**As at March 31,2019**	As at March 31,2018
Statutory remittances	**143,715**	3,158,688
Advance from customers	**25,683,210**	45,473,095
Total	**25,939,492**	48,631,783

Note 16 -Provisions :

Short-term provisions

Particulars	**As at March 31,2019**	As at March 31,2018
Provision for employee benefits		
-Compensated absences	**104,196**	5,456,593
Total	**104,196**	5,456,593

Note 17 - Revenue from operations :

Amount in NGN

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Income from Comviva Product and related managed support		
Revenue sharing arrangements		
	48,576,680	53,692,221
Total	**48,576,680**	53,692,221

Note 18 - Other income :

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Exchange gain/loss (net)	**257,164**	-
Miscellaneous Income	**88,279**	-
Provisions Written back	**73,196**	25,000,000
Total	**418,639**	25,000,000

Note 19. Employee benefits expense :

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Salaries, wages and bonus	**14,297,932**	49,754,951
Contribution to provident and other funds	**566,752**	
Staff Welfare Expenses	**-**	
Total	**14,864,683**	49,754,951

Note 20. Operating and other expense:

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Rent	**1,875,000**	4,493,852
Rates and taxes	**223,509**	1,658,872
Insurance	**49,808**	130,192
Repairs and maintenance:	**36,000**	271,330
Advertising and sales promotion	**21,948,290**	291,814,782
Communication costs	**948,967**	1,359,385
Legal and professional fees	**3,563,314**	10,080,392
Miscellaneous expenses	**8,652,282**	37,881,430
Total	**37,297,170**	347,690,235

COMVIVA TECHNOLOGIES SINGAPORE PTE. LTD.

BOARD OF DIRECTORS
Manish Goenka
Manoranjan Mahopatra
Suresh Bhat Hosdrug - (resigned with effect from 25th Novembers, 2018)

Registered No:
201127764Z

REGISTERED OFFICE
180B, Bencoolen Street,
#12-05, The Bencoolen,
Singapore 189648

BANKERS

AUDITORS

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31ST MARCH, 2019

The Directors submit their report together with the Management Accounts of Comviva Technologies Singapore PTE. Ltd. (the Company), for the year ended 31st March, 2019.

Principal Activity

The principal activity of the Company is to provide solutions for telecommunication and network.

Financial results and appropriations

The financial results of the Company for the year ended 31st March, 2019 are set out in the statement of profit or loss and other comprehensive income.

Events after the reporting period

There are no significant events after the reporting period.

Shareholder and its interest

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 are as follows:

Manish Goenka
Manoranjan Mahopatra

Suresh Bhat Hosdrug (resigned with effect from 25th May, 2018)

On behalf of the Board of Directors,

Manoranjan Mahopatra
Director

Manish Goenka
Director

BALANCE SHEET AS AT MARCH 31, 2019

Amount in SGD

Particulars			Note No.	**As at March 31, 2019**	As at March 31, 2018
I	**Assets**				
A	**Non current assets**				
	(a)	Property, Plant and Equipment	3(i)	**165,296**	2,48,079
	(b)	Capital work-in-progress		**49,530**	-
	(c)	Other Intangible assets	3(ii)	**11,181**	18,909
	(d)	Financial Assets			
	(e)	Advance Income tax (net)		**50,264**	-
	(f)	Deferred tax assets	4	**45,761**	23,847
	Total non-current assets			**322,032**	2,90,835
B	**Current Assets**				
	(a)	Trade receivables	5	**429,843**	6,07,038
	(b)	Cash and cash equivalents	6	**461,374**	4,03,351
	(c)	Others financial assets	7	**48,490**	-
	(d)	Other current assets	8	**84,621**	48,687
	Total current assets			**1,024,328**	10,59,076
	TOTAL ASSETS			**1,346,359**	13,49,911
II	**Equity and Liabilities**				
A	**Equity**				
	(a)	Equity Share capital	9	**561,000**	5,61,000
	(b)	Other Equity	10	**(272,681)**	(2,00,139)
	Equity attributable to equity holders of the Company			**288,319**	3,60,861
B	**Liabilities**				
1	**Non Current Liabilities**				
	Total non-current liabilities			**-**	-
2	**Current Liabilities**				
	(a)	Financial Liabilities			
		(i) Borrowings	11	**554,025**	8,64,762
		(ii) Trade Payables	12	**279,364**	1,24,286
		(iii) Others financial liabilities	13	**224,651**	-
	(b)	Other current liabilities	14	**-**	0
	Total current liabilities			**1,058,040**	9,89,048
	TOTAL EQUITY AND LIABILITIES			**1,346,359**	13,49,911
C	**See accompanying notes forming part of the financial statements**		1-15		

For and on behalf of Comviva Technologies Singapore Pte. Ltd.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

Amount in SGD

	Particulars	Note No.		For the year ended March 31, 2019	For the year ended March 31, 2018
I.	Revenue from operations	14		224,049	1,73,165
II.	Other income			-	16,882
III.	Total income (I+II)			224,049	1,90,047
IV.	Expenses				
	(a) Finance costs			40,207	37,286
	(b) Depreciation and Amortization expense	3		90,511	88,712
	(c) Other expenses	15		176,539	1,46,029
	Total expenses			318,503	2,72,027
V.	Profit/(Loss) before tax			(94,454)	(81,980)
VI.	Tax expenses				
	(a) Current tax		-		-
	(b) Deferred tax		21,913		-
				21,913	-
VII.	Profit/(Loss) after tax			(72,541)	(81,980)
VII.	Profit/(loss) for the Year			(72,541)	(81,980)

VIII. See accompanying notes forming part of the financial statements

For and on behalf of Comviva Technologies Singapore Pte. Ltd.

Note 3(i) - Property, Plant and Equipment

Particulars	Gross Block					Accumulated Depreciation / Amortization				Net Block	
	As at 1st April, 2018	Additions during the year	Disposals during the year	Adjustment	As at March 31, 2019	As at 1st April, 2018	For the year	On disposal for the year	As at March 31, 2019	As at March 31, 2019	As at 1st April 2018
Network systems	40,140	-		-	40,140	14,476	7,896	(1)	22,373	17,767	25,664
Computers	349,225	-	40,140	-	349,225	126,810	74,886	-	201,696	147,530	222,415
	389,365	-	40,140	-	389,365	141,286	82,783	(1)	224,069	165,296	248,079

Note 3(ii) - Other Intangible assets

Particulars	Gross Block					Accumulated Depreciation / Amortization				Net Block	
	As at 1st April, 2018	Additions during the year	Disposals during the year	Adjustment	As at March 31, 2019	As at 1st April, 2018	For the year	On disposal for the year	As at March 31, 2019	As at March 31, 2019	As at 1st April 2018
Computer Software	28,685	0	-	-	28,685	9,776	7,729	-	17,504	11,181	18,909
	28,685	**0**	**-**	**-**	**28,685**	**9,776**	**7,729**	**-**	**17,504**	**11,181**	**18,909**

Note 4 - Deferred tax assets (net) :

Amount in SGD

Particulars	As at 31-Mar-19	As at 31-Mar-18
Break up of deferred tax assets		
Nature of timing difference		
- Others	**45,761**	23,847
	45,761	23,847

Note 5 - Trade receivables :

Amount in SGD

Particulars	As at 31-Mar-19	As at 31-Mar-18
Trade Receivables (Unsecured)		
- Considered good	**429,843**	6,07,038
Total	**429,843**	6,07,038

Note 6 - Cash and cash equivalents :

Amount in SGD

Particulars	As at 31-Mar-19	As at 31-Mar-18
Balances with banks:		
- In current accounts	**461,374**	4,03,351
	461,374	4,03,351

Note 7 - Other Financial assets :

Current financial assets

Amount in SGD

Particulars	As at 31-Mar-19	As at 31-Mar-18
Unbilled Revenue (Less alloances for credit loss)	**48,490**	-
Total	**48,490**	(0)

Note 8 - Other Assets :

0ther current assets

Amount in SGD

Particulars	As at 31-Mar-19	As at 31-Mar-18
Inter entity receivable	**82,433**	-
	-	-
- Others		
- Balance with Government authorities	**596**	-
- Loans and advances to employees	**1,284**	-
Prepaid expenses	**308**	611
Other receivables	**-**	48,075
Total	**84,621**	48,686

Note 9 -Equity Share capital :

Amount in SGD

Particulars	As at			
	March 31, 2019		March 31, 2018	
	Number	**Amount**	Number	Amount in SGD
(a) Authorised :				
Equity shares of SGD 1 each	**5,61,000**	**5,61,000**	5,61,000	5,61,000
(b) Issued, subscribed and fully paid up :				
Equity shares of SGD 1 each fully paid up	**5,61,000**	**5,61,000**	5,61,000	5,61,000
Total	**5,61,000**	**5,61,000**	5,61,000	5,61,000

Note 10 - Other Equity :

Amount in SGD

Particulars	As at			
	March 31, 2019		March 31, 2018	
Surplus in the statement of profit and loss				
Opening balance	**(2,00,139)**		(1,18,159)	
Add: profit/(loss) for the period/year	**(72,541)**		(81,980)	
Closing balance		**(2,72,681)**		(2,00,139)
Total		**(2,72,681)**		(2,00,139)

Note 11 -Borrowings :
(ii) Short-term borrowings

Amount in SGD

Particulars	As at	
	31-Mar-19	31-Mar-18
Loan from Head office (Comviva India)	**554,025**	8,64,762
Total	**554,025**	8,64,762

Note 12 - Trade payables :

Amount in SGD

Particulars	As at	
	31-Mar-19	31-Mar-18
Expenses payables other than Accrued Salaries and Benefits	**277,293**	-
Accrued Salaries and Benefits	**2,072**	1,24,286
Total	**279,364**	1,24,286

Note 13 - Other Financials liabilities:
Short term Financial Liabilities

Amount in SGD

Particulars	As at	
	31-Mar-19	31-Mar-18
Inter Company Receivable /Payable (Net)	**224,651**	-
	224,651	-

Note 14 - Revenue from operations :

Particulars		**For the year ended March 31, 2019**	Amount in SGD For the year ended March 31, 2018
Income from Comviva Product and related managed support			
Revenue sharing arrangements	224,049		
		224,049	1,73,165
Total		**224,049**	1,73,165

Note 15. Operating and other expense:

Particulars		**For the year ended March 31, 2019**	Amount in SGD For the year ended March 31, 2018
Cost of hardware equipment and other items sold		**26,141**	12,108
Royalty and software charges		**41,444**	1,10,913
Travelling and conveyance		**4,621**	-
Freight and forwarding charges		**23,795**	8,323
Repairs and maintenance:		**-**	402
Others	39557		
		39,557	-
Legal and professional fees		**17,042**	10,000
Credit loss allowance on account receivable (net)		**(3,398)**	3,286
Exchange gain/loss (net)		**23,564**	-
Miscellaneous expenses		**3,775**	997
Total		**176,539**	146,029

MOBEX MONEY TRANSFER SERVICES LIMITED

Board of Directors

Terra Payment Sendees (Netherlands) B.V.
Ronald Kibaara Meru
Oscar Savio John Correia

Registered Office

Woodlands Office Park
LR.No. 209/359/19
P.0 Box 1956-00621
Nairobi, Kenya

Bankers

Stanbic Bank Kenya Ltd
Kenyatta Avenue
Nairobi

Auditors

FloDave Gichuhi Associates LLP
Certified Public Accountants
P O Box 43 - 00222
Nairobi-Kenya

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 REPORT OF THE DIRECTORS

The directors submit their report together with the audited financial statements for the year ended 31st December 2018, which disclose the state of affairs of the company.

INCORPORATION

The company is incorporated in Kenya under the Companies Act and is domiciled in Kenya. The address of the registered office is as set out on page 1.

PRINCIPAL ACTIVITIES

The principal activity of the company is services of Money Remittance Company

RESULTS AND DIVIDENDS

The results for the year are as described on page 6.

DIRECTORS

The directors who served during the year are shown on page 1.

AUDITORS

The company's auditors, FloDave Gichuhi Associates LLP, Certified Public Accountant, appointed during the year have expressed willingness to continue in office in accordance with section 717 of the Companies Act.

By order of the board

Company Secretary
Nairobi

28th March, 2019

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

STATEMENT OF DIRECTORS* RESPONSIBILITIES

The Companies Act requires the directors to prepare finmcmt statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss. It also requires the directors to ensure that the company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the company. They are also responsible for safeguarding the assets of the company.

The directors accept responsibility for foe annual financial statement* which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and foe requirements of the Companies Act The directors are of the opinion that the financial statements give a true and Mr view of foe state of the financial affairs of foe company and of its profit 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 tie attention of foe directors to indicate that the company will not remain a going concern for at feast twelve months from the dale of this statement

Approved by the board of directors on 27th March, 2019 and signed on its behalf by:

Director
Terra Payment Sendees (Netherlands) B.V.

Syed Tanvir Hussain

Director
Ronald Kibaara Meru

TO THE MEMBERS OF MOBEX MONEY TRANSFER SERVICES LIMITED

Opinion

We have audited the accompanying financial statements of Mobex Money Transfer Services Limited, set out on pages 7 to 14, which comprise the balance sheet as at 31st December 2018, and the profit and loss account and statements of changes in equity' and cash flows for the year then ended, and notes ,including a summary of significant accounting policies.

In our opinion the accompanying financial statements give a true and fair view of the financial position of the company as at 31 December 2018 and of its financial performance and cash flows for the year then ended and in accordance with the International Financial Reporting Standards and the requirements of the Kenyan Companies Act,2015.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs).Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBACode) together with the ethical requirements that are relevant to our audit of the financial statements in Kenya, and we have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgments, were of most significance in

our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the company financial statements as a Whole and in forming our opinion thereon and we do not provide a separate opinion on these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, wre are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Kenyan Companies Act, 2015, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with IS As will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with IS As, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit 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

Group's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty' exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the company's financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the company's financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so w'ould reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Matters prescribed by the Kenyan Companies Act, 2015

In our opinion the information given in the report of the directors on page 2 is consistent with the financial statements.

The engagement partner responsible for the audit resulting in this report of the independent auditor is CPA Florence Gichuhi P/No.2274.

FLODAVE GICHUHI ASSOCIATES LLP
Certified Public Accountants
P O Box 43 - 00222
Nairobi-Kenya

28th March, .2019

FOR THE YEAR ENDED 31 DECEMBER 2018 STATEMENT OF COMPREHENSIVE INCOME

	NOTES	2018 KSHS	2017 KSHS
Commission income		–	
Gross surplus		–	–
OTHER EXPENSES			
Financial expenses	5	**112,532**	40,659
Adminstrative Expenses	4	**1,309,542**	667,914
		1,422,074	708,573
LOSS BEFORE TAXATION		**(1,422,074)**	(708,573)
Income tax expense	6(a)	**426,622**	212,572
LOSS AFTER TAXATION		**(995,451)**	(496,001)

STATEMENTS AS AT 31 DECEMBER 2018 STATEMENT OF FINANCIAL POSITION

	NOTES	2018 KSHS.	2017 KSHS.
ASSETS			
Cash and cadi equivalents	11	**632,638**	436,154
Deferred tax asset	6(b)	**639,194**	212,572
Prepayments	7	**335,063**	129,000
Related parties		**25,000,000**	24,883,643
Total Assets		**26,606,894**	25,661,369
LIABILITIES			
Payables	8	**2,567,510**	620,034
Borrowings	10	**530,837**	537,336
Total Liabilities		**3,098,347**	1,157,370
EQUITY			
Share capital	9	**25,000,000**	25,000,000
Retaining Reserves		**(1,491,453)**	(496,001)
Total Equity		**23,508,547**	24,503,999
Total Liabilities and Equity		**26,606,894**	25,661,369

The financial statements on pages 6 to 12 wore approved by the Board of Directors on 27th March, 2019 and were signed on its behalf by;

STATEMENT OF CHANGES IN EQUITY

	Share Capital KSHS	Retained Reserves KSHS.	Total KSHS
Issued share capital	25,000,000	-	25,000,000
Loss for the year	-	(496,001)	(496,001)
As at 31 December 2017	**25,000,000**	**(496,001)**	**24,503,999**
As at 01 January 2018	25,000,000	(496,001)	24,503,999
Loss for the year	-	(995,451)	(995,451)
As at 31 December 2018	**25,000,000**	**(1,491,453)**	**23,508,547**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2018

	NOTE	2018 KSHS	2017 KSHS
Cash flows from operating activities			
Commission income		**-**	-
Exchange gains			
Other operating income		**-**	-
Interest expense		**(1,422,074)**	(708,573)
		(1,422,074)	(708,573)
Decrease / (increase) in:			
Trade and other receivables		**(322,420)**	(25,012,643)
Net loans to members			
Increase / (decrease) in:			
Trade and other payables		**1,947,476**	620,034
Net cash from operating activities before tax		**202,983**	(25,101,182)
Income tax paid		**-**	-
Net cash from operating activities after tax		**202,983**	(25,101,182)
Cash flows from financing activities			
Share capital		**-**	25,000,000
Loan		**(6,500)**	537,336
Net cash generated from financing activities		**(6,500)**	25,537,336
Net (decrease) in cash and cash equivalents		**196,484**	436,154
Cash and cash equivalents at 1st January		**436,154**	-
Cash and cash equivalents at 31st December	11	**632,638**	436,154

MOBEX MONEY TRANSFER SERVICES LIMITED ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

NOTES

1 General Information

For the Kenyan Companies Act,2015 reporting purposes,the balance sheet is represented by the statement of financial position and the profit and loss account by the statement of profit or loss in these financial statements

2 Basis of preparation

(a) Statement of compliance

These financial statements have been prepared on a going concern basis and in compliance with the International Financial Reporting Standard (IFRS) issued by the International Accounting Standards Board(IASB) and in compliance with the Kenya Companies Act, 2015.

The financial statements are presented in Kenya Shillings (KSh),rounded to the nearest thousand.

(b) Functional and presentation currency

The financial statements are presented in Kenya Shillings (KShs),which is the Company's functional currency. Except as otherwise indicated,financial information presentattion in Kenya shillings has been rounded to the nearest tousand.Foreign currency transactions are translated into the functional currency using using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured.

(c) Related Parties

In the normal course of business,the company has entered into transactions with related parties.The related party transactions are at aim's length.

(d) Income Tax

Tax expense represents the aggregate amount included in profit or loss for the period in respect of current tax and deferred tax.

Current tax is the amount of income tax payable or refundable in respect of the taxable profit or loss for the current and prior periods, determined in accordance with the Kenyan Income Tax Act.

Deferred tax is determined on differences arising between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases(knownastemporarydifferences),using tax rates and laws enacted or substantively enacted at the balance sheet date and expected to apply when the asset is recovered or the liability is settled.

(e) Use of esimates and judgements

In preparing these financial statements, the directors have made estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial periods. Estimates are and judgements continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances.

(f) Borrowing costs

Borrowing costs are recognised as an expense in the year in which they are incurred.

3 Significant Accounting Policies

(a) Translation of foreign currencies

All transactions in foreign currencies are initially recorded in Kenya Shillings,using the spot rate at die date of the transaction.Foreign currency monetary items at the reporting date are translated using die closing rate.

All exchange differences arising on settlement or translation are recognised in profit or loss.

(b) Share capital, share premium, and dividends

Ordinary shares are recognised at par value and classified as ‘share capital ‘in equity. Any amounts received from the issue of shares in excess of the par value is classified as ‘share premium’ inequity.Dividends are recognised as a liability in the year in which they are declared.Proposed dividends are accounted for as a separate component of equity until they have been declared at an annual general meeting.

(c) Financial assets

Trade and other receivables are initially recognised at the transaction price.Most sales are made on the basis of normal credit terms, and the receivables do not bear interest. Where credit is extended beyond normal credit terms,receivables are measured at amortised cost using the effective interest method.Debt instruments such as Treasury bills or corporate bonds are initially recognised at the transaction price including transaction costs, and subsequently measured at amortised cost using the effective interest method.

At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable.

(d) Financial liabilities

Financial liabilities are initially recognised at the transaction price(lesstransactioncosts).Trade payables are obligations on die basis of normal credit terms and do not bear interestInterest bearing liabilities are subsequently measured at amortised cost using the effective interest method.

(e) Receivables

Receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate. A provision for impairment is recognized in the profit and loss account in the year when the recovery of the amount due as per the provision for impairment is recognized in the profit and loss account in the year when the recovery of the amount due as per the original terms is doubtful. The provision is based on the difference between the carrying amount and the present value of the expected cash flows, discounted at die effective interest rate.

Receivables not collectible are written off against the related provision. Subsequent recoveries of amounts previously written off are credited to the profit and loss account in the year of recovery

(f) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

		2018	2017
		KSHS	KSHS
4	**Administration Expenses**		
	Security Bond premium	**-**	125,563
	Licences and permit	**-**	144,500
	Penalty and interest	**-**	10,000
	Auditors remuneration	**150,000**	100,000
	Legal fees	**1,159,542**	287,851
		1,309,542	667,914
5	**Financial Expenses**		
	Bank charges	**81,005**	36,591
	Interest expenses	**25,755**	-
	Revaluation losses	**5,772**	4,068
		112,532	40,659

			2018 KSHS	2017 KSHS
6	**(a)**	**Tax expense**		
		Current Tax	**-**	-
		Deferred tax income	**426,622**	212,572
			426,622	212,572
	(b)	**Deffered Tax Asset**		
		Temporary differences	**(1,422,074)**	(708,573)
		Total	**(1,422,074)**	(708,573)
	Deferred tax asset c/f @ 30%		**426,622**	212,572
	Balance carried down		**212,572**	-
	Balance carried forward		**639,194**	212,572
7	**Trade and prepayment**			
	Prepayments		**335,063**	129,000
			335,063	129.000
8	**Trade and other payables**			
	Trade payables		**48,892**	3,116
	Intercompany Payable		**2,368,619**	500,918
	Accruals		**150,000**	116,000
			2,567,510	620.034
9	**Share Capital**			
	Authorised, issued and Fully paid			
	250,000 ordinary shares of sh. 100 each		**25.000.000**	25.000.000
10	**Borrowings**			
	Intercompany		**530,837**	537,336
			530,837	537336
11	**Cash and cash equivalents**			
	Cash at bank and in hand		**632,638**	436,154
	Less: bank overdraft		**-**	-
			632,638	436.154

11 Financial risk management objectives

The company operations are exposed to financial risk due to the changing marketing conditions.These risk include market risks,credit risk, liquidity risk and cash flow interest rate risk.The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effect on the company's financial performance.

i) Credit risk management

Credit risk refers to the risk of suffering loss,should any of the customers or market counterparties fail to fulfil their contractual obligation. Credit risks arises principally from the company's loan and advances to its members. The Company policy is to deal with credit worthy counter parties and obtain sufficient collateral ,undertakes by placing limits on amount of risk accepted in relation to one borrower or group of borrowers The Company does not have any significant credit risk exposure to any counter party

ii) Liquity risk management

The Company manages liquidity risk by maintaining adequate reserves,banking facilities and reserves borrowing facilities, by countiniously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

12 Capital Risk Management

The Company manages its capital to ensure that it would be able to continue was a going concern while maximizing the return to members through the optimization of the debt and equity balance.

The capital structure of the Company consists of net debt calculated as toal bebt less cash equivalents and equity.In order to maintain or adjust the capital structure the Company may adjust the amount of dividends paid to members or sell assets to reduce debt.

COMVIVA TECHNOLOGIES (AUSTRALIA) PTY LTD AND CONTROLLED ENTITY

Board of Directors

Amit Sanyal
Rohit Kaul

Registered office

Suite # 701, Level 7, 465 Victoria Avenue,
Chatswood, NSW 2067

AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF COMVIVA TECHNOLOGIES (AUSTRALIA) PTY LTD

I declare that, to the best of my knowledge and belief, during the period ended 31 March 2019 there have been no contraventions of:

i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. any applicable code of professional conduct in relation to the audit.

Name of Firm: BLG Audit Services Pty Ltd

Name of Partner: Angela Bernardi

Address: Wollongong NSW

Date: 14 May 2019

INDEPENDENT AUDITOR'S REPORT TO THE OWNERS OF COMVIVA TECHNOLOGIES (AUSTRALIA) PTY LTD

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Comviva Technologies (Australia) Pty Ltd and Controlled Entity (the Group), which comprises the consolidated statement of financial position as at 31 March 2019, the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of Comviva Technologies (Australia) Pty Ltd is in accordance with the Corporations Act 200 and the Corporations Regulations 2001, including:

(i) giving a true and fair view of the Group's financial position as at 31 March 2019 and of its financial performance for the period then ended; and

(ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Comviva Technologies (Australia) Pty Ltd, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Emphasis of Matter

We draw attention to the negative total equity balance shown on the Group's Balance Sheet. The Group's liabilities exceed its assets, making the Group insolvent. Notwithstanding, the Financial Statements have been prepared on a going concern basis as the ultimate parent company of the Group, Comviva Technologies Limited, has committed to providing financial support to the group to ensure that it can continue as a going concern. The net equity of Comviva Technologies Limited was $116,417,000 as at 31 March 2018, being the most recent Financial Statements available for the company. Further, the immediate holding company Comviva Technologies B.V. has committed to not call on the borrowings shown in Note 16 and Note 25 until the Group is solvent. As such, our opinion is not qualified in respect of this matter.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the period ended 31 March 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Auditor's name:Angela Bernardi

Name of the Firm: BLG Audit Services Pty Ltd

Address: Level 2, 128-134 Crown Street, Wollongong NSW 2500

Dated this 14th day of May 2019

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE PERIOD ENDED 31 MARCH 2019

	Note	Consolidated Group	
		2019	2018
		$	$
Revenue	3	**3,798,041**	4,186,375
Other income			94,634
Employee benefits expense	4	**(2,712,589)**	(1,782,520)
Depreciation and amortisation expenses	13, 14	**(290,041)**	(198,993)
Commissions paid		**-**	(15,448)
Finance costs	4	**(283,753)**	(409,507)
Other expenses	4	**(2,319,657)**	(1,785,850)
Profit before income tax		**(1,807,998)**	88,692
Income tax (expense) benefit	5	**104,017**	(359,398)
Profit / (loss) for the period		**(1,703,981)**	(270,707)
Profit / (loss) attributable to:			
Owners of the parent entity		**(1,703,981)**	(270,707)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2019

	Note	Consolidated Group	
		2019	2018
		$	$
Profit / (loss) for the period		**(1,703,981)**	(270,707)
Other comprehensive income		**-**	-
Total comprehensive income / (loss) for the period		**(1,703,981)**	(270,707)
Total comprehensive income / (loss) attributable to:			
Owners of the parent entity		**(1,703,981)**	(270,707)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

	Note	Consolidated Group	
		2019	2018
ASSETS		**$**	$
CURRENT ASSETS			
Cash and cash equivalents	7	**1,107,976**	349,153
Trade and other receivables	8	**671,274**	2,377,333
Contract assets	9	**486,689**	640,176
Other assets	10	**127,113**	179,522
TOTAL CURRENT ASSETS		**2,393,052**	3,546,184
NON-CURRENT ASSETS			
Trade and other receivables	8	**56,374**	-
Property, plant and equipment	13	**21,376**	73,150
Deferred tax assets	19	**341,569**	241,936
Intangible assets	14	**4,746,503**	4,978,911
TOTAL NON-CURRENT ASSETS		**5,165,822**	5,293,997
TOTAL ASSETS		**7,558,874**	8,840,181
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	15	**1,109,334**	846,466
Borrowings	16	**3,850,339**	2,152,360
Other financial liabilities	17	**-**	1,930,000
Contract liabilities	18	**539,110**	739,301
Current tax liabilities	19	**-**	275,066
Provisions	20	**71,204**	62,518
TOTAL CURRENT LIABILITIES		**5,569,987**	6,005,711
NON-CURRENT LIABILITIES			
Other financial liabilities	17	**3,530,000**	2,600,000
Deferred tax liabilities	19	**148,667**	258,580
Provisions	20	**274,908**	236,597
TOTAL NON-CURRENT LIABILITIES		**3,953,575**	3,095,177
TOTAL LIABILITIES		**9,523,562**	9,100,888
NET ASSETS		**(1,964,688)**	(260,707)
EQUITY			
Issued capital	21	**10,000**	10,000
Retained earnings		**(1,974,688)**	(270,707)
TOTAL EQUITY		**(1,964,688)**	(260,707)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2019

Consolidated Group	Note	Share Capital Ordinary $	Retained Earnings (Accumulated Losses) $	Total $
Balance at 1 April 2017		-	-	-
Comprehensive income				
Profit (loss) for the period		-	(270,707)	(270,707)
Other comprehensive income for the period		-	-	-
Total comprehensive income for the period attributable to owners of the parent		-	(270,707)	(270,707)
Transactions with owners, in their capacity as owners, and other transfers				
Shares issued during the period		10,000	-	-
Total transactions with owners and other transfers				
Balance at 31 March 2018		10,000	(270,707)	(260,707)
Balance at 1 April 2018		10,000	(270,707)	(260,707)
Comprehensive income				
Profit (loss) for the period		-	(1,703,981)	(1,703,981)
Other comprehensive income for the period		-	-	-
Total comprehensive income for the period attributable to owners of the parent		-	(1,703,981)	(1,703,981)
Transactions with owners, in their capacity as owners, and other transfers				
Shares issued during the period		-	-	-
Total transactions with owners and other transfers		-	-	-
Balance at 31 March 2019		10,000	(1,974,688)	(1,964,688)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2019

	Note	Consolidated Group	
		2019	2018
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		**5,455,713**	3,231,846
Payments to suppliers and employees		**(4,663,082)**	(3,657,721)
Interest paid		**(283,753)**	(2,225)
Income tax (paid)/refunded		**(380,595)**	440,961
Net cash generated by operating activities		**128,283**	12,861
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of subsidiary Emagine International Holdings Pty Ltd, net of cash		**(1,000,000)**	(4,988,132)
Purchase of property, plant and equipment		**(12,749)**	(10,159)
Interest received		**1,684**	678
Amounts loaned to other companies		**(56,374)**	-
Net cash used in investing activities		**(1,067,439)**	(4,997,613)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		**-**	10,000
Proceeds from borrowings from related parties		**1,697,979**	5,555,758
Repayment of borrowings		**-**	(231,853)
Net cash generated by financing activities		**1,697,979**	5,333,905
Net increase in cash and cash equivalents held		**758,823**	349,153
Cash and cash equivalents at beginning of financial period		**349,153**	-
Cash and cash equivalents at end of financial period	7	**1,107,976**	349,153

The accompanying notes form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2019

The consolidated financial statements and notes represent those of Comviva Technologies (Australia) Pty Ltd and Controlled Entity (the "consolidated group" or "group").

The separate financial statements of the parent entity, Comviva Technologies (Australia) Pty Ltd, have not been presented within this financial report as permitted by the *Corporations Act 2001.*

The financial statements were authorised for issue on 14 May 2019 by the directors of the company.

Note 1: Summary of Significant Accounting Policies

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board and the Corporations Act 2001. The company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

a. Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (Comviva Technologies (Australia) Pty Ltd) and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary details are provided in Note 12.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is obtained, whereby the fair values of the identifiable assets acquired and liabilities (including contingent liabilities) assumed are recognised (subject to certain limited exceptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or a liability is remeasured in each reporting period to fair value recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations, other than those associated with the issue of debt and equity securities, are recognised as expenses in profit or loss.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

Goodwill

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

i. the consideration transferred at fair value;

ii. any non-controlling interest (determined under either the fair value or proportionate interest method); and

iii. the acquisition date fair value of any previously held equity interest; over the acquisition date fair value of any identifiable assets acquired and liabilities assumed.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements.

Fair value remeasurements in any pre-existing equity holdings are recognised in profit or loss in the period in which they arise. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

The amount of goodwill recognised on acquisition of each subsidiary in which the Group holds a less than 100% interest will depend on the method adopted in measuring the non-controlling interest. The Group can elect in most circumstances to measure the non-controlling interest in the acquiree either at fair value ("full goodwill method") or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets ("proportionate interest method"). In such circumstances, the Group determines which method to adopt for each acquisition and this is stated in the respective note to the financial statements disclosing the business combination.

Under the full goodwill method, the fair value of the non-controlling interest is determined using valuation techniques which make the maximum use of market information where available. Under this method, goodwill attributable to the non-controlling interest is recognised in the consolidated financial statements.

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is tested for impairment annually and is allocated to the Group's cash-generating units or groups of cash-generating units, which represent the lowest level at which goodwill is monitored but where such level is not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity sold.

Changes in the ownership interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions and do not affect the carrying amounts of goodwill.

b. Income Tax

The income tax expense (income) for the period comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income for the current period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the Australian Tax Office (ATO) using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the period as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss or arising from a business combination.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale. When an investment property that is depreciable is held by the Group in a business model whose objective is to consume substantially all of the economic benefits embodied in the property through use over time (rather than through sale), the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of such property will be recovered entirely through use.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (i) a legally enforceable right of set-off exists; and (ii) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

c. Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

d. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate proportion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs.

e. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less accumulated depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in other comprehensive income. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in other comprehensive income; all other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(i) for details of impairment).

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

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 Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Depreciation is recognised in profit or loss.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	**Depreciation Rate**
Property improvements	33%
Plant and equipment	20% - 40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss when the item is derecognised. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

f. Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to entities in the consolidated group, are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

g. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the entity commits itself to either purchase or sell the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are recognised immediately as expenses in profit or loss.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15: Revenue from Contracts with Customers.

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit or loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3 : Business Combinations applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability, that is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability. If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income. A financial liability cannot be reclassified.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are initially measured at fair value (and if not designated as at fair value through profit or loss and do not arise from a transfer of a financial asset) and subsequently measured at the higher of:

- the amount of loss allowance determined in accordance to AASB 9.3.25.3; and
- the amount initially recognised less accumulative amount of income recognised in accordance with the revenue recognition policies.

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or

- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The Group initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an “accounting mismatch”) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy and information about the groupings is documented appropriately, so the performance of the financial liability that is part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Equity instruments

At initial recognition, as long as the equity instrument is not held for trading or is not a contingent consideration recognised by an acquirer in a business combination to which AASB 3 applies, the Group made an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investments will still be recognised in profit or loss. Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the Group’s accounting policy.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder’s contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Group no longer controls the asset (ie it has no practical ability to make unilateral decisions to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which the Group elected to classify under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Impairment

The Group recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (eg amount due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Group uses the following approaches to impairment, as applicable under AASB 9 : Financial Instruments :

- the general approach;
- the simplified approach;
- the purchased or originated credit impaired approach; and
- low credit risk operational simplification.

General approach

Under the general approach, at each reporting period, the Group assessed whether the financial instruments are credit impaired, and:

- if the credit risk of the financial instrument increased significantly since initial recognition, the Group measured the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; and
- if there was no significant increase in credit risk since initial recognition, the Group measured the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:

- trade receivables or contract assets that result from transactions that are within the scope of AASB 15: Revenue from Contracts with Customers , and which do not contain a significant financing component; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables is used taking into consideration various data to get to an expected credit loss (ie diversity of its customer base, appropriate groupings of its historical loss experience, etc).

Purchased or originated credit-impaired approach

For a financial assets that are considered to be credit-impaired (not on acquisition or originations), the Group measures any change in its lifetime expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

Evidence of credit impairment includes:

- significant financial difficulty of the issuer or borrower;
- a breach of contract (eg default or past due event);
- where a lender has granted to the borrower a concession, due to the borrower's financial difficulty, that the lender would not otherwise consider;
- the likelihood that the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for the financial asset because of financial difficulties.

Low credit risk operational simplification approach

If a financial asset is determined to have low credit risk at the initial reporting date, the Group assumes that the credit risk has not increased significantly since initial recognition and, accordingly, can continue to recognise a loss allowance of 12-month expected credit loss.

In order to make such a determination that the financial asset has low credit risk, the Group applies its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

A financial asset is considered to have low credit risk if:

- there is a low risk of default by the borrower;
- the borrower has strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term, may, but not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a lower risk of default than the risk inherent in the financial assets, or lower than the credit risk of the jurisdiction in which it operates.

Recognition of expected credit losses in financial statements

At each reporting date, the Group recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income. The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (eg loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

h. Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information, and internal sources of information, including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116: Property, Plant and Equipment). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

i. Intangible Assets Other than Goodwill

Research and development

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

Capitalised development costs are amortised on a systematic basis matched to the future economic benefits over the useful life of the project.

j. Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each group entity is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars, which is the parent entity's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in other comprehensive income as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is directly recognised in other comprehensive income; otherwise the exchange difference is recognised in profit or loss.

Group companies

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

– assets and liabilities are translated at period-end exchange rates prevailing at the end of the reporting period;

– income and expenses are translated at average exchange rates for the period; and

– retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of financial position via other comprehensive income. The cumulative amount of these differences is reclassified into profit or loss in the period in which the operation is disposed of.

k. Employee Benefits

Short-term employee benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and leave entitlements. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries, annual leave and long service leave are recognised as part of current provisions in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on corporate bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

Retirement benefit obligations

Defined contribution superannuation benefits

All employees of the Group receive defined contribution superannuation entitlements, for which the Group pays the fixed superannuation guarantee contribution (currently 9.5% of the employee's average ordinary salary) to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The Group's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the Group's statement of financial position.

l. Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Provision for Warranties

Provision is made in respect of the Group's best estimate of the liability on all products and services under warranty at the end of the reporting period. The provision is measured as the present value of future cash flows estimated to be required to settle the warranty obligation. The future cash flows have been estimated by reference to the consolidated group's history of warranty claims.

m. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 12 months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

n. Revenue Recognition

AASB 15 : Revenue from Contracts with Customers and AASB 9: Financial Instruments have been applied using the retrospective method, with comparative amounts restated where appropriate.

IT services

The group provides IT management, design, implementation and support services. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the actual labour hours spent relative to the total expected labour hours.

Some contracts include multiple deliverables, which are accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

In case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the group exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised. If the contract includes an hourly fee, revenue is recognised in the amount to which the group has a right to invoice. Consideration is payable when invoiced.

Maintenance and support services

The Group provides after-sale maintenance support services to customers, with contract duration ranging from two to three years. After-sale maintenance support services are recognised as a distinct performance obligation in contracts that provide both sale of equipment and after-sale maintenance support services. Customers can benefit from the after-sale maintenance support services separately from the purchase of electronic equipment.

For a contract that includes both the sale of equipment and the sale after-sale maintenance support services, the transaction price is allocated between the two distinct performance obligations based on their relative stand-alone selling prices.

During the contract term the Group stands ready to provide the after-sale maintenance support services to customers, with revenue recognised on a straight-line basis over time.

Interest income is recognised using the effective interest method.

o. Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(h) for further discussion on determination of impairment losses.

p. Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the Group that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 60 days of recognition of the liability. Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

q. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

r. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

s. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

t. Initial application of AASB 9: Financial Instruments

The Group has adopted AASB 9 with a date of initial application of 1 July 2018. As a result, the Group has changed its financial instruments accounting policies as detailed in this note.

Considering the initial application of AASB 9 during the financial period, financial statement line items have been affected for the current and prior period. The following tables summarise the adjustments made to the affected financial statement line items.

AASB 9 requires retrospective application with some exceptions (ie hedge accounting in terms of the Standard).

There were no financial assets/liabilities which the Group had previously designated as at fair value through profit or loss under AASB 139 : Financial Instruments: Recognition and Measurement that were subject to reclassification/ elected reclassification upon the application of AASB 9. There were no financial assets/liabilities which the Group has elected to designate as at fair value through profit or loss at the date of initial application of AASB 9.

The Group applied AASB 9 (as revised in July 2014) and the related consequential amendments to other AASBs. New requirements were introduced for the classification and measurement of financial assets and financial liabilities, as well as for impairment and general hedge accounting.

The date of initial application was 1 July 2018. The Group has applied AASB 9 to instruments that have not been derecognised as at 1 July 2018 and has not applied AASB 9 to instruments that have already been derecognised as at 1 July 2018. Comparative amounts in relation to instruments that have not been derecognised as at 1 July 2018 have been restated where appropriate.

Financial assets in terms of AASB 9 need to be measured subsequently at either amortised cost or fair value on the basis of the Group's business model and the cash flow characteristics of the financial assets as follows:

- debt investments that are held within a business model whose goal is to collect the contractual cash flows, and that have contractual cash flows that are purely payments of principal and interest on the principal amount outstanding, are subsequently measured at amortised cost;
- debt investments that are held within a business model whose goal is both to collect contractual cash flows and to sell it, and that have contractual cash flows that are purely payments of principal and interest on the principal amount outstanding, are subsequently measured at fair value through other comprehensive income; and
- all other debt investments and equity investments are measured at fair value through profit or loss.

Despite the issues mentioned, the Group may make irrevocable election at initial recognition of a financial asset as follows:

- the Group may choose to present subsequent changes in fair value of an equity investment that is not held for trading and not a contingent consideration in a business combination in other comprehensive income; and
- the Group may choose to present a debt investment that meets the amortised cost or fair value through other comprehensive income criteria as measured at fair value through profit or loss if this choice significantly reduces an accounting mismatch.

When an equity investment at fair value through other comprehensive income has a gain or loss previously recognised in other comprehensive income, it is not reclassified to profit or loss. However, when a debt investment at fair value through other comprehensive income is derecognised, the gain or loss recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

Debt instruments that are subsequently measured at amortised cost or at fair value through other comprehensive income are subject to impairment.

u. Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key estimates

(i) *Impairment – general*

The Group assesses impairment at the end of each reporting period by evaluating the conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

No impairment has been recognised in respect of goodwill at the end of the reporting period.

NOTE 2: PARENT INFORMATION

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Australian Accounting Standards:

	2019 $	2018 $
Statement of Financial Position		
ASSETS		
Current assets	**192,063**	152,587
Non-current assets	**9,753,995**	9,753,995
TOTAL ASSETS	**9,946,058**	9,906,582
LIABILITIES		
Current liabilities	**10,658,965**	8,366,871
Non-current liabilities	**1,157,000**	2,600,000
TOTAL LIABILITIES	**11,815,965**	10,966,871
EQUITY		
Issued capital	**10,000**	10,000
Retained earnings	**(1,879,907)**	(1,070,289)
TOTAL EQUITY	**(1,869,907)**	(1,060,289)
Statement of Profit or Loss and Other Comprehensive Income		
Total profit / (loss)	**(1,879,907)**	(1,070,289)
Total comprehensive income	**(1,879,907)**	(1,070,289)

Guarantees

Comviva Technologies (Australia) Pty Ltd has not entered into any guarantees, in the current or previous financial periods, in relation to the debts of its subsidiaries.

Contingent liabilities

The directors of Comviva Technologies (Australia) Pty Ltd are not aware of any contingent liabilities of the group that existed as at 31 March 2019 or have arisen subsequent to the period end.

Contractual commitments

Comviva Technologies (Australia) Pty Ltd had not entered into any contractual commitments for the acquisition of property, plant and equipment as at 31 March 2019 or subsequent to the period end.

NOTE 3: REVENUE AND OTHER INCOME

	Consolidated Group	
	2019	2018
	$	$
Sales revenue:		
– Revenue from contracts with customers	3,796,357	4,185,698
	3,796,357	4,185,698
Other revenue:		
– interest received:		
- other persons	1,684	678
Total revenue	3,798,041	4,186,376
Other income:		
– gain on debt defeasance	-	593
– gain on foreign currency exchange	-	94,041
Total other income	-	94,634

a. Revenue Disaggregation

The revenue is disaggregated along product and service lines:

	2019 $	2018 $
Sales – domestic	**2,228,131**	1,428,688
IT software service – domestic	**380,794**	808,983
Sales – export	**519,491**	1,601,319
IT software service – export	**667,941**	346,708
	3,796,357	4,185,698

Note 4: Profit before Income Tax

	Consolidated Group	
	2019 $	2018 $
a. **Expenses**		
Finance costs		
Interest expense	**283,753**	106,732
Other finance costs	**-**	302,775
Total finance costs	**283,753**	409,507
Employee benefits expense		
– salaries and employee entitlements	**2,464,775**	1,626,926
– contributions to defined contribution superannuation funds	**225,012**	153,492
– fringe benefits tax	**22,802**	2,102
Total employee benefits expense	**2,712,589**	1,782,520
Other expenses		
Foreign currency translation losses	**221,379**	165,727
Rental expense on operating leases	**130,008**	73,083

NOTE 5: INCOME TAX EXPENSE

	Consolidated Group	
	2019 $	2018 $
a. The components of tax expense comprise:		
Current tax	**221,720**	296,588
Deferred tax	**(209,546)**	62,810
Over provision for income tax (prior year)	**(116,191)**	-
	104,017	359,398
b. The prima facie tax on profit from ordinary activities before income tax is reconciled to income tax as follows:		
– consolidated group	**(472,677)**	26,607
Add tax effect of:		
– capital gains subject to income tax	**-**	534,873
– other non-allowable items	**661,983**	733,648
– foreign withholding tax written off	**221,720**	-
– Tax losses carried forward	**176,878**	-
Less tax effect of:		
– other allowable items	**(366,187)**	(686,751)
– research and development tax offset	**-**	(288,750)
– foreign income subject to withholding tax	**-**	(23,039)
Income tax attributable to entity	**221,720**	296,589
Weighted average effective tax rates	**-**	334%

NOTE 6: KEY MANAGEMENT PERSONNEL COMPENSATION

No remuneration was paid by the group to key management personnel during the period ended 31 March 2019.

Other KMP transactions

For details of other transactions with key management personnel, refer to Note 25.

NOTE 7: CASH AND CASH EQUIVALENTS

	Consolidated Group	
	2019	**2018**
	$	**$**
CURRENT		
Cash at bank and on hand	**1,107,976**	349,153
	1,107,976	349,153

Reconciliation of cash and cash equivalents

Cash and cash equivalents at the end of the financial period as shown in the statement of cash flows are reconciled to items in the statement of financial position as follows:

	2019	2018
Cash and cash equivalents	**1,107,976**	349,153
	1,107,976	349,153

No charge over cash and cash equivalents has been provided.

Note 8: Trade and Other Receivables

	Consolidated Group	
	2019	**2018**
	$	**$**
CURRENT		
Trade receivables	**530,057**	2,230,862
Other receivables	**141,217**	146,471
Total current trade and other receivables	**671,274**	2,377,333
NON CURRENT		
Other receivables	**56,374**	-

b. Provision for impairment of receivables

No provision has been made for impairment of receivables.

c. Financial assets classified as loans and receivables

	Note	2019	2018
Trade and other receivables:			
– total current		**671,274**	2,377,333
– total non-current		**56,374**	-
Total financial assets classified as loans and receivables	26	**727,648**	2,377,333

d. Collateral Pledged

No Collateral is pledged over trade and other receivables.

NOTE 9: CONTRACT ASSETS

	Consolidated Group	
	2019	**2018**
	$	**$**
CURRENT		
At cost:		
– Contract work in progress	**486,689**	640,176
	486,689	640,176

NOTE 10: OTHER ASSETS

	Consolidated Group	
	2019	**2018**
	$	**$**
CURRENT		
Prepayments	**111,267**	179,522
Accrued FBT	**15,846**	-
	127,113	179,522

NOTE 11: ASSOCIATES AND JOINT ARRANGEMENTS

a. Information about Principal Joint Operations

Neither Comviva Technologies (Australia) Pty Ltd (the parent) nor any of its subsidiaries holds an interest in any associates, joint ventures or other joint arrangements.

NOTE 12: INTERESTS IN SUBSIDIARIES

a. Information about Principal Subsidiaries

The subsidiaries listed below have share capital consisting solely of ordinary shares, which are held directly by the parent entity. The assets, liabilities, income and expenses of the subsidiaries have been consolidated on a line-by-line basis in the consolidated financial statements of the Group. Each subsidiary's principal place of business is also its country of incorporation or registration.

Name of Subsidiary	Place of incorporation and operation	Ownership Interest Held by the Group
		31 March 2019
		%
Emagine International Pty Ltd	Australia	100

Subsidiary financial statements used in the preparation of these consolidated financial statements have also been prepared as at the same reporting date as the Group's financial statements.

b. Significant Restrictions

There are no significant restrictions over the Group's ability to access or use assets, and settle liabilities, of the Group.

c. Acquisitions

The Group has not acquired any interests in any subsidiaries during the year.

In the prior year, Comviva Technologies (Australia) Pty Ltd acquired 100% of the shares in Emagine International Holdings Pty Ltd on 1 September 2017. Emagine International Holdings Pty Ltd owned 100% of the shares in Emagine International Pty Ltd as at the date of this acquisition.

Intangible assets recognised on acquisition	$
Customer relationship	697,221
Intellectual Property Rights	3,478,239
Goodwill	4,252,369
Total intangible assets recognised on acquisition	8,427,829
Net assets acquired and recognised on acquisition	9,529,849
Consideration paid and payable in relation to acquisition	
Initial purchase price	5,302,624
Contingent consideration subject to earn out	4,227,225
	9,529,849

The contingent consideration subject to earn out is dependent on the future financial performance of the group. The amount payable will fall within the range of $0 - $6,000,000, subject to specified targets being achieved. The amount of $4,227,225 was the initial independent valuation of the probable earn out payment based on information available at the time of acquisition.

During the current year, $1,000,000 of the contingent consideration was paid due to the company meeting its first earn-out target.

The remaining contingent consideration has been revalued to $4,530,000 as at the balance sheet date and is provided for within liabilities on the group's balance sheet.

NOTE 13: PROPERTY, PLANT AND EQUIPMENT

	Consolidated Group	
	2019	**2018**
	$	**$**
Plant and equipment:		
At cost	**101,850**	35,109
Accumulated depreciation	**(80,474)**	(8,788)
	21,376	26,321
Total plant and equipment	**21,376**	26,321
Total property, plant and equipment	**21,376**	73,150

a. Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial period:

	Leasehold Improvements	**Plant and Equipment**	**Total**
	$	**$**	**$**
Consolidated Group			
Carrying amount at 1 April 2018	46,829	26,321	73,150
Additions			
Disposals			
Depreciation expense	(46,829)	(4,945)	(51,774)
Carrying amount at 31 March 2019	0	21,376	21,376

NOTE 14: INTANGIBLE ASSETS

	Consolidated Group	
	2019	**2018**
	$	**$**
Goodwill		
Cost	**4,417,261**	4,417,261
Accumulated impairment losses	**-**	-
Net carrying amount	**4,417,261**	4,417,261
Reconciliation of goodwill		
Balance at 1 April 2018	**4,417,261**	4,417,261
Additions	**-**	-
Impairment losses	**-**	-
Closing carrying amount at 31 March 2019	**4,417,261**	4,417,261
Customer relationship		
Cost	**697,221**	697,221
Accumulated amortisation	**(367,979)**	(135,571)
Accumulated impairment losses	**-**	-
Net carrying amount	**329,242**	561,650
Reconciliation of customer relationship		
Balance at 1 April	**561,650**	
Additions	**-**	697,221
Amortisation	**(232,408)**	(135,571)
Impairment losses	**-**	-
Closing carrying amount at 31 March	**329,242**	561,650
Total intangible assets	**4,746,503**	4,978,911

NOTE 15: TRADE AND OTHER PAYABLES

	Note	Consolidated Group	
		2019	**2018**
		$	**$**
CURRENT			
Unsecured liabilities:			
Trade payables		**127,235**	127,222
Sundry payables and accrued expenses		**950,805**	584,260
GST payable		**31,294**	134,984
		1,109,334	846,466
a. Financial liabilities at amortised cost classified as trade and other payables			
Trade and other payables:			
– total current		**1,109,334**	846,466
– total non-current		**-**	-
Financial liabilities as trade and other payables	25	**1,109,334**	846,466

NOTE 16: BORROWINGS

	Note	Consolidated Group	
		2019	**2018**
		$	**$**
CURRENT			
Loans from related parties unsecured	25	**3,850,339**	2,152,360
Total current borrowings		**3,850,339**	2,152,360
Total borrowings	26	**3,850,339**	2,152,360

a. No non-current assets or financial assets of the group have been pledged as security.

b. The group does not have any borrowing facilities with any financial institutions.

NOTE 17: OTHER FINANCIAL LIABILITIES

	Consolidated Group	
	2019	**2018**
	$	**$**
CURRENT		
Consideration payable	**-**	1,930,000
Total current other financial liabilities	**-**	1,930,000
NON-CURRENT		
Consideration payable	**3,530,000**	2,600,000
Total non-current other financial liabilities	**3,530,000**	2,600,000

NOTE 18: CONTRACT LIABILITIES

	Consolidated Group	
	2019	**2018**
	$	**$**
CURRENT		
Contract amounts received for services not yet provided	**539,110**	739,301
	539,110	739,301

NOTE 19: TAX

	Consolidated Group 2019 $	Consolidated Group 2018 $
CURRENT		
Income tax payable	-	275,066

	Opening Balance $	Charged or Credited to Profit or Loss $	Closing Balance $
NON-CURRENT			
Consolidated Group			
Deferred tax liability on:			
Work in progress	192,053	(46,046)	146,007
Property, plant and equipment	-	2,660	2,660
Customer relationship	66,527	(66,527)	-
Balance at 31 March 2019	**258,580**	**(109,913)**	**148,667**
Deferred tax asset on:			
Provisions and accruals	206,211	48,733	254,944
Property, plant and equipment	35,725	(35,725)	-
Unused tax losses and credits	-	86,625	86,625
Balance at 31 March 2019	**241,936**	**99,633**	**341,569**

NOTE 20: PROVISIONS

	Consolidated Group 2019 $	Consolidated Group 2018 $
CURRENT		
Warranties	**9,000**	9,000
Employee benefits	**62,204**	53,518
Total current provisions	**71,204**	62,518
NON-CURRENT		
Employee benefits	**274,908**	236,597
Total non-current provisions	**274,908**	236,597

	Employee Benefits $	Warranties $	Total $
Analysis of provisions			
Opening balance at 1 April 2018	290,115	9,000	299,115
Additional provisions raised during the period	181,073	-	181,073
Amounts used	(134,076)	-	(134,076)
Balance at 31 March 2019	**337,112**	**9,000**	**346,112**

Provision for warranties

A provision of $9,000 at 31 March 2019 has been recognised by the Group for estimated warranty claims in respect of products and services sold which are still under warranty at the end of the reporting period. The provision for warranties has been based upon management's best estimate of claims likely to be made in relation to total sales.

Based on past experience, the Group does not expect the full balance of the provision for warranties to be settled within 12 months. However, as the Group does not have an unconditional right to defer settlement if a claim is made, the full amount is presented as current.

Provision for employee benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the amounts accrued for annual leave entitlements and the amounts accrued for long service leave entitlements expected to be settled within the next 12 months.

The non-current portion for this provision includes amounts accrued for annual leave entitlements and long service leave entitlements that are not expected to be settled within the next 12 months.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been discussed in Note 1(l).

NOTE 21: ISSUED CAPITAL

	Consolidated Group	
	2019	**2018**
	$	**$**
10,000 fully paid ordinary shares	**10,000**	10,000
	10,000	10,000

The company's ordinary shares have no par value.

		Consolidated Group	
		2019	**2018**
		No.	**No.**
a.	**Ordinary Shares**		
	At the beginning of the reporting period	**10,000**	-
	Shares issued during the period:	**-**	10,000
	At the end of the reporting period	**10,000**	10,000

No shares were issued during the current year. During the prior year, the company issued 10,000 ordinary shares at $1 each called to $1.

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called; otherwise each shareholder has one vote on a show of hands.

NOTE 22: CAPITAL AND LEASING COMMITMENTS

		Note	Consolidated Group	
			2019	**2018**
			$	**$**
a.	**Finance Lease Commitments**			
	The Group had not entered into any finance lease commitments as at 31 March 2019.			
b.	**Operating Lease Commitments**			
	Non-cancellable operating leases contracted for but not capitalised in the financial statements			
	Payable – minimum lease payments:			
	– not later than 12 months		**-**	71,176
	– between 12 months and five periods		**-**	-
	– later than five periods		**-**	-
			-	71,176

The Group has relocated during the year and exited the lease for the old premises. As at the date of the financial statements, no lease agreement had been entered into therefore the Group has no operating lease commitments.

c. **Capital Expenditure Commitments**

The Group did not have any capital expenditure commitments as at 31 March 2019.

NOTE 23: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent Liabilities

The Group is not aware of any contingent liabilities as at 31 March 2019 or that have arisen subsequent to the period end that are not otherwise disclosed for in the financial statements.

NOTE 24: EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any significant events since the end of the reporting period.

NOTE 25: RELATED PARTY TRANSACTIONS

Related Parties

The Group's main related parties are as follows:

a. Entities exercising control over the Group

The ultimate parent entity, which exercises control over the Group, is Comviva Technologies Limited, a company incorporated in India.

The immediate holding company, which exercises control over the Group, is Comviva Technologies B.V., a company incorporated in the Netherlands.

b. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity, is considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 6.

c. Entities subject to significant influence by the Group

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity that holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

The Group does not exercise significant influence over any entities.

d. Joint ventures accounted for under the equity method

The Group has no interest in any joint ventures.

e. Other related parties

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel, individually or collectively with their close family members.

Transactions with Related Parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

		Note	Consolidated Group	
			2019	**2018**
			$	**$**
(i)	*Sale of intellectual property rights*			
	During the prior year, the Group sold intellectual property rights to its immediate holding company, Comviva Technologies B.V.		-	3,478,239
	These intellectual property rights were subject to an external valuation and were sold at market value and settled in full prior to period end by offsetting the purchase price receivable from Comviva Technologies B.V. against the loan payable to Comviva Technologies B.V.			
(ii)	*Borrowings*			
	Immediate holding company:			
	Comviva Technologies B.V. has made loans to the consolidated group. These loans are unsecured and subject to interest at a rate of Libor + 200 bps.	16	**3,850,339**	2,152,360

NOTE 26: FINANCIAL RISK MANAGEMENT

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans to and from subsidiaries, bills, leases, preference shares and derivatives.

The totals amounts for each category of financial instruments, measured in accordance with AASB 9 : Financial Instruments as detailed in the accounting policies to these financial statements, are as follows:

	Note	Consolidated Group	
		2019	**2018**
		$	**$**
Financial assets			
Financial assets at amortised cost:			
Cash and cash equivalents	7	**1,107,976**	349,153
Loans and receivables	8	**727,648**	2,377,333
Total financial assets		**1,835,624**	2,726,486
Financial liabilities			
Financial liabilities at amortised cost:			
– trade and other payables	15	**1,109,334**	846,466
– borrowings	16	**3,850,339**	2,152,360
– other financial liabilities	17	**4,069,110**	5,269,301
Total financial liabilities		**9,028,783**	8,268,127

COMVIVA TECHNOLOGIES (ARGENTINA) S.A

Board of Directors

President and Chairman:
Rafael olivars Perez

Vice Chairman:
Maximiliano Gustavo Knüll

Regular Director:
Ashish Kumar

Alternate Director:
Manoranjan Mohapatra

Registered office
Av. Corrientes 880, 11th Floor
City of Buenos Aires
Argentina

INDEPENDENT AUDITORS' REPORT

To the President and Directors of
Comviva Technologies (Argentina) S.A.
C.U.I.T. N°: 30-64627917-4
Legal address: Avda. Corrientes 880 11º Buenos Aires City

Report on the Audit of the Financial Statements

Opinion

We have audited the special purposes financial statements of Comviva Technologies (Argentina) S.A. (the Company), which comprise the Balance Sheet as at March 31, 2019, and the statement of profit and loose and statement of changes in equity for the twelve month period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2019, and its financial performance in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Buenos Aires, Argentina, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

- Compensated absences (note 14 of the financial statements) amounting AR$ 6.977.520 exposed as Provision – Non Current Liabilities – should be considered under 'Other current liabilities' considering the due of this liability.

- Other Income, 'Exchange gain/loss (net)' amounting AR$ 14.699.926 should be exposed under 'Other Expenses' (note 21 of the financial statements).

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Buenos Aires City May 10, 2019

JUAN J. LÓPEZ FORASTIER (Partner)

COMVIVA TECHNOLOGIES (ARGENTINA) S.A

BALANCE SHEET AS OF MARCH 31, 2019

(Amounts expressed in Argentine pesos)

	Note No.	As at March 31, 2019
Assets		
Non current assets		
(a) Property, Plant and Equipment	3	**4,528,939**
(b) Other Financial Asset	4	**274,547**
(c) Advance Income tax (net)		**2,520,570**
(d) Other non-current assets	5	**1,162,754**
Total non-current assets		8,486,810
Current Assets		
(a) Inventories	6	**590,998**
(b) Financial Assets		
(i) Trade receivables	7	**24,880,534**
(ii) Cash and cash equivalents	8	**33,277,768**
(iii) Others financial assets	9	**88,975,009**
(c) Other current assets	10	**7,164,785**
Total current assets		154,889,094
TOTAL ASSETS		163,375,904
Equity and Liabilities Equity		
(a) Equity Share capital	11	**3,260,792**
(b) Other Equity	12	**53,839,497**
		57,100,289
Liabilities		
Non Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	13	**22,150,000**
(b) Provisions	14	**6,977,519**
Total non-current liabilities		29,127,519
Current Liabilities		
(a) Financial Liabilities		
(i) Trade Payables	15	**50,342,620**
(ii) Others financial liabilities	16	**1,886,811**
(b) Other current liabilities	17	**24,918,665**
Total current liabilities		77,148,096
TOTAL EQUITY AND LIABILITIES		163,375,904

See accompanying notes 1 to 21 forming part of the financial statements

STATEMENT OF PROFIT AND LOSS FOR THE SPECIAL TWELVE-MONTH PERIOD ENDED MARCH 31, 2019

(Amounts expressed in Argentine pesos)

	Note No.	For the year ended March 31, 2019
Revenue from operations	18	**263,450,802**
Other income	19	**(14,112,589)**
Total income (I+II)		**249,338,213**
Expenses		
(a) Employee benefits expense	20	**127,095,378**
(b) Subcontracting cost		**4,883,513**
(c) Finance costs		**3,412,201**
(d) Depreciation and Amortization expense	3	**2,391,074**
(e) Hyperinflation adjustment		**12,961,118**
(e) Other expenses	21	**69,447,537**
Total expenses		**220,190,821**
Profit/(Loss) before tax		**29,147,392**
Tax expenses		
(a) Current tax		**(2,843,890)**
(b) Deferred tax		**1,233,524**
Loss for special twelve-month period		**27,537,026**

See accompanying notes 1 to 21 forming part of the financial statements

NOTES TO THE SPECIAL PURPOSES FINANCIAL STATEMENTS AS OF AND FOR THE SPECIAL TWELVE -MONTH PERIOD ENDED MARCH 31, 2019

(Amounts expressed in Argentine pesos)

1. Company Overview and purposed of the financial statements

Comviva Technologies Limited ("The 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, the accompanied special purposed financial statements were prepared on the basis of the group accounting policies described in the following notes to consolidate with the parent company. Therefore, these special financial statements are presented in Adjusted figures accordingly with IAS 29, being also that the Statement of profit and loss for the special twelve-month period arise from the compilation of the information transcribed in the accounting records in the special period encompass.

Given the special purpose of these financial statements, the Board of Directors of the Company considered unnecessary the presentation of all the complementary information required by professional accounting standards in force.

2. Significant Accounting Policies

2.1 Statement of Compliance

The consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.

2.2 Basis for preparation of financial statements

These consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

In estimating the fair value of an asset or liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purpose in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 Inventories or value in use in Ind AS 36 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability. Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

These financial statement are prepared in accordance with IAS 29 which addresses the issues associated with financial reporting when the functional currency of an entity (i.e. the currency of the primary economic environment in which the entity operates) is that of a hyperinflationary economy, and it applies equally to the financial statements of individual entities and consolidated financial statements. The Standard places responsibility on individual entities to consider the potential impact of hyperinflation and to apply IAS 29 from the beginning of the reporting period in which they identify the existence of hyperinflation in the country in whose currency they report.

2.3 Basis of Consolidation:

The Consolidated Financial Statements comprise the financial statements of Comviva Technologies Limited and its subsidiaries (the Company and its subsidiaries constitute “the Group”).

The Company consolidates all entities which are controlled by it.

The Company establishes control when; it has power over the entity, is exposed or has rights to variable returns from its involvement with the entity and has ability to affect the entity’s returns by using its power over the entity.

Subsidiaries are consolidated from the date control commences until the date control ceases.

The results of subsidiaries acquired, or sold, during the year are consolidated from the effective date of acquisition and up to the effective date of disposal, as appropriate.

All inter-company transactions, balances and income and expenses and cash flows are eliminated in full on consolidation.

Changes in the Company’s interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the company’s interests and the non-controlling interests are adjusted to reflect changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

2.4 Business Combinations:

a. Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of acquisition date fair values of the assets transferred by the company, liabilities incurred by the company to the former owners of the acquiree and the equity interests issued by the company in exchange for control of the acquire. Acquisition related costs are generally recognized in profit or loss as incurred.

b. Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer’s previously held equity interest in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

c. The interest of non-controlling shareholders is initially measured either at fair value or at the non- controlling interests’ proportionate share of the fair value of the acquiree’s identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests’ share of subsequent changes in equity of subsidiaries.

d. When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent arrangement, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with Ind AS 109 Financial Instruments or Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets, with the corresponding gain or loss being recognised in profit or loss.

e. Business combinations arising from transfers of interests in entities that are under the common control are accounted at historical cost. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in shareholders’ equity.

Goodwill and intangible assets

Goodwill represents the cost of acquired business as established at the date of acquisition of the business in excess of the acquirer’s interest in the net fair value of the identifiable assets, liabilities and contingent liabilities less accumulated impairment losses, if any. Goodwill is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

Intangible assets purchased including acquired in business combination, are measured at cost or fair value as of the date of acquisition, as applicable, less accumulated amortization and accumulated impairment, if any.

Intangible assets are amortized on a straight line basis over its useful lives.

Intangible assets consist of acquired contract rights, rights under licensing agreement and software licenses and customer-related intangibles.

2.5 Use of Estimates:

The preparation of financial statements requires the management of the Group 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. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Critical accounting estimates

i) Revenue Recognition

The Group applies the percentage of completion method in accounting for its fixed price contracts. Use of the percentage of completion method requires the Group to estimate the efforts to date as a proportion of the total budgeted efforts. Efforts have been used to measure progress towards completion as there is a direct relationship between input and productivity.

ii) Income taxes

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. The policy for the same has been explained under Note 2.15.

iii) Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by management at the time the asset is acquired and reviewed at the end of each reporting period. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The policy for the same has been explained under Note 2.6.

iv) Provisions

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 a reliable estimate can be made. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. The policy for the same has been explained under Note 2.17.

2.6 Property, Plant & Equipment and Other Intangible assets

Property, Plant & Equipment and Other Intangible assets are stated at actual cost less accumulated depreciation and net of impairment. The actual cost capitalized includes material cost, freight, installation cost, duties and taxes, eligible borrowing costs and other incidental expenses incurred during the construction / installation stage.

Depreciation / amortization of Property, Plant & Equipment and Other Intangible assets:

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation / amortization on Property, Plant & Equipment including assets taken on lease, other than freehold land is charged based on straight line method on an estimated useful life 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, 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

The estimated useful lives and residual values of the Property, Plant & Equipment and Other Intangible assets are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of Property, Plant & Equipment and intangible assets is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property, Plant & Equipment and intangible assets is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the profit or loss.

Improvements to leased premises are amortized over their estimated useful life or period of the lease, whichever is shorter.

Assets costing upto Rs. 5,000 are fully depreciated in the year of purchase except when they are part of a larger capital investment programme.

Computer Software and Hardware acquired for specific projects are amortized over the initial contract life of the project.

The cost of software purchased for internal use is capitalized and depreciated in full in the month in which it is put to use.

Intellectual Property Right (IPR) is amortized over a period of 4 years. Customer relationships and contracts are amortized over a period of 3 years. Licenses are amortized over a period of 2 years.

2.7 Leases

i) 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 a straight line basis over the lease term.

2.8 Impairment of Assets

i) Financial assets

Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a Group of financial assets 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.

Impairment loss on financial assets carried at amortized cost is measured at 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. In a subsequent period, if the amount of impairment loss decreases and the decrease can be related objectively to an event, the previously recognised impairment is reversed through profit or loss.

ii) Non-financial assets

Property, Plant & Equipment and Other Intangible assets

Property, Plant and Equipment and Other intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the profit or loss.

2.9 Inventories

Inventories are stated at lower of cost or net realizable value. In determining the cost of materials, the weighted average cost method is used.

2.10 Revenue recognition

Revenue from sale of equipment and third party software is recognized upon delivery, which is when the title passes to the customer, along with risk and rewards.

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.

Revenue is net of volume discounts/price incentives which are estimated and accounted for based on the terms of the contracts and excludes applicable indirect taxes.

Amounts received or billed in advance of services performed are recorded as advances from customers/unearned revenue.

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.

Interest income is recognized using the effective interest method.

Dividend income is recognized when the Group's right to receive dividend is established.

2.11 Foreign currency transactions

The functional currency of Comviva Technologies Limited is Indian Rupees (INR) whereas the functional currency of foreign subsidiaries is the currency of their countries of domicile.

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the dates of Balance Sheet. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are included in the profit or loss.

2.12 Foreign Operations:

For the purpose of these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising on translation are recognized in other comprehensive income and accumulated in equity.

2.13 Financial Instruments:

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in profit or loss.

i) Non-derivative financial instruments:

Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value

Financial asset not measured at amortized cost is carried at fair value through profit or loss (FVTPL) on initial recognition, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investment in equity instruments which are not held for trading.

The Group, on initial application of IND AS 109 Financial Instruments, has made an irrevocable election to present in other comprehensive income subsequent changes in fair value of equity instruments not held for trading.

Financial asset at FVTPL are measured at fair values at the end of each reporting period, with any gains or losses arising on remeasurement recognized in Statement of profit and loss.

Financial liabilities

Financial liabilities maturing after one year are subsequently carried at amortized cost using the effective interest method.

For trade payables and other financial liabilities maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

ii) Derivative financial instruments and hedge accounting

The Group uses foreign currency forward contracts / options to hedge its risks associated with foreign currency fluctuations relating to certain forecasted transactions. The Group designates some of these as cash flow hedges applying the recognition and measurement principles set out in the Ind AS 109.

The use of foreign currency forward contracts / options is governed by the Group policies approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with the Group's risk management strategy. The counter party to the Group's foreign currency forward contracts is generally a bank. The Group 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 in other comprehensive income and accumulated under Hedging Reserve and the ineffective portion is recognised immediately in the Statement of Profit and Loss.

Amounts previously recognized in other comprehensive income and accumulated in Hedging Reserve are reclassified to profit or loss in the same period in which gains/losses on the item hedged are recognized in the Statement of Profit or Loss. However when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognized in other comprehensive income and accumulated in Hedging Reserve are transferred from Hedging Reserve and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Any Profit or Loss arising on cancellation or renewal of such a forward exchange contract is recognized as income or as expense in the period in which such cancellation or renewal occurs. 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 classified in Hedging Reserve 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 recognized in Hedging Reserve is transferred to the Statement of Profit and Loss for the period.

iii) Derecognition of financial instruments

The group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

The group derecognises financial liabilities when, and only when, the group's obligation is discharged, cancelled or have expired.

2.14 Employee benefits

i) Gratuity:

The group accounts for its gratuity liability, a defined retirement benefit plan covering eligible 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. Liabilities with regard to a Gratuity plan are determined based on the actuarial valuation carried out by an independent actuary as at the Balance Sheet date using the Projected Unit Credit method for India location. Certain overseas subsidiaries/ branches of the group also provide for retirement benefit plans in accordance with the local laws.

Actuarial gains and losses are recognized in full in other comprehensive income and accumulated in equity in the period in which they occur. Past service cost is recognized in profit or loss in the period of a plan amendment.

ii) Provident fund:

The eligible employees of the Company are entitled to receive the benefits of Provident fund in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently at 12% of the basic salary) which are charged to the Statement of Profit and Loss on accrual basis. A portion of the contribution is made to the approved provident fund trust managed by the Company while the remainder of the contribution is made to the government administered pension fund. The contributions to the trust managed by the Company is accounted for as a defined benefit plan as the Company is liable for any shortfall in the fund assets based on the government specified minimum rates of return.

iii) Compensated absences:

The group provides for the compensated absences subject to group's certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment or availment. The liability is provided based on the number of days of unavailed leave at each Balance Sheet date on the basis of an independent actuarial valuation using the Projected Unit Credit method for India location and some branches of Company, whereas provision for encashment of unavailed leave on retirement is made on actual basis for foreign subsidiaries and other branches of Company.

Actuarial gains and losses are recognized in full in the Statement of Profit and Loss in the period in which they occur.

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 recognized as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

iv) 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 recognized during the period when the employee renders the service.

2.15 Taxation:

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.

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the income taxes or deferred taxes are recognized in other comprehensive income or directly in equity, respectively.

Advance taxes and provisions for current income taxes are presented in the statement of financial position after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

Deferred income taxes

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax asset are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

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

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is probable evidence that the company will pay normal income tax in future.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

2.16 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.

2.17 Provisions, Contingent Liabilities and Contingent Assets

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. If the effect of the time value of money is material, provisions are discounted using a current pre- tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities and Contingent assets are not recognized in the financial statements.

2.18 Provision for Warranty

The Group 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 Group estimates such cost based on historical experience and the estimates are reviewed periodically for material changes in the assumptions.

2.19 Treasury Stock

When any entities within the Group purchases the company's ordinary shares, the consideration paid including any directly attributable incremental cost is presented as a deduction from total equity, until they are cancelled, sold or reissued. When treasury shares are reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to/from share premium.

2.20 Research and Development

Research costs are recognized in the statement of profit and loss in the period it is incurred. Development costs are recognized in the statement of profit and loss in the period it is incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Group has an intention and ability to complete and use the asset and the costs can be measured reliably.

2.21 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.

2.22 Government grants:

Government grants are recognised when there is reasonable assurance that the Group will comply with the conditions attached to them and the grants will be received. Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the financial statements and transferred to profit or loss on a systematic and rational basis over the useful life of the related assets. Grants related to revenue are accounted for as other income in the period in which the related costs which Government intend to compensate are accounted for to the extent there is no uncertainty in receiving the same. Incentives which are in the nature of subsidies given by the Government which are based on the performance of the Group are recognised in the year of performance/eligibility in accordance with the related scheme. Government grants in the form of non-monetary assets, given at a concessional rate, are accounted for at their fair value.

Note 3 - Property, plant and equipment

Mar Closing	Gross Block			Acc. Depreciation			Net block
Fixed assets	Open Balance as of April 1, 2018	Addition	Close Balance as of March 31, 2019	Open Balance as of April 1, 2018	Addition	Close Balance as of March 31, 2019	Close Balance as of March 31, 2019
Building - Leasehold Improvement	130,709	-	**130,709**	130,709	-	**130,709**	**-**
Furniture and Fixtures	17.569.188	169,817	**17,739,005**	14.387.198	1,255,976	**15,643,174**	**2,095,831**
Installations	294.411	-	**294,411**	294,411	-	**294,411**	**-**
Computers	3.420.668	2,969,237	**6,389,905**	2.879.063	1,077,734	**3,956,797**	**2,433,108**
Networking	-	-	**-**	-	-	**-**	**-**
Computer Software	5,094,219	57,364	**5,151,583**	5,094,219	57,364	**5,151,583**	**-**
Cars	177,789	-	**177,789**	177,789	-	**177,789**	**-**
Total	**26,686,984**	**3,196,418**	**29,883,402**	**22,963,389**	**2,391,074**	**25,354,463**	**4,528,939**

Note 4 - Other Financial Asset:

Particulars	March 31, 2019
Security deposits	**274,547**
Total	**274,547**

Note 5 - Other non-current Assets:

Particulars	March 31, 2019
Balance with Government authorities	**1,162,754**
Total	**1,162,754**

Note 6 - Inventories:

(Valued at lower of cost and net realizable value)

Particulars	March 31, 2019
Others - Stock of IT equipment and purchased software (Consumed in IT projects)	**590,998**
Total	**590,998**

Note 7 - Trade receivables:

Particulars	March 31, 2019
Trade Receivables (Unsecured)	
Over Six Month	
Considered good	**24,880,534**
Total	**24,880,534**

Note 8 - Cash and cash equivalents:

Particulars	March 31, 2019
Cash on hand	**226,465**
Balances with Banks	
In current accounts	**33,051,303**
Total	**33,277,768**

Note 9 - Other Financial Asset:

Particulars	March 31, 2019
Unbilled Revenue net (Less allowances for credit loss)	**88,975,009**
Total	**88,975,009**

Note 10 - Other Current Asset:

Particulars	March 31, 2019
Advance to suppliers	
Considered good	3,401,084
	3,401,084
Loans and advances to employees	265,291
Balance with Government authorities	2,583,149
Prepaid expenses	915,261
Total	7,164,785

Note 11 - Equity Share capital:

Particulars	March 31, 2019
Authorized	
Equity shares of ARS 1 each (*)	3,260,792
Issued, subscribed and fully paid up	
Equity shares of ARS 1 each fully paid up	3,260,792
Total	3,260,792

(*) The fair value is 15.800

Note 12 - Other Equity:

Particulars	March 31, 2019
Securities premium account – opening balance	
Opening balance	-
Additions during the period	60,579,229
Closing balance	60,579,229
Surplus in the statement of profit and loss	
Opening balance	(39,913,374)
Opening hyperinflation adjustment	(11,610,184)
Profit/ (Losses) for the special period	27,537,026
Closing balance	(23,986,532)
General Reserve	17,246,800
Total	53,839,497

Note 13 - Borrowings:

Particulars	March 31, 2019
Unsecured	
Loan from holding Company	22,150,000
Total	22,150,000

Note 14 - Long-term provision:

Particulars	March 31, 2019
Provision for employee benefits	
Compensated absences	6,977,519
Total	6,977,519

Note 15 - Trade payables:

Particulars	March 31, 2019
Expenses payables other than Accrued Salaries and Benefits	43,600,992
Accrued Salaries and Benefits	6,741,628
Total	50,342,620

Note 16 - Other Financials liabilities:

Particulars	March 31, 2019
Interest accrued but not due	1,886,811
Total	1,886,811

Note 17 - Other Current liabilities:

Particulars	March 31, 2019
Unearned revenue	17,795,567
Statutory remittances	7,123,098
Total	24,918,665

Note 18 - Revenue from operations:

Particulars	March 31, 2019
Income from Comviva Product and related managed support	
License Fee with Implementation and other services	62,029,168
Revenue sharing arrangements	108,723,778
Annual maintenance contract services	92,542,700
	263,295,646
Income from sale of equipment and software (third party)	155,156
Total	263,450,802

Note 19 - Other income:

Particulars	March 31, 2019
Profit on sale of current investments	-
Exchange gain/loss (net)	(14,699,926)
Miscellaneous Income	587,337
Total	(14,112,589)

Note 20 - Employee benefits expense:

Particulars	March 31, 2019
Salaries, wages and bonus	98,278,229
Contribution to provident and other funds	26,104,124
Staff Welfare Expenses	2,713,025
Total	127,095,378

Note 21 - Operating and other expense:

Particulars	March 31, 2019
Cost of hardware equipment and other items (incl AMC)	40,085,999
Travelling and conveyance	10,021,587
Rent	7,678,680
Rates and taxes	667,262
Insurance	134,538
Subtotal	58,588,066
Repairs and maintenance	
Building	1,706,003
Others	1,471,723
Subtotal	3,177,726
Advertising and sales promotion	1,943,652
Communication costs	4,124,011
Legal and professional fees	1,165,746
Credit loss allowance on account receivable (net)	-
Miscellaneous expenses	448,336
Subtotal	10,859,471
Total	69,447,537

COMVIVA TECHNOLOGIES BRAZIL

ATS ADVANCED TECHNOLOGY SOLUTIONS DO BRASILINDÚSTRIA, COMÉRCIO, IMPORTAÇÃO E EXPORTAÇÃOLTDA

Board of Directors

Anil Murlidar Joshi
Jose Carlos Pimentel

Registered Office

Alameda Santos, 2441 - 2o andar, BairroCerqueira Cesar,
CEP 01.419-002, naCidade e Estado Sao Paulo

DIRECTORS' REPORT

The Directors present their Annual Report and financial statements for the year ended March 31, 2018

PRINCIPAL ACTIVITIES

The principal activities are providing information technology services and telecommunication solutions.

REVIEW OF BUSINESS

The results for the year are set out on page herein of the financial statements.

CHANGE IN DIRECTORS

During the year, Mr. Girish Bhat and Mr. Anil Khatri resigned and the company has appointed two new directors - Mr. Hrishikesh Pandit and Mrs. Dhanashree Bhat

AUDITORS

A resolution proposing the reappointment of Deloitte & Touche – Middle East as auditors of the Company for the year ending March 31, 2019 and authorising the Directors to fix their remuneration will be placed before members in the Annual General Meeting,

On behalf of the Directors

Hrishkiesh Pandit
Director

Makarand Shete
Director

May , 2018

INDEPENDENT AUDITORS' REPORT

(Free translation from the original issued in Portuguese. In the event of discrepancy, the Portuguese language version prevails. See Note 20 to the financial statements)

To:

Management and Shareholders of

ATS Advanced Technology Solutions do Brasil Indústria, Comércio, Importação e Exportação Ltda.

São Paulo - SP

Opinion

We have audited the financial statements of **ATS Advanced Technology Solutions do Brasil Indústria, Comércio, Importação e Exportação Ltda.,** which comprise the balance sheet as of March 31st 2019 and the related income statements, shareholder's equity and cash flow for the year then ended, as well as the corresponding explanatory notes, including a summary of the main accounting policies.

In our opinion, the financial statements referred above present fairly, in all material aspects, the equity and financial position of **ATS Advanced Technology Solutions do Brasil Indústria, Comércio, Importação e Exportação Ltda.** as of March 31st, 2019, the performance of its operations and cash flows for the year then ended, in accordance with accounting practices adopted in Brazil.

Basis for our audit opinion

Our audit was conducted in accordance with Brazilian and international auditing standards. Our responsibilities, in accordance with such standards, are described in the following section entitled "Responsibilities of the Auditor for the Audit of Financial Statements." We are independent in relation to the Company, in accordance with the relevant ethical principles set forth in the Code of Ethics for Professional Accountants and in the professional norms issued by the Federal Accounting Council, and we comply with the other ethical responsibilities according to these norms. We believe that the audit evidence we have obtained is sufficient and appropriate to substantiate our opinion.

Management and governance responsibilities of the financial statements

Management is responsible for the preparation of the financial statements in accordance with the accounting practices adopted in Brazil applicable to Small and Medium Enterprises – SMEs – and for the internal controls that it has determined to be necessary to enable the preparation of financial statements free from material misstatement, whether caused by fraud or error.

In the preparation of financial statements, management is responsible for evaluating the Company's ability to continue operating, disclosing, when applicable, matters related to its operational continuity and the use of this accounting basis in the preparation of the financial statements, unless Management intends to liquidate the Company or cease its operations, or has no realistic alternative to avoid closing the operations.

Those responsible for the governance of the Company are those responsible for supervising the process of preparing the financial statements.

Responsibilities of the Auditor for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error, and issue an audit report containing our opinion. Reasonable safety is a high level of safety, but not a guarantee that the audit conducted in accordance with Brazilian and international auditing standards always detect any relevant distortions. Distortions may be caused due to fraud or error and are considered relevant when, individually or together, they can influence, from a reasonable perspective, the economic decisions of users taken on the basis of said financial statements.

As part of the audit performed, in accordance with Brazilian and international auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. Besides that:

- We identify and evaluate the risks of material misstatement in the financial statements, whether caused by fraud or error; we plan and perform audit procedures in response to such risks, and we obtain audit evidence appropriate and sufficient to substantiate our opinion. The risk of not detecting material misstatement resulting from fraud is greater than that of error, since fraud may involve the act of circumventing internal controls, collusion, forgery, omission, or false intentional representations.

- We obtain an understanding of the internal controls relevant to the audit to plan appropriate audit procedures in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.

- We evaluate the adequacy of the accounting policies used and the reasonableness of the accounting estimates and respective disclosures made by management.

- We conclude on the adequacy of management's use of the accounting basis for operational continuity and, based on the audit evidence obtained, whether there is a material uncertainty regarding events or conditions that may raise significant doubt regarding the capacity for operational continuity from the company. If we conclude that there is material uncertainty, we should draw attention in our audit report to the respective disclosures in the financial statements or include any change in our opinion if the disclosures are inadequate. Our findings are based on audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to no longer remain in operational continuity.

We communicate with those responsible for governance regarding, inter alia, the planned scope, timing of the audit and significant audit findings, including any significant weaknesses in internal controls that we have identified during our work.

São Paulo, April 19 th, 2019.

Valdomiro Silva Bento

Junior Accountant CRC 1SP-238.249/O-9

RSM Brasil Auditores Independentes – Sociedade Simples CRC 2SP-030.002/O-7

BALANCE SHEETS AS OF MARCH 31, 2019 AND 2018

(Free translation from the original issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails.)

(Amounts in thousands of Brazilian Reais)

ASSETS			
Current assets	**Notes**	**2019**	2018
Cash and cash equivalents	3	**8,828**	1,885
Trade accounts receivable	4	**4,103**	4,683
Inventories	5	**606**	803
Recoverable taxes	6	**946**	590
Other receivables	7	**224**	392
Total current assets		**14,707**	8,353
Non-current assets			
Long-term assets			
Other receivables	7	**410**	394
Fixed assets, net	8	**162**	206
Intangible assets, net	8	**27**	36
Total non-current assets		**599**	636
Total assets		**15,306**	8,989

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

BALANCE SHEETS AS OF MARCH 31, 2019 AND 2018

(Free translation from the original issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails.)

(Amounts in thousands of Brazilian Reais)

LIABILITIES AND SHAREHOLDERS' EQUITY	Notes	2019	2018
Current liabilities			
Trade accounts payable	9	**3,221**	5,711
Labor and tax liabilities	10	**1,664**	1,227
Other accounts payable	-	**869**	630
Provision for expenses	-	**31**	1,636
Provision of services	-	**422**	85
Provision customer guarantee	-	**-**	747
Provisions for contingencies	12	**365**	365
Total current liabilities		**6,572**	10,401
Non-current liabilities			
Related-party transactions	11	**11,800**	3,146
Other Liabilities		**1,995**	
Total non-current liabilities		**13,795**	3,146
Shareholders' equity			
Capital paid-in	13.1	**100**	100
Accumulated Losses		**(5,161)**	(4,658)
		(5,061)	(4,558)
Total liabilities and shareholders' equity		**15,306**	8,989

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

STATEMENTS OF OPERATIONS FOR THE YEARS ENDED MARCH 31, 2019 AND 2018

(Free translation from the original issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails.)

(Amounts in thousands of Brazilian Reais)

	Notes	2019	2018
Net revenue from sales and services	14	**25,539**	12,489
Cost of services rendered and goods sold	15	**(20,179)**	(9,792)
		5,360	2,697
Operating revenues/ (expenses): Administrative, selling and general	16	**(5,063)**	(7,621)
Other operating revenues/ (expenses)		**23**	(89)
Operating income (loss) before financial results		**(5,040)**	(7,710)
Financial revenues		**1,982**	409
Financial expenses		**(3,033)**	(972)
Financial results	17	**(1,051)**	(563)
Profit/(Loss) before tax		**(731)**	(5,576)
Income and Social Contribution Taxes		**-**	79
Deferred Income and Social Contribution Taxes		**228**	-
Net income (loss) for the year		**(503)**	(5,497)
Other comprehensive income	-	**-**	-
Comprehensive income for the year		**(503)**	(5,497)

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

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEARS ENDED MARCH 31, 2019 AND 2018

(Free translation from the original issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails.)

(Amounts in thousands of Brazilian Reais)

	Notes	Capital stock	Accumulated income	Total
Balances as of March 31, 2017		100	839	939
Net income for the year	-	-	(5,497)	(5,497)
Balances as of March 31, 2018	14	100	(4,658)	(4,558)
Loss for the year	-	-	(503)	(503)
Balances as of March 31, 2019	14	100	(5,161)	(5,061)

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

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED MARCH 31, 2019 AND 2018

(Free translation from the original issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails.)

(Amounts in thousands of Brazilian Reais)

	2019	2018
From operating activities		
Income (loss) before income and social contribution taxes	**(731)**	(5,576)
Adjustments to reconcile income (loss) to cash and cash equivalents generated by operating activities:		
Depreciation and amortization	**76**	93
Decrease/ (increase) in assets		
Trade accounts receivable	**580**	7,961
Inventories	**197**	811
Recoverable taxes	**(128)**	(173)
Other receivables	**152**	(329)
(Decrease)/ increase in liabilities		
Trade accounts payable	**(2,490)**	(2,756)
Labor and tax liabilities	**437**	(182)
Other accounts payable	**239**	281
Provisions for contingencies	**-**	-
Provision for expenses	**(1,605)**	1,603
Provision of services	**337**	54
Provision customer guarantee	**(747)**	536
Other Liabilities	**1,995**	
Net cash (used in) from operations	**(1,688)**	2,323
Income and Social Contribution Taxes	**-**	79
Net cash (used in) from operating activities	**(1,688)**	2,402
Cash flows from investing activities		
Acquisition of fixed assets	**(23)**	(71)
Net cash (used in) from investing activities	**(23)**	(71)
Cash flows from financing activities		
Raising/(payments) of loans, net	**-**	(1,327)
Net cash (used in) from financing activities	**-**	(1,327)
Cash flows from shareholder's equity		
Related-party transactions	**8,654**	248
Net cash (used in) from shareholder's equity	**8,654**	248
Decrease in cash and cash equivalents	**6,943**	1,252
Cash and cash equivalents		
At beginning of year	**1,885**	633
At end of year	**8,828**	1,885
Decrease in cash and cash equivalents	**6,943**	1,252

The accompanying notes are an integral part of these financial statements. 9

NOTES TO THE FINANCIAL STATEMENTS

for the years ended March 31, 2019 and 2018

(Free translation from the original issued in Portuguese. In the event of discrepancy, the Portuguese language version prevails. See Note 22 to the financial statements)

(Amounts in thousands of Brazilian reais)

1. The Company information

The Company located at Alameda Santos nº 2441, 2º andar – Cerqueira Cesar is engaged in assembly of equipment for radiotelephony, telephony, IT communications and in general; sales, import and export of machinery, tools, implements and accessories for radiotelephony, telephony, IT communication and in general; development, programming, implementation and maintenance of software; IT consulting service; equipment rent; and representation of domestic and foreign companies by its own or third-party behalf.

2. Presentation of the financial statements and significant accounting practices

2.1. Basis of presentation

The Company's financial statements for the year ended march 31, 2019 were prepared and are being presented in accordance with Brazilian accounting practices which comprise the Brazilian Corporate Law, the Pronouncements, Guidelines and Interpretations issued by the Committee of Accounting Pronouncements (CPC), and approved by regulatory agencies as well as practices followed by entities on unregulated matters, provided they comply with the Pronouncement "Conceptual Framework for Preparing and Presenting Financial Statements" issued by CPC and, therefore, in accordance with international accounting standards.

The financial statements are presented in Brazilian Reais, which is the functional currency of the Company, unless otherwise stated.

The financial statements were approved by the Company's management on April 19, 2019, considering the subsequent events occurred until this date which affected the disclosures of the mentioned financial statements.

2.2. Cash and cash equivalents

These include money in cash, bank deposits and financial investments.

2.3. Trade accounts receivable

Trade accounts receivable are initially recognized at the transaction value less the allowance for doubtful accounts. An allowance for doubtful accounts is recognized when conclusive evidence shows that the Company will not receive all amounts due according to the original conditions of accounts receivable.

2.4. Inventories

These are represented by hardware, software, spare parts, accessories and components valued at the lower value between average acquisition cost or net realizable value. The net realizable value is the estimated sales price over the normal course of operations, less cost of sales.

2.5. Fixed assets

Fixed assets are stated at acquisition cost, net of accumulated depreciation, not exceeding the fair value. Depreciation is calculated using the straight-line method, at the rates mentioned in Note 8.

2.6. Impairment test

Management annually reviews the net book value of its main assets with the purpose of evaluating events or changes in economic, operating or technological circumstances that may indicate impairment. When this evidence is identified and the net book value exceeds recoverable value, an impairment charge is recognized writing the net book value down to recoverable value.

2.7. Other (current and non-current) assets and liabilities

An asset is recognized in balance sheet when it is likely that its future economic benefits will be generated in favor of the Company and its cost or value may be reliably measured. A liability is recognized in the balance sheet when the Company has a legal or recognized obligation as a result of a past event, and funds may be required to settle this liability. Provisions are recorded based on the best estimates of risks involved.

Assets and liabilities are classified as current when their realization or settlement is expected to occur in the following 12 months. Otherwise, they are stated as non-current.

2.8. Revenue Recognition

Revenue is the fair value of the consideration received or receivable for rendering services over the Company's normal course of activities. The revenue is stated net of taxes, returns, rebates and discounts. In general, gross income amount is equivalent to the value of the issued invoices.

Financial revenues

Financial revenue is recognized according to the elapsed time under the accrual basis, using the effective interest rate method.

2.9. Current and deferred income and social contribution taxes for the period

The current and deferred income and social contribution taxes are recognized as expense or revenue in income (loss) for the year, except when it refers to items recorded under other comprehensive income (loss), or directly in shareholders' equity; hypothesis in which current and deferred taxes are also recognized under other comprehensive income (loss) or directly in shareholders' equity, respectively

2.10. Provisions

Provisions are recognized when: (i) the Company has a present or constructive obligation as a result of past events; (ii) it is probable that an outflow of funds is required to settle the obligation; and (iii) the amount can be reliably estimated. The provisions do not include future operating losses.

2.11. Financial instruments

Financial instruments are only recognized as from the date the Company becomes a party of the agreements of financial instruments. When recognized, they are initially recorded at fair value plus transactions costs directly attributable to its acquisition or issue (when applicable). Their later measurement happens at balance sheet date, according to the rules established for each type of classification of financial assets and liabilities.

2.12. Statement of cash flows

The statement of cash flows has been prepared by the indirect method and is presented in accordance with Technical Pronouncement CPC 03 - Statements of cash flows, issued by the Committee of Accounting Pronouncements (CPC) and reflects changes in cash for the years presented.

3. Cash and cash equivalents

Description	**2019**	2018
Cash	**7**	7
Bank accounts	**8.821**	1.878
	8.828	1.885

Financial investments are short term, highly liquid, readily convertible into a known cash amount and subject to an immaterial risk of changes in value. They mainly bear interest at rates intended to reach the variation of CDI (Interbank Deposit Rate), made with top tier banks, at usual rates and under normal market conditions.

4. Trade accounts receivable

Description	**2019**	2018
Trade accounts receivable	**3.670**	3.200
Allowance for doubtful accounts	**(561)**	(561)
Customers not billed / warranty	**994**	2.044
Total	**4.103**	4.683

Breakdown of receivables is as follows:

Description	**2019**	2018
Falling due		
Falling due after 31 days	**1.459**	1.135
Falling due from 0 to 30 days	**901**	1.084
Overdue		
Overdue from 1 to 30 days	**550**	251
Overdue from 31 to 60 days	**-**	169
Overdue from 61 to 180 days	**199**	-
Overdue for more than 180 days	**561**	561
	3.670	3.200

5. Inventories

Description	2019	2018
Software for projects/resale	**111**	111
Consumables	**40**	29
Merchandise for resale	**446**	451
Merchandise held by third parties	**55**	55
Third parties' merchandise held by the Company	**(46)**	(36)
Merchandise in transit	**-**	10
Project in progress	**-**	183
	606	803

6. Recoverable taxes

Description	2019	2018
ICMS recoverable	**55**	1
IPI recoverable	**11**	11
PIS and Cofins recoverable	**131**	60
CSLL recoverable	**49**	18
IRRF recoverable	**44**	23
IRPJ recoverable	**265**	285
CSLL recoverable	**163**	192
Deferred Tax	**228**	-
	946	590

7. Other receivables

Description - Current assets	2019	2018
Prepaid expenses	**180**	338
Payroll loans	**-**	8
Advance to suppliers	**8**	13
Advances for vacation pay	**36**	33
	224	392

Description - non-current assets	2019	2018
Security deposit	**54**	54
Recursional deposit	**356**	340
	410	394

8. Fixed assets and Intangible assets, net

		2019			2018
	% Depreciation rate	Cost	Accumulated depreciation	Fixed assets / intangible assets, net	Fixed assets / intangible assets, net
Furniture and fixtures	10	**221**	**(193)**	**28**	41
Facilities	10	**23**	**(23)**	**-**	-
Leasehold improvements	4	**162**	**(162)**	**-**	-
IT equipment	20	**885**	**(751)**	**134**	164
Telecommunications equipment	10	**15**	**(15)**	**-**	-
Trademarks and patents	10	**12**	**(12)**	**-**	-
Software	20	**113**	**(86)**	**27**	37
Total Fixed Assets		**1.431**	**1.242**	**189**	242

9. Trade accounts payable

Description	2019	2018
Domestic	**100**	123
Foreign	**3.121**	5.588
Total	**3.221**	5.711

10. Labor and tax liabilities

	2019	2018
Provision for vacation pay	**541**	454
Charges on salaries - INSS (Social Security Tax) and FGTS (Severance Pay Fund)	**126**	67
IRRF (Withholding income tax) payable	**84**	58
Other labor liabilities	**777**	517
Total labor liabilities	**1.528**	1.096
Other tax liabilities	**136**	131
Total tax liabilities	**136**	131
Total labor and tax liabilities	**1.664**	1.227

11. Related-party transactions

Description	**2019**	2018
Intercompany loans	**11.300**	2.991
Interest on intercompany loans	**500**	154
Total	**11.800**	3.146

Loans have loan agreements with the following maturity dates:

ROF	**USD**	**TX DOLAR 12/31/17**	**Maturity date**
TA 792257	500,000	3,8967	01/31/2018 (i)
TA 797828	150,000	3,8967	03/31/2018 (i)
TA 797828	250,000	3,8967	03/31/2018 (i)
TB 006518	2,000,000	3,8967	26/04/2019
	2,900,000	3,8967	

(i) In the capitalization process, the ROF was not renewed.

12. Provision for contingencies

During the normal course of its business, the Company is exposed to certain contingencies and risks, which include tax, labor and civil proceedings under dispute. As of March 31, 2019, the Company has claims considered probable losses in the amount of R$ 365 thousand (R$ 365 thousand of March 31, 2018) related to labor proceedings.

Other contingencies may result from possible tax inspections, given that the Company's tax books are subject to review and approval by the competent authorities in federal, state or municipal levels, retroactively, for varying periods according to the legislation in effect.

13. Shareholders' equity

13.1. Capital stock

At March 31, 2019 and 2018, the capital stock in the amount of R$ 100.000 consists of 100,000 thousand shares, distributed as follows:

Shareholders	**%**	**Number of shares**	**Amount in R$ thousand**
COMVIVA TECHNOLOGIES B.V	95	95.000	95
COMVIVA TECHNOLOGIES LIMITED	5	5.000	5
	100	**100.000**	**100**

14. Net revenue from sales

	2019	2018
Gross sales	**29.563**	14.311
Taxes on sales	**(4.024)**	(1.822)
Total revenue, net	**25.539**	12.489

15. Costs of services rendered and goods sold

	2019	2018
Wages and salaries	**(5.294)**	(4.956)
Services provided	**(8.670)**	(3.913)
Goods Sold	**(5.289)**	-
Depreciation and amortization	**(73)**	(81)
Other costs of services rendered	**(853)**	(842)
Total	**(20.179)**	(9.792)

16. Selling, general and administrative expenses

	2019	2018
Personnel expenses	**(3.715)**	(4.831)
Selling expenses	**(731)**	(394)
Expenses on maintenance of items	**(14)**	(19)
Expenses on vehicles	**-**	-
Third-party services	**(406)**	(1.408)
Other administrative expenses	**(197)**	(969)
Total	**(5.063)**	(7.621)

17. Financial income (loss)

	2019	2018
Financial investment returns	**16**	34
Other returns	**57**	4
Foreign exchange variation	**1.909**	371
Total financial revenues	**1.982**	409

	2019	2018
Interest on loans	**(395)**	(107)
Exchange rate losses	**(2.490)**	(719)
Other financial expenses	**(148)**	(146)
Total financial expenses	**(3.033)**	(972)
Total financial income (loss)	**(1.051)**	(563)

18. Insurance coverage (unaudited)

The Company follows the policy of taking out insurance for civil liability, certain vehicles and other needs in amounts considered sufficient to cover possible losses, considering the nature of its activities and the risk level involved, Given the nature of the risk assumptions adopted, they are not part of the scope of an audit of financial statements and therefore were not reviewed by our independent auditors,

19. Financial Instruments

The Company enters into financial instruments transactions, aiming to finance its activities or invest its available funds, These risks are managed by designing conservative strategies aiming at liquidity, profitability and security, The control policy consists of a permanent tracking of contractual rates versus market rates in effect,

The Company restricts its exposure to credit risks associated to banks and cash and cash equivalents by making its investments with top-tier financial institutions and in short-term notes, Credit risks of accounts receivable are managed through specific standards of credit analysis and establishment of exposure limits per customer,

Financial instruments are recorded in balance sheet accounts and consist of cash and cash equivalents (Note 3), trade accounts receivable (Note 4), loans and financing (Note 8) and trade accounts payable (Note 9), whose estimated market values are substantially similar to the respective book values,

For the year ended March 31, 2019, there were no transactions with derivatives,

20. Explanation added to the translation for the English version

The accompanying financial statements were translated into English from the original Portuguese version prepared for local purposes, Certain accounting practices applied by the Company that conform to those accounting practices adopted in Brazil may not conform to the generally accepted accounting principles in the countries where these financial statements may be used,

PININFARINA S.P.A.
2018 ANNUAL FINANCIAL REPORT

Board of Directors

Chairman *	Paolo Pininfarina (4)
Chief Executive Officer	Silvio Pietro Angori (4)
Directors	Manoj Bhat
	Romina Guglielmetti (2) (3)
	Chander Prakash Gurnani
	Jay Itzkowitz (1) (2) (3)
	Licia Mattioli (1) (2)
	Sara Miglioli (3)
	Antony Sheriff (1)

(1) Member of the Nomination and Remuneration Committee
(2) Member of the Control and Risk Committee
(3) Member of the Committee for Transactions with Related Parties
(4) Responsible for the Internal Control and Risk Management System

Board of Statutory Auditors

Chairman	Massimo	Miani
Standing Statutory Auditors	Antonia	Di Bella
	Alain	Devalle
Alternate Statutory Auditors	Luciana	Dolci
	Fausto	Piccinini
Secretary to the Board of Directors and Manager in charge of financial reporting	Gianfranco	Albertini
Independent Auditors	KPMG S.p.A.	

***Powers**
Pursuant to article 22 of the bylaws, the Chairman is the parent's legal representative vis-à-vis third parties and in court proceedings.

DIRECTORS' REPORT

General considerations

The Group

The Group recognised revenue of €105.3 million for 2018, an improvement of 21% on the previous year seen principally in the Italian and Chinese design services segment and one-off and show car production activities.

The gross operating profit increased to €12.6 million from €7.5 million in 2017 mainly thanks to the contribution of the parent and Pininfarina Shanghai.

The operating profit decreased by €0.4 million to €3.8 million due to impairment losses on loans and receivables of €5.3 million, due to the suspension of certain contracts.

The Group's net financial expense for the year amounted to €2.4 million compared to €2.1 million for 2017.

The Group recognised a tax benefit of €0.8 million compared to a tax expense of €0.8 million in the previous year, thanks to the recognition of deferred tax assets, which did not exist in 2017.

As a result of the above, the Group recorded a profit for the year of €2.2 million compared to €1.3 million for the previous year.

The Group's equity rose from €58.8 million at 31 December 2017 to €61.7 million at the reporting date (+5%), principally due to the profit for the year.

The net financial position decreased to €5.2 million from €12 million at 31 December 2017, substantially due to working capital trends towards the end of the year.

The workforce numbered 656 at the reporting date (31 December 2017: 610, +7.5%).

Pininfarina S.p.A.

Key events of the year

The key events of the year for the parent related to the conclusion of the VAT dispute, the incorporation of Pininfarina Engineering S.r.l. and the execution of the merger of Pininfarina Extra S.r.l.. into Pininfarina S.p.A..

Indeed, the parent was involved in a tax dispute relating to two tax assessment notices served by the tax authorities in 2007 and relating to allegedly incorrect invoicing practices in 2002 and 2003 by Industrie Pininfarina S.p.A. (which merged into the parent in 2004) with Gefco Italy S.p.A., as the customer Peugeot Citroen Automobiles' tax representative in Italy.

The parent lodged appeals against the notices before the Turin provincial tax court, challenging the legitimacy and grounds of all their findings. In a ruling issued on 17 February 2009, the Turin provincial tax court confirmed the legitimacy of the main finding relating to VAT, but cancelled the sanctions applied for both years. The amount due by the parent was reduced from roughly €69.5 million to approximately €29.4 million.

The parent appealed the ruling before the Turin regional tax court, which, on 17 February 2010, lodged a ruling in which it admitted the parent's appeal, therefore deciding that the parent was not obliged to pay any amount in this respect.

In 2011, the tax authorities appealed before the Supreme Court of Cassation against the Turin regional tax court's ruling and the parent filed a counter-appeal. The total amount claimed was roughly €29.4 million, plus the legal interest that would have been applied in the inauspicious event that the parent lost the case.

On 10 May 2018, the Supreme Court of Cassation heard the case relating to the Turin regional tax court's ruling of 17 February 2010. On 20 September 2018, the Court's office published the outcome of the hearing, that confirmed the correctness of the parent's conduct.

On 14 May 2018, the parent, Pininfarina S.p.A., incorporated Pininfarina Engineering S.r.l., which it wholly owns, manages and coordinates. The two companies signed a business unit transfer agreement on 25 June 2018, which became effective on 1 July 2018, whereby the parent transferred its "Engineering" business unit, consisting of the engineering activities partly carried out directly by it and partly by its subsidiary Pininfarina Deutschland GmbH, which was included in the transfer, to its wholly-owned subsidiary.

The above transaction is part of the parent's equity investment streamlining policy, aimed at allocating the Group's various operations to single legal entities. The incorporation of a special company that received the Italian and, indirectly, through the transfer of the investment in Pininfarina Deutschland Holding, the German engineering operations, will improve the Group's management efficiency, including thanks to the integration between the technical and human resources already based and active in Italy and Germany and those of the Mahindra Group based in India.

The pursuit of an optimal corporate structure continued in 2018, by streamlining the equity investments and, on 18 December 2018, the deed for the merger of Pininfarina Extra S.r.l. into the parent was executed. Accordingly, as of 1 January 2019, the Italian design operations in the automotive segment and those relating to the industrial design, architectural and brand extension in general are grouped into a single company, which is expected to benefit from synergies and positive “contaminations” among services addressing different market segments.

Human resources and the environment

A breakdown of group employee at the reporting date by business and geographical segments is set out below:

Business segment

	Engineering	Operations	Design	General staff	TOTAL
2018	324	93	135	104	656
2017	324	83	114	89	610

The figures of the operations segment do not include 47 employees who were transferred to a third party on 1 April 2011 by virtue of a business lease agreement that has been renewed until 31 December 2022.

Geographical segment

	Italy	Germany	China	USA	TOTAL
2018	370	234	40	12	656
2017	333	233	34	10	610

Pininfarina S.p.A.

During the year, the parent did not resort to the ordinary government-sponsored lay-off scheme.

In 2018, there were no deaths and there was just one accident at work causing absence of more than 40 days. The parent was not found liable for occupational diseases contracted by employees or former employees or mobbing.

With reference to the accident of 7 April 2017 that caused the death of an employee of Italdesign inside the parent’s wind tunnel in Grugliasco, upon conclusion of the related trial, two of the company’s proxies were ordered to pay a fine of €45,000 each.

During the year, the parent reached agreements regarding remuneration issues with former employees and no cases were brought against the parent for financial and/or physiological damage (e.g., personal injuries, moral damage, hedonic damage, etc.).

With reference to investments in safety in the workplace and the environment, the parent pays utmost attention to the continuous upgrading and/or improvement of operating layouts and machinery/equipment in line with relevant legislation. Expected investments for 2019 amount to roughly €720,000.

Further to the sale agreement (31 December 2009) for the Grugliasco facility to Sviluppo Investimenti Territorio S.r.l. (SIT), an environmental audit was carried out in 2011 on the site where the facility stands. It found that the hydrocarbons parameter in one small area exceeded the legal limit.

The parent immediately commenced the reclamation procedures provided for by the environmental legislation.

A dispute commenced with the Grugliasco local authorities during their approval of the risk analysis, as they requested that the analysis be extended to the entire facility, which they erroneously believed to be “abandoned”.

An appeal is pending before the Italian council of state. The date of the hearing has not yet been set.

SIT and the Grugliasco municipality are involved in a dispute before the Piedmont regional administrative court about the above-mentioned site owned by SIT (and by Pininfarina up to December 2009). The municipality alleged that SIT had left waste on its site.

The application for an interim order presented by SIT claimed that Pininfarina S.p.A. was partly liable.

The parent appeared before the court. The regional administrative court rejected the application for an interim order proposed by SIT with its ruling no. 53/2017, finding in Pininfarina S.p.A.’s favour and that, inter alia, the order to remove the abandoned waste had been correctly addressed to the current owner SIT.

Based on the above decision, Pininfarina S.p.A. has understood that the factual and legal conditions for a “subsequent resumption of activities” no longer exist and that, therefore, the site may be considered “abandoned”. This would trigger its satisfaction of the contractual obligations it took on with SIT in the past.

Without prejudice to its interests in the appeal pending before the council of state, willing to become proactive, the parent agreed the timing and modes for the site survey and characterisation with the Grugliasco local authorities.

In 2018, Pininfarina S.p.A. presented a site characterisation plan to the Grugliasco local authorities as an “interested” but not accountable party.

The authorities approved the plan. The costs to be borne by SIT for the removal of waste and machinery still on the site that may prevent the site’s characterisation have been identified.

These activities are being currently carried out, in agreement with the Regional Agency for Environmental Protection.

The parent’s waste disposal and recycling environmental policies are available on its website.

Moreover, Pininfarina S.p.A. has a 2015 UNI EN ISO 14001-certifed environmental management system. A notified body carried out the three-yearly check of the system’s compliance in the Italian facilities during 2018, finding it compliant.

Research

Research projects undertaken in 2018 related to the Horizon 2020 programme and the “KRAKEN” project in particular. This project is developing a machine (with the same name) for the production and repair of functional parts of any size, with size tolerance smaller than 0.3 mm and surface roughness below Ra 0.1 µm, with the aim to obtain timing and cost savings of at least 40% and 30%, respectively, and a 25% increase in productivity of the current additive and subtractive process.

The Group completed the virtual tests of the innovative materials (high performance alloys) in the first half of the year. They will be used for future industrial applications. Research to integrate new rapid prototyping technologies in the production process with full functionalities and quality of design are being continued in 2019. Research expenditure amounted to €0.1 million in 2018 and was fully expensed.

2018 performance by business segment

Operations

In addition to the revenue from the sale of spare parts for cars manufactured in previous years, royalties for the use of the trademark in the automotive segment and business lease income, this segment bears the costs of the parent’s support and property management departments and the impairment losses recognised in the loss allowance. It recognised revenue of €7.9 million (€10.2 million in 2017; -23%), accounting for 7.5% of consolidated revenue (11.7% in 2017). The decrease is mainly due to a decrease in sales of spare parts for cars, whose production was discontinued, and the sale of a concept car in 2017, which did not repeat in 2018. The segment’s operating loss was €10.3 million compared to €5.2 million for 2017.

Services

This segment, comprising the design, industrial design and engineering businesses, recognised revenue of €97.4 million (€76.9 million in 2017; +27%). The considerable increase is mostly due to the greater volume of design activities performed in Italy and China and of the production of one-off and show cars. The segment contributed 92.5% to the Group’s revenue (88.3% in 2017). The segment’s operating profit amounted to €14.1 million, a considerable improvement on the €9.4 million for 2017.

The main activities carried out in Italy by the services segment in 2018 were:

Design

Design services were principally provided to European and Chinese customers. The main achievements include the cars developed for the Vietnamese company Vinfast, the three electric concept cars presented at the Beijing motor show and developed for Hybrid Kinetics Group and the production version of the H2 Speed unveiled at the Geneva international motor show.

Industrial design

In line with the past, the Group provided industrial design services to a plethora of customers and sectors. In addition to the industrial industry, the activities in this segment were directed at the architecture, exterior and interior furnishings, writing systems and other sectors. A business class seat line won the International Yacht and Aviation Design Award in the category Cabin Design. The project was conceived by Iacobucci Aerospace and Pininfarina. The sailing super yacht Tango by Wallycento won the XXV Compasso d’Oro honourable mention in the ADI Design Index. The cookware Stile developed by Mebra won the Red Dot Design Award 2018 and the Design Award 2018, which was also won by the Snaidero Vision kitchen.

Engineering

During the year, projects were commenced and/or continued with Chinese, Iranian and Indian customers while services continued to be provided to the Group's long-standing European customers. As of 1 July 2018, the newco Pininfarina Engineering S.r.l. heads these operations and coordinates the activities carried out by Pininfarina Deutschland in Germany.

With reference to the design and engineering activities in the automotive segment, as mentioned in previous financial reports, the Group has signed important agreements with certain Asian customers for the production of electric cars. During the year, due to the macro-economic and political conditions of the country in which one of the customer operates, as well as delays in the progress of the related contracts arising from more contingent reasons, certain contracts were suspended, pending a development of the related customers' industrial and commercial strategies.

Group companies

Pininfarina S.p.A.

€'million	**31.12.2018**	**31.12.2017**	**Variation**
Revenue	63.2	53.5	9.7
Operating profit	6.5	2.2	4.3
Profit for the year	5.7	0.6	5.1
Net financial (position) debt	(0.1)	7.5	(7.6)
Equity	66.2	59.8	6.4
Number of employees at the reporting date	205	303	(98)

Pininfarina Engineering S.r.l.

€'million	31.12.2018	31.12.2017	Variation
Revenue	11.6	0.0	11.6
Operating loss	(3.3)	0.0	(3.3)
Loss for the year	(2.5)	0.0	(2.5)
Net financial position	1.9	0.0	1.9
Equity	17.1	0.0	17.1
Number of employees at the reporting date	129	0	129

Pininfarina Deutschland Group

€'million	**31.12.2018**	**31.12.2017**	**Variation**
Revenue	21.3	21.8	(0.5)
Operating loss	(1.1)	(0.5)	(0.6)
Loss for the year	(1.1)	(0.5)	(0.6)
Net financial debt	(2.2)	(0.1)	(2.1)
Equity	17.0	18.1	(1.1)
Number of employees at the reporting date	234	233	1

Pininfarina Shanghai Co Ltd

€'million	**31.12.2018**	**31.12.2017**	**Variation**
Revenue	7.2	4.3	2.9
Operating profit	1.6	0.6	1.0
Profit for the year	1.1	0.4	0.7
Net financial position	1.3	0.8	0.5
Equity	2.1	1.0	1.1
Number of employees at the reporting date	40	34	6

Pininfarina Extra Group

€'million	**31.12.2018**	**31.12.2017**	**Variation**
Revenue	9.0	8.4	0.6
Operating profit	1.9	1.9	0.0
Profit for the year	1.5	1.5	0.0
Net financial position	4.3	3.8	0.5
Equity	8.0	7.2	0.8
Number of employees at the reporting date	48	40	8

Other information

None of the group companies has approved the distribution of dividends to Pininfarina S.p.A. after the reporting date.

Report on corporate governance and ownership structure

With reference to article 123-bis.3 of the Consolidated Finance Act, the information on the adoption of the codes of conduct (Report on corporate governance and ownership structure) is available in the "Investor Relations" section of the parent's website (www.pininfarina.com) as well as through the other methods provided for by current legislation.

Remuneration report

With reference to article 84-quater of the Issuer Regulation, the 2018 remuneration report will be available in the "Investor Relations" section of the parent's website (www.pininfarina.com) as well as through the other methods provided for by current legislation.

Consolidated non-financial statement

Pursuant to the obligation introduced by Legislative decree no. 254/2016 about the presentation of a consolidated non-financial statement, this statement is available in the "Investor Relations" section of the parent's website (www.pininfarina.com) as well as through the other methods provided for by current legislation.

FINANCIAL PERFORMANCE AND FINANCIAL POSITION OF THE PININFARINA GROUP

Financial performance

Including the contract work in progress, revenue increased by €17.8 million to €97.5 million from €79.7 million in 2017. The change in finished goods is in line with the previous year. Other revenue and income increased to €7.8 million from €7.4 million in the previous year and mainly comprise the business lease income and royalties earned by the parent.

2018 consolidated revenue increased by 20.9% to €105.3 million from €87.1 million in 2017. The increase is mostly due to the greater volume of design activities performed in Italy and China and of production of one-off and show cars. A breakdown of revenue by business segment is given on page 59. Net gains on the sale of non-current assets totalled €184 thousand and relate to the sale by the parent of four property units. They came to €137 thousand in 2017, when they referred to sales by the parent of two property units and two company cars).

Operating expense, including changes in inventories, came to €42.9 million (€35.2 million in 2017);

Value added rose by €10.6 million to €62.7 million from €52.1 million in the previous year.

Labour cost amounted to €50 million (€44.6 million in 2017).

The gross operating profit of €12.6 million improved on the €7.5 million gross operating profit for 2017, mainly due to the larger contribution of all the group companies.

Amortisation and depreciation amounted to €3.4 million with an increase of €0.4 million (€3 million for 2017). Additions to/ utilisation of provisions and impairment losses came to a negative €5.4 million (compared to a negative €0.2 million for 2017). Specifically, additions (net of utilisations) were €5.3 million (€0.2 million for 2017) and impairment losses came to €0.1 million, while no releases of provisions for risks and charges were recognised.

As a result, the operating profit was €3.8 million (€4.2 million in 2017).

Net financial expense increased to €2.4 million from €2.1 million in the previous year, mainly due to the rise in the parent's financial expense. The group recognised an income tax benefit of €0.8 million in 2018 (including a current tax expense of €1.4 million and deferred tax income of €2.2 million) compared to a tax expense of €821 thousand for 2017 (relating solely to current taxes).

The profit for 2018 came to €2.2 million compared to €1.3 million for 2017.

RECLASSIFIED INCOME STATEMENT

(€'000)

	2018	%	2017	%	Variation
Revenue from sales and services	97,528	92.59	79,714	91.53	17,814
Change in finished goods	(26)	(0.02)	(22)	(0.03)	(4)
Other revenue and income	7,825	7.43	7,410	8.50	415
Revenue	**105,327**	**100.00**	**87,102**	**100.00**	**18,225**
Net gains on the sale of non-current assets	**184**	**0.17**	**137**	**0.16**	**47**
Materials and services (*)	(42,900)	(40.73)	(35,245)	(40.46)	(7,655)
Change in raw materials	41	0.04	85	0.10	(44)
Value added	**62,652**	**59.48**	**52,079**	**59.80**	**10,573**
Labour cost (**)	(50,038)	(47.50)	(44,596)	(51.20)	(5,442)
Gross operating profit	**12,614**	**11.98**	**7,483**	**8.60**	**5,131**
Amortisation and depreciation	(3,433)	(3.27)	(3,023)	(3.47)	(410)
(Additions to)/utilisation of provisions and impairment losses	(5,386)	(5.11)	(232)	(0.27)	(5,154)
Operating profit	**3,795**	**3.60**	**4,228**	**4.86**	**(433)**
Net financial expense	(2,397)	(2.27)	(2,107)	(2.42)	(290)
Share of profit (loss) of equity-accounted investees	(21)	(0.02)	12	0.01	(33)
Profit before taxes	**1,377**	**1.31**	**2,133**	**2.45**	**(756)**
Income taxes	796	0.75	(821)	(0.94)	1,617
Profit for the year	**2,173**	**2.06**	**1,312**	**1.51**	**861**

(*) **Materials and services** are net of utilisations of the provisions for product warranty and risks (€1 thousand and €2.9 thousand for 2017 and 2018, respectively).

(**) **Labour cost** is net of utilisations of the restructuring provision (€9 thousand and €42.4 thousand for 2017 and 2018, respectively).

As required by Consob resolution no. DEM/6064293 of 28 July 2006, a reconciliation of the data in the consolidated financial statements with those in the reclassified schedules is provided below:

- Materials and services include raw materials and components, other variable production costs, external variable engineering services, exchange rate gains and losses and other expenses.

- Amortisation and depreciation comprise amortisation of intangible assets and depreciation of property, plant and equipment and investment property.

- (Additions to)/utilisation of provisions and impairment losses include additions to/utilisation of provisions, impairment losses and inventory write-downs.

- Net financial expense comprises net financial expense and dividends.

Financial position

Net capital requirements at 31 December 2018 increased by €9.7 million on the previous year end, mainly due to an increase in net non-current assets and working capital requirements.

Specifically:

net non-current assets totalled €58.2 million (up by €6.6 million on 31 December 2017), comprising an increase of €5.7 million in intangible assets (mainly due to the parent's recognition of an intangible asset under IFRS 15) and of €0.9 million in property, plant and equipment and equity investments;

working capital amounts to €3.2 million compared to €58 thousand at 31 December 2017;

post-employment benefits remained substantially unchanged at €4.8 million;

capital requirements were funded by:

- equity of €61.7 million, which rose by €2.9 million from €58.8 million at 31 December 2017. The increase is mainly attributable to the profit for the year;
- net financial position of €5.2 million, down from the €12 million recognised at 31 December 2017, mainly due to working capital trends.

Reconciliation between the parent's profit and equity and consolidated profit and equity

The parent's profit and equity as at and for the year ended 31 December 2017 are reconciled with the Group's figures below.

	Profit for the year		Equity	
	2018	2017	31.12.2018	31.12.2017
Pininfarina S.p.A.'s separate financial statements	**5,730,195**	**608,558**	**66,238,856**	**59,795,432**
- Subsidiaries' contribution	(1,070,801)	1,409,179	1,204,431	4,700,894
- Goodwill of Pininfarina Extra S.r.l.	-	-	1,043,497	1,043,497
- Elimination of trademark licence in Germany	-	-	(6,749,053)	(6,749,053)
- Intragroup dividends	(776,000)	(717,800)	-	-
- Impairment gain on investment in Pininfarina Shanghai	(1,721,358)	-	-	-
- Share of profit of equity-accounted investees	11,145	11,772	11,145	11,772
- Other minor	-	-	-	-
Consolidated financial statements	**2,173,181**	**1,311,709**	**61,748,876**	**58,802,542**

RECLASSIFIED STATEMENT OF FINANCIAL POSITION

(€'000)

	31.12.2018	31.12.2017	Variation
Net non-current assets (A)			
Net intangible assets	7,326	1,672	5,654
Net property, plant and equipment and investment property	49,979	49,557	422
Equity investments	857	349	508
Total A	**58,162**	**51,578**	**6,584**
Working capital (B)			
Inventories	408	393	16
Contract assets	3,131	1,483	1,648
Net trade receivables and other assets	34,647	31,439	3,208
Assets held for sale	-	252	(252)
Deferred tax assets	3,019	881	2,138
Trade payables	(16,595)	(15,606)	(989)
Contract liabilities	(13,566)	(11,178)	(2,388)
Provisions for risks and charges	(620)	(596)	(24)
Other liabilities (*)	(7,268)	(7,010)	(258)
Total B	**3,156**	**58**	**3,098**
Net invested capital (C=A+B)	**61,318**	**51,636**	**9,682**
Post-employment benefits (D)	**4,778**	**4,789**	**(11)**
Net capital requirements (E=C-D)	**56,540**	**46,847**	**9,693**
Equity (F)	61,749	58,803	2,946
Net financial position (G)			
Non-current loans and borrowings	21,891	24,275	(2,384)
Net current financial position	(27,100)	(36,231)	9,131
Total G	**(5,209)**	**(11,956)**	**6,747**
Total as in E (H=F+G)	**56,540**	**46,847**	**9,693**

(*) Other liabilities include the following items: deferred tax liabilities, other financial liabilities, current tax liabilities and other liabilities.

NET FINANCIAL POSITION

		Data at	(€'000)
	31.12.2018	**31.12.2017**	**Variation**
Cash and cash equivalents	18,358	39,785	(21,427)
Current assets held for trading	13,106	-	13,106
Current bank overdrafts	(725)	-	(725)
Current portion of bank loans and borrowings	(3,638)	(3,554)	(84)
Net current financial position	**27,100**	**36,231**	**(9,131)**
Non-current loans and receivables - third parties	-	-	-
Non-current loans and receivables - related parties	550	100	450
Non-current held-to-maturity investments	-	-	-
Non-current finance lease liabilities	-	-	-
Non-current bank loans and borrowings	(22,441)	(24,375)	1,934
Non-current loans and borrowings	**(21,891)**	**(24,275)**	**2,384**
NET FINANCIAL POSITION	**5,209**	**11,956**	**(6,747)**

NET FINANCIAL POSITION (CONSOB)
(CESR RECOMMENDATIONS NO. 05-04B – EU REGULATION NO. 809/2004)

(€'000)

		Data at		
		31.12.2018	**31.12.2017**	**Variation**
A.	Cash	(18,357)	(39,785)	21,428
B.	Other cash equivalents	-	-	-
C.	Securities held for trading	(13,106)	-	(13,106)
D.	**Total cash and cash equivalents (A.)+(B.)+(C.)**	**(31,463)**	**(39,785)**	**8,322**
E.	**Current loan assets**	**-**	**-**	**-**
F.	**Current bank loans and borrowings**	725	-	725
	Current portion of secured bank loans	60	60	-
	Current portion of unsecured bank loans	3,578	3,494	84
G.	**Current portion of non-current debt**	**3,638**	**3,554**	**84**
H.	Other current loans and borrowings	-	-	-
I.	**Current financial debt (F.)+(G.)+(H.)**	**4,363**	**3,554**	**809**
J.	**Net current financial position**	**(27,099)**	**(36,231)**	**9,132**
	Non-current portion of secured bank loans	90	150	(60)
	Non-current portion of unsecured bank loans	22,351	24,225	(1,874)
K.	**Non-current bank loans and borrowings**	**22,441**	**24,375**	**(1,934)**
L.	Bonds issued	-	-	-
M.	Other non-current loans and borrowings	-	-	-
N.	**Net non-current financial debt (K.)+(L.)+(M.)**	**22,441**	**24,375**	**(1,934)**
O.	**Net financial position (J+N)**	**(4,658)**	**(11,856)**	**7,198**

The "Net financial position" set out above is presented in accordance with the format recommended by Consob in Communication DEM no. 6064293 of 28 July 2006, implementing CESR (now ESMA) recommendation no. 05-04b. Because the purpose of this table is to show "Net financial debt", assets are shown with a minus sign and liabilities with a plus sign. On the contrary, in the "Net financial position" table provided on the previous page, assets are shown with a plus sign and liabilities with a minus sign.

The reason for the difference between the amount of the "Net financial position" on the previous page and on this page is that the latter does not include non-current loan assets. The total amount of these differences at the relevant reporting dates is shown below:

- At 31 December 2017: €100 thousand
- At 31 December 2018: €551 thousand

OUTLOOK FOR 2019

The Group is expected to consolidate the results achieved for 2018 and to reduce its gross financial debt.

Chief Executive Officer
(Silvio Pietro Angori)
(signed on the original)

PININFARINA S.P.A.

STATEMENT OF FINANCIAL POSITION

	Note	31.12.2018	31.12.2017
Land and buildings	1	**33,825,524**	34,629,271
Land		**7,655,314**	7,655,314
Buildings		**26,170,210**	26,973,957
Leased property		**-**	-
Plant and machinery	1	**5,442,977**	4,806,912
Machinery		**1,648,444**	1,425,392
Plant		**3,794,533**	3,381,520
Leased machinery and equipment		**-**	-
Furniture, fixtures and other assets	1	**3,305,878**	2,120,014
Furniture and fixtures		**1,077,762**	886,083
Hardware and software		**1,401,352**	700,913
Other assets, including vehicles		**826,764**	533,018
Assets under construction		**11,736**	248,803
Property, plant and equipment		**42,586,115**	41,805,000
Investment property	2	**7,392,752**	7,751,920
Goodwill	3	**1,043,495**	1,043,495
Licences and trademarks	3	**750,162**	554,097
Other	3	**5,532,738**	74,653
Intangible assets		**7,326,395**	1,672,245
Associates	4	**604,571**	96,694
Joint ventures		**-**	-
Other companies	5	**252,017**	252,017
Equity investments		**856,588**	348,711
Deferred tax assets	18	**3,019,085**	880,553
Held-to-maturity investments		**-**	-
Loans and receivables	6	**550,000**	100,470
Third parties		**-**	-
Related parties		**550,000**	100,470
Available-for-sale financial assets		**-**	-
Non-current financial assets		**550,000**	100,470
TOTAL NON-CURRENT ASSETS		**61,730,935**	52,558,899
Raw materials		**242,042**	200,895
Work in progress		**-**	-
Finished goods		**166,246**	191,854
Inventories	7	**408,288**	392,749
Contract assets	8	**3,130,909**	1,483,347
Assets held for trading	9	**13,105,943**	-
Loans and receivables		**-**	-
Third parties		**-**	-
Related parties		**-**	-
Available-for-sale financial assets		**-**	-
Current financial assets		**13,105,943**	-
Derivatives		**-**	-
Trade receivables	10	**24,173,832**	17,988,325
Third parties		**21,344,384**	17,366,866
Related parties		**2,829,448**	621,459
Other assets	11	**10,473,358**	13,450,528
Trade receivables and other assets		**34,647,190**	31,438,853
Cash in hand and cash equivalents		**17,227**	17,254
Short-term bank deposits		**18,339,366**	39,767,360
Cash and cash equivalents	12	**18,356,593**	39,784,614
TOTAL CURRENT ASSETS		**69,648,923**	73,099,563
Assets held for sale		**-**	252,426
TOTAL ASSETS		**131,379,858**	125,910,888

STATEMENT OF FINANCIAL POSITION

	Note	31.12.2018	31.12.2017
Share capital	13	**54,271,170**	54,271,170
Share premium reserve	13	**2,053,660**	2,053,660
Reserve for treasury shares	13	**175,697**	175,697
Legal reserve	13	**6,063,759**	6,033,331
Stock option reserve	13	**1,911,103**	1,172,170
Translation reserve	13	**(8,639)**	(50,950)
Other reserves	13	**2,646,208**	2,646,208
Losses carried forward	13	**(7,537,263)**	(8,810,453)
Profit for the year	13	**2,173,181**	1,311,709
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT		**61,748,876**	58,802,542
Equity attributable to non-controlling interests		**-**	-
EQUITY		**61,748,876**	58,802,542
Finance lease liabilities		**-**	-
Other loans and borrowings		**22,441,025**	24,374,769
Third parties		**22,441,025**	24,374,769
Related parties		**-**	-
Non-current loans and borrowings	14	**22,441,025**	24,374,769
Deferred tax liabilities	18	**-**	2,915
Italian post-employment benefits	15	**4,778,297**	4,789,063
Other		**-**	-
Post-employment benefits		**4,778,297**	4,789,063
TOTAL NON-CURRENT LIABILITIES		**27,219,322**	29,166,747
Bank overdrafts		**725,304**	-
Finance lease liabilities		**-**	-
Other loans and borrowings		**3,638,089**	3,553,899
Third parties		**3,638,089**	3,553,899
Related parties		**-**	-
Current loans and borrowings	14	**4,363,393**	3,553,899
Wages and salaries payable		**3,172,734**	2,554,857
Social security charges payable		**1,358,763**	1,225,841
Other		**1,379,007**	1,248,660
Other financial liabilities	16	**5,910,504**	5,029,358
Third parties		**16,102,312**	15,115,347
Related parties		**493,063**	491,180
Contract liabilities		**13,565,536**	11,177,804
Trade payables	16	**30,160,911**	26,784,331
Direct tax liabilities		**224,671**	-
Other tax liabilities		**756,012**	1,029,416
Current tax liabilities	18	**980,683**	1,029,416
Derivatives		**-**	-
Provision for product warranty		**53,236**	53,243
Restructuring provision		**184,454**	228,900
Other provisions		**382,742**	313,838
Provisions for risks and charges	17	**620,432**	595,981
Third parties		**375,737**	948,614
Related parties		**-**	-
Other liabilities	16	**375,737**	948,614
TOTAL CURRENT LIABILITIES		**42,411,660**	37,941,599
TOTAL LIABILITIES		**69,630,982**	67,108,346
Liabilities associated with assets held for sale		**-**	-
TOTAL LIABILITIES AND EQUITY		**131,379,858**	125,910,888

Pursuant to Consob resolution no. 15519 of 27 July 2006, an ad hoc statement of financial position showing related party transactions has not been prepared as these are already shown in the consolidated financial statements schedules. As for transactions with other related parties, such as directors and statutory auditors, “Trade payables - third parties” include accrued fees for the year of €54,173 of Pininfarina S.p.A.

INCOME STATEMENT

	Note	2018	of which: related parties	2017	of which: related parties
Revenue from sales and services	19	**97,528,386**	13,196,314	79,713,755	4,360,600
Variazione dei lavori in corso su ordinazione		**1,648,029**		72,194	
Change in finished goods and work in progress		**(25,608)**		(22,523)	
Other revenue and income		**7,824,698**	4,805,333	7,410,720	5,032,000
Revenue		**105,327,476**	18,001,647	87,101,952	9,392,600
Gains on sale of non-current assets and equity investments		**184,074**	-	136,782	-
Gain on sale of equity investments		**-**		-	
Raw materials and components	20	**(7,719,739)**		(8,422,497)	
Change in raw materials		**41,147**		84,884	
Inventory write-downs		**-**		-	
Raw materials and consumables		**(7,678,592)**	-	(8,337,613)	-
Consumables		**(1,464,750)**		(1,447,106)	
External maintenance		**(1,369,254)**		(1,136,476)	
Other variable production costs		**(2,834,004)**	-	(2,583,582)	-
External variable engineering services	21	**(19,025,131)**	(1,852,953)	(11,887,301)	(1,100,950)
Blue collars, white collars and managers		**(48,599,325)**		(43,365,402)	
Independent contractors and temporary workers		**-**		-	
Social security contributions and other post-employment benefits		**(1,438,373)**		(1,229,198)	
Wages, salaries and employee benefits	22	**(50,037,698)**	-	(44,594,600)	-
Depreciation of property, plant and equipment and investment property		**(2,743,459)**		(2,609,022)	
Amortisation of intangible assets		**(689,928)**		(414,020)	
Losses on sale of non-current assets and equity investments		**-**		-	
(Additions to)/utilisation of provisions and impairment losses	23	**(5,386,036)**		(231,875)	
Amortisation, depreciation and impairment losses		**(8,819,423)**	-	(3,254,917)	-
Net exchange losses		**(50,445)**		(144,170)	
Other expenses	24	**(13,271,394)**	-	(12,208,125)	-
Operating profit		**3,794,863**	16,148,694	4,228,426	8,291,650
Net financial expense	25	**(2,406,464)**	2,157	(2,120,153)	(16,265)
Dividends		**10,108**		13,309	
Share of profit (loss) of equity-accounted investees		**(21,403)**		11,772	
Profit before taxes		**1,377,104**	16,150,851	2,133,354	8,275,385
Income taxes	18	**796,077**		(821,645)	
Profit for the year		**2,173,181**	16,150,851	1,311,709	8,275,385

	2018	2017
Of which:		
- Profit for the year attributable to the owners of the parent	**21,73,181**	13,11,709
- Profit for the year attributable to non-controlling interests	**-**	-
Basic/diluted earnings per share:		
- Profit for the year attributable to the owners of the parent	**21,73,181**	13,11,709
- Number of ordinary shares, net	**5,42,71,170**	5,42,71,170
- Basic/diluted earnings per share	**0.04**	0.02

STATEMENT OF COMPREHENSIVE INCOME

	2018	2017
Profit for the year	**2,173,181**	1,311,709
Other comprehensive income (expense):		
Items that will not be reclassified to profit or loss:		
- Actuarial gains on defined benefit plans - IAS 19	**4,202**	19,853
- Income taxes	**(12,293)**	(6,637)
- Other	**-**	-
Total items of other comprehensive income (expense) that will not be reclassified to profit or loss, net of tax effect:	**(8,091)**	13,216
Items that will or may be subsequently reclassified to profit or loss:		
- Gains (losses) from translation of financial statements of foreign operations - IAS 21	**42,311**	(175,062)
- Other	**-**	-
Total items of other comprehensive income (expense) that will be subsequently reclassified to profit or loss, net of tax effect:	**42,311**	(175,062)
Total other comprehensive income (expense), net of tax effect	**34,220**	(161,846)
Comprehensive income	**2,207,401**	1,149,863

Of which:		
- Comprehensive income attributable to the owners of the parent	2,207,401	1,149,863
- Comprehensive income attributable to non-controlling interests	-	-
Of which:		
- Comprehensive income from continuing operations	2,207,401	1,149,863
- Comprehensive income from discontinued operations	-	-

Pursuant to Consob resolution no. 15519 of 27 July 2006, the effects of related party transactions on the income statement of the Pininfarina Group are shown in the table provided above and in the “Other information” section of the notes.

STATEMENT OF CHANGES IN EQUITY

	31.12.2016	Comprehensive income	Stock option reserve	Allocation of prior year profit	Proceeds from the issue of shares	Capital increase transaction costs	31.12.2017
Share capital	30,150,694	-	-	-	24,120,476	-	**54,271,170**
Share premium reserve	-	-	-	-	2,412,047	(358,387)	**2,053,660**
Reserve for treasury shares	175,697	-	-	-	-	-	**175,697**
Legal reserve	6,033,331	-	-	-	-	-	**6,033,331**
Stock option reserve	157,793	-	1,014,377	-	-	-	**1,172,170**
Translation reserve	124,112	(175,062)	-	-	-	-	**(50,950)**
Other reserves	2,646,208	-	-	-	-	-	**2,646,208**
Losses carried forward	(29,354,877)	13,216	-	20,531,208	-	-	**(8,810,453)**
Profit for the year	20,531,208	1,311,709	-	(20,531,208)	-	-	**1,311,709**
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT	30,464,166	1,149,863	1,014,377	-	26,532,523	(358,387)	**58,802,542**
Equity attributable to non-controlling interests	-	-	-	-	-	-	**-**
EQUITY	**30,464,166**	**1,149,863**	**1,014,377**	**-**	**26,532,523**	**(358,387)**	**58,802,542**

	31.12.2017	Comprehensive income	Stock option reserve	Allocation of prior year profit	Proceeds from the issue of shares	Capital increase transaction costs	31.12.2018
Share capital	54,271,170	-	-	-	-	-	**54,271,170**
Share premium reserve	2,053,660	-	-	-	-	-	**2,053,660**
Reserve for treasury shares	175,697	-	-	-	-	-	**175,697**
Legal reserve	6,033,331	-	-	30,428	-	-	**6,063,759**
Stock option reserve	1,172,170	-	738,933	-	-	-	**1,911,103**
Translation reserve	(50,950)	42,311	-	-	-	-	**(8,639)**
Other reserves	2,646,208	-	-	-	-	-	**2,646,208**
Losses carried forward	(8,810,453)	(8,091)	-	1,281,281	-	-	**(7,537,263)**
Profit for the year	1,311,709	2,173,181	-	(1,311,709)	-		**2,173,181**
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT	58,802,542	2,207,401	738,933	-	-	-	**61,748,876**
Equity attributable to non-controlling interests	-	-	-	-	-	-	**-**
EQUITY	**58,802,542**	**2,207,401**	**738,933**	**-**	**-**	**-**	**61,748,876**

STATEMENT OF CASH FLOW

	2018	2017
Profit for the year	**2,173,181**	**1,311,709**
Adjustments:		
- Income taxes	(796,077)	821,645
- Depreciation of property, plant and equipment and investment property	2,743,459	2,609,022
- Amortisation of intangible assets	689,928	414,020
- Impairment losses, provisions and change in accounting estimates	5,196,813	(643,009)
- Gains on the sale of non-current assets	(184,074)	(136,782)
- Financial expense	2,411,579	2,224,795
- Financial income	(5,115)	(104,642)
- Dividends	-	-
- Share of (profit) loss of equity-accounted investees	21,403	(11,772)
- Other adjustments	634,509	657,894
Total adjustments	**10,712,425**	**5,831,171**
Change in working capital:		
- (Increase)/decrease in inventories	6,281	(44,595)
- Increase in contract work in progress	(1,647,562)	(64,645)
- Increase in trade receivables and other assets	(12,082,226)	(6,368,864)
- Increase in trade receivables from related parties and joint ventures	(2,207,989)	(224,729)
- Increase in trade payables, other financial liabilities and other liabilities	2,088,104	1,458,630
- Increase in trade payables to related parties and joint ventures	1,883	491,180
- Increase in advances for contract work in progress and deferred income	1,787,732	5,163,447
- Other changes	(768,381)	194,638
Total changes in working capital	**(12,822,158)**	**605,062**
Gross cash flows from operating activities	63,448	7,747,942
- Interest expense	(266,215)	(212,553)
- Income taxes	(756,800)	(292,589)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	**(959,567)**	**7,242,800**
- Purchases of non-current assets and equity investments	(4,205,853)	(2,641,024)
- Proceeds from the sale of non-current assets and equity investments	436,500	265,500
- Proceeds from the sale of discontinued operations, net of cash sold	-	-
- Increase in loans and receivables - third parties	-	-
- Increase in loans and receivables - related parties and joint ventures	(550,000)	-
- Repayment of loans and receivables - third parties	-	-
- Repayment of loans and receivables - related parties and joint ventures	102,627	37,151
- Proceeds from the sale of assets held for trading	(13,408,318)	-
- Financial income	2,958	101,018
- Dividends collected	-	-
- Other changes	(743,077)	(65,220)
CASH FLOWS USED IN INVESTING ACTIVITIES	**(18,365,163)**	**(2,302,575)**
- Proceeds from the issue of shares	-	10,488,634
- Increase in finance lease liabilities and other loans and borrowings - third parties	725,304	-
- Increase in other loans and borrowings - related parties and joint ventures	-	-
- Repayment of finance lease liabilities and other loans and borrowings - third parties	(3,553,899)	(3,427,614)
- Repayment of other loans and borrowings - related parties and joint ventures	-	-
- Dividends paid	-	-
- Other changes/Other non-cash items	-	-
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	**(2,828,595)**	**7,061,020**
TOTAL CASH FLOWS	**(22,153,325)**	**12,001,245**
Opening net cash and cash equivalents	39,784,614	27,783,369
Closing net cash and cash equivalents	**17,631,289**	**39,784,614**
Of which:		
- Cash and cash equivalents	18,356,593	39,784,614
- Bank overdrafts	(725,304)	-

Pursuant to Consob resolution no. 15519 of 27 July 2006, the impact of transactions with related parties, which are those with the ultimate parent, PF Holding B.V., the Mahindra group companies and the associates Goodmind S.r.l. and Signature S.r.l., are disclosed in notes 4, 6, 10 and 16 to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

GENERAL INFORMATION

Foreword

The core business of the Pininfarina Group (the "Group") is based on the establishment of comprehensive partnerships with carmakers. Operating as a global partner enables it to work with customers through the entire process of developing new products, including design, planning, development, industrialisation and manufacturing, or to provide support separately during any one of these phases with the utmost flexibility.

Pininfarina S.p.A., the Group's parent, is listed on the Italian Stock Exchange. Its registered office is in Via Bruno Buozzi 6, Turin. Market investors own 23.82% of its share capital, with the remaining 76.18% held by the following shareholders:

- PF Holdings BV 76.15%;
- treasury shares held by Pininfarina S.p.A. 0.03%.

A list of the group companies, with their complete name and address, is provided later on.

The consolidated financial statements are presented in Euros, the functional and presentation currency of the parent, where most of the activities and consolidated revenue are concentrated, and its main subsidiaries.

All amounts are presented in Euros, unless stated otherwise.

The Board of Directors approved these consolidated financial statements on 22 March 2019. They were authorised for publication according to the legal terms.

Basis of presentation

In accordance with IAS 1 - Presentation of Financial Statements, the consolidated financial statements formats are the same as those of the parent. They include the following schedules:

- statement of financial position, in which current and non-current assets and liabilities are classified separately;
- income statement and statement of comprehensive income, shown as two separate schedules in which costs are classified by nature;
- statement of cash flows, presented in accordance with the indirect method, as allowed by IAS 7 - Statement of cash flows;
- statement of changes in equity.

These schedules present the corresponding prior year annual figures for comparative purposes.

Moreover, as required by Consob resolution no. 15519 of 28 July 2006, the Group presents the following information in separate schedules:

- net financial position, with a breakdown of the main components and balances with related parties (page 21 of the directors' report);
- the effects of non-recurring events or transactions, i.e., those transactions or events that are not repeated frequently in the normal course of business (pages 79 and 80).

Related party transactions are not presented in separate schedules because they are listed as separate items in the statement of financial position (pages 26 and 27).

Basis of preparation

These consolidated financial statements are prepared on a going concern basis, which the directors deemed appropriate.

These consolidated financial statements at 31 December 2018 comply with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union. They are also consistent with the regulations enacted to implement article 9 of Legislative decree no. 38/2005.

The term IFRS includes the International Financial Reporting Standards, the International Accounting Standards ("IAS") and all interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), previously called the Standing Interpretations Committee ("SIC"), endorsed by the European Commission as of the date of the Board of Directors' meeting convened to approve the consolidated financial statements and listed in the applicable regulations published by the European Union as of the above-mentioned date.

These consolidated financial statements are prepared in accordance with the general principle of historical cost, except for those items that, pursuant to the IFRS, shall be measured at fair value, as explained in the “Accounting policies” section.

The accounting policies adopted to prepare these consolidated financial statements at 31 December 2018 are the same as those used in 2017, except as noted in the following section.

Standards, amendments and interpretations applicable from 1 January 2018

Listed below are the new standards or amendments to existing standards applicable to annual periods beginning on or after 1 January 2018:

IFRS 15 - Revenue from contracts with customers

IFRS 15 supersedes IAS 11 - Construction contracts, IAS 18 - Revenue and the related interpretations and is applicable to annual periods beginning on or after 1 January 2018 to all revenue from contracts with customers, unless they are covered by another standard. The new standard introduces a five-step model applicable to revenue from contracts with customers.

IFRS 15 requires an entity to recognise revenue at the amount of consideration to which it expects to be entitled in exchange for transferring promised goods or services to a customer.

Under the standard, an entity shall recognise revenue when (or as) it transfers control over a good or service to a customer. This requires management judgement.

IFRS 15 requires judgements by entities that consider all material events and circumstances in the application of each step of the model to contracts with their customers. The standard also specifies that the incremental costs of obtaining a contract and costs to fulfil a contract shall also be recognised.

The Group has adopted IFRS 15 using the cumulative effect method, with the effect of initially applying this standard recognised at the date of initial application (i.e., 1 January 2018). Accordingly, the information presented for 2017 has not been restated – i.e. it is presented, as previously reported, under IAS 18, IAS 11 and related interpretations. Additionally, the disclosure requirements in IFRS 15 have not generally been applied to comparative information.

The impact of the adoption of IFRS 15 on losses carried forward at 1 January 2018 is nil.

The following table summarises the IFRS 15 FTA impact on the individual affected captions of the statement of financial position as at 31 December 2018 and the 2018 income statement. There were no impacts on the statement of cash flows for 2018.

In accordance with the IFRS 15 FTA method selected, the Group has not restated the comparative information.

	31.12.2018 as reported	Adjustments	Balances without adoption of IFRS 15
Property, plant and equipment	42,586,115		42,586,115
Investment property	7,392,752		7,392,752
Goodwill	1,043,495		1,043,495
Licences and trademarks	750,162		750,162
Other	5,532,738	(5,449,674)	83,064
Intangible assets	7,326,395	(5,449,674)	1,876,721
Equity investments	856,588		856,588
Deferred tax assets	3,019,085		3,019,085
			-
Non-current financial assets	550,000	-	550,000
TOTAL NON-CURRENT ASSETS	**61,730,935**	**(5,449,674)**	**56,281,261**
Inventories	408,288		408,288
Contract assets	3,130,909		3,130,909
Current financial assets	13,105,943		13,105,943
Derivatives	-		-
Trade receivables and other assets	34,647,190	5,449,674	40,096,864
Cash and cash equivalents	18,356,593	-	18,356,592
TOTAL CURRENT ASSETS	**69,648,923**	**5,449,674**	**75,098,597**
Assets held for sale	-		-
TOTAL ASSETS	**131,379,858**	**-**	**131,379,858**

	31.12.2018 as reported	Adjustments	Balances without adoption of IFRS 15
EQUITY	**61,748,876**		**61,748,876**
Non-current loans and borrowings	22,441,025		22,441,025
Deferred tax liabilities	-		-
Post-employment benefits	4,778,297		4,778,297
TOTAL NON-CURRENT LIABILITIES	**27,219,322**		**27,219,322**
Current loans and borrowings	4,363,393		4,363,393
Other financial liabilities	5,910,504		5,910,504
Trade payables	29,560,911		29,560,911
Current tax liabilities	980,683		980,683
Derivatives	-		-
Provisions for risks and charges	620,432		620,432
Other liabilities	975,737		975,737
TOTAL CURRENT LIABILITIES	**42,411,660**		**42,411,660**
TOTAL LIABILITIES	**69,630,982**		**69,630,982**
Liabilities associated with assets held for sale	-		-
TOTAL LIABILITIES AND EQUITY	**131,379,858**		**131,379,858**

	2018 as reported	Adjustments	Balances without adoption of IFRS 15
Revenue	105,327,476		105,327,476
Gains on sale of non-current assets and equity investments	184,074		184,074
Raw materials and consumables	(7,678,592)		(7,678,592)
Other variable production costs	(2,834,004)		(2,834,004)
External variable engineering services	(19,025,131)		(19,025,131)
Wages, salaries and employee benefits	(50,037,698)		(50,037,698)
Depreciation of property, plant and equipment and investment property	(2,743,459)		(2,743,459)
Amortisation of intangible assets	(689,928)	357,337	(332,591)
Losses on sale of non-current assets and equity investments	-		-
(Additions to)/utilisation of provisions and impairment losses	(5,386,036)		(5,386,036)
Amortisation, depreciation and impairment losses	**(8,819,423)**	**357,337**	**(8,462,086)**
Net exchange losses	(50,445)		(50,445)
Other expenses	(13,271,394)	(357,337)	(13,628,731)
Operating profit	**3,794,863**	**-**	**3,794,864**
Net financial expense	(2,406,464)		(2,406,464)
	-		-
Dividends	10,108		10,108
Share of loss of equity-accounted investees	(21,403)		(21,403)
Profit before taxes	**1,377,104**		**1,377,104**
Income taxes	**796,077**		**796,077**
Profit for the year	**2,173,181**		**2,173,181**

IFRS 9 - Financial instruments

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 - Financial instruments: recognition and measurement.

IFRS 9 is applicable to annual periods beginning on or after 1 January 2018 and incorporates all three aspects necessary to recognise financial instruments: classification and measurement, impairment losses and hedge accounting.

(a) Classification and measurement

The Group initially measures financial assets at fair value plus, except in the case of financial assets at fair value through profit or loss, transaction costs.

IFRS 9 classifies financial assets into three main categories: at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVTPL).

The classification is based on the business model adopted by the Group to manage the asset or the SPPI (solely payments of principal and interest) test, if the financial instruments' contractual cash flows solely comprise payments of principal and interest.

The adoption of IFRS 9 has not had any effect on the Group's accounting policies for financial assets.

(b) Impairment losses

IFRS 9 considerably changed the Group's recognition of impairment losses on its financial assets, replacing the incurred loss approach required by IAS 39 with the forward looking approach of estimating expected credit losses (ECLs).

Under the new standard, the Group is required to recognised ECLs for all loans and receivables, other assets and contract assets that represent a financial asset not measured at FVTPL.

ECLs are the difference between the contractual cash flows and the cash flows the Group expects to actually receive. The loss is discounted at a rate that approximates the asset's original effective interest rate.

With respect to contract assets and trade receivables and other assets, the Group opted for the application of a standard simplified approach and has calculated their lifetime ECLs. It defined a provisioning matrix based on its historical credit loss figures, adjusted by the counterparties' different credit rating and business environment.

The new impairment rules did not require the recognition of additional impairment losses at 1 January 2018.

(c) Hedge accounting

Since the Group does not hold hedging financial instruments, it does not apply hedge accounting and, hence, the adoption of IFRS 9 has not had any effect on its accounting policies for financial liabilities.

New standards published but not yet adopted

An update to the information provided in the Group's most recent annual consolidated financial statements relating to published standards that it has not yet adopted and that may have a significant effect on its consolidated financial statements is provided below.

IFRS 16 - Leases

IFRS 16 introduces a single model for recognising leases in lessees' financial statements, whereby lessees shall recognise an asset representing their right of use to the leased asset and a liability for their obligation to make lease payments. Exemptions are provided for short-term and low value leases. The recognition model for lessors is substantially unchanged from that currently applied, i.e., they continue to classify leases as operating or finance.

IFRS 16 supersedes the current requirements for leases, including IAS 17 - Leases, IFRIC 4 - Determining whether an arrangement contains a lease, SIC-15 - Operating leases - Incentives and SIC-27 - Evaluating the substance of transactions involving the legal form of a lease.

The Group is required to adopt IFRS 16 - Leases from 1 January 2019. It has assessed the estimated impact that initial application of IFRS 16 will have on its consolidated financial statements, as described below. The actual impacts of adopting the standard on 1 January 2019 may change because:

– the Group has not finalised the testing and assessment of controls over its new IT systems; and
– the new accounting policies are subject to change until the Group presents its first consolidated financial statements that include the date of initial application.

The Group plans to apply IFRS 16 initially on 1 January 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting IFRS 16 will be recognised as an adjustment to the opening balance of losses carried forward at 1 January 2019, with no restatement of comparative information.

The Group plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply IFRS 16 to all contracts entered into before 1 January 2019 and identified as leases in accordance with IAS 17 and IFRIC 4.

Based on currently-available information, the Group expects to recognise additional lease liabilities approximating €6.7 million at 1 January 2019.

Other standards

The following amended standards and interpretations are not expected to have a significant impact on the Group's consolidated financial statements:

– IFRIC 23 - Uncertainty over tax treatments;
– Prepayment features with negative compensation (Amendments to IFRS 9);
– Long-term interests in associates and joint ventures (Amendments to IAS 28);
– Plan amendment, curtailment or settlement (Amendments to IAS 19).

ACCOUNTING POLICIES

Consolidated financial statements

The consolidated financial statements include all the financial statements of all subsidiaries from the date the Group acquires control until such control ceases to exist. Joint ventures (if any) and associates are measured using the equity method.

Intragroup expenses, revenue, receivables, payables, gains and losses are eliminated in the consolidation process.

When necessary, the accounting policies of subsidiaries, associates and joint ventures are amended to make them consistent with those of the parent.

(a) Subsidiaries and business combinations

A list of the companies consolidated line by line is provided below:

Name	Registered office	Investment %	Held by	Currency	Share/quota capital
Pininfarina Extra S.r.l.	Via Bruno Buozzi 6, Turin, Italy	100%	Pininfarina S.p.A.	€	388,000
Pininfarina of America Corp.	501 Brickell Key Drive, Suite 200, Miami FL 33131 USA	100%	Pininfarina Extra S.r.l.	USD	10,000
Pininfarina Engineering S.r.l.	Via Nizza 262/25, Turin, Italy	100%	Pininfarina S.p.A.	€	100,000
Pininfarina Deutschland Holding GmbH	Riedwiesenstr. 1, Leonberg, Germany	100%	Pininfarina Engineering S.r.l.	€	3,100,000
Pininfarina Deutschland GmbH	Frankfurter Ring 81, Munich, Germany	100%	Pininfarina Deutschland Holding GmbH	€	25,000
Pininfarina Shanghai Co. Ltd	Unit 1, Building 3, Lane 56, Antuo Road, Anting, 201805, Jiading district, Shanghai, China	100%	Pininfarina S.p.A.	CNY	3,702,824

On 14 May 2018, the parent, Pininfarina S.p.A., incorporated Pininfarina Engineering S.r.l., which it wholly owns, manages and coordinates.

The two companies signed a business unit transfer agreement on 25 June 2018, which became effective on 1 July 2018, whereby the parent transferred its "Engineering" business unit, consisting of the engineering activities partly carried out directly by it and partly by its subsidiary Pininfarina Deutschland Holding GmbH, which was included in the transfer, to its wholly-owned subsidiary.

The business unit's fair value at 31 March 2018 was appraised pursuant to article 2465 of the Italian Civil Code and is made up as follows:

	31.03.2018
Assets:	
Property, plant and equipment and intangible assets	197,548
Investment in Pininfarina Deutschland Holding GmbH	19,399,941
Cash and cash equivalents	2,712,053
Liabilities:	
Post-employment benefits and remuneration accrued by the business unit's employees	2,100,775
Deferred income on ongoing contracts	611,278
Total net assets	**19,597,489**

As a consideration for the transfer, Pininfarina Engineering S.r.l. increased its quota capital by €50,000 and recognised a quota premium for the remainder of €19,547,489.

The changes in the assets and liabilities from the appraisal date (31 March 2018) to the transfer's effective date have been settled between the parties, keeping the carrying amount of the business unit's net assets unchanged.

The reporting date of the subsidiaries is the same as that of the parent, Pininfarina S.p.A..

(b) Acquisition/sale of equity investments subsequent to the acquisition of control

Acquisitions and sales of equity investments subsequent to the acquisition of control that do not result in a loss of control are accounted for as owner transactions.

In the case of acquisitions, the difference between the consideration paid and the pro rata interest in the carrying amount of the net assets acquired is recognised in equity. In the case of sales, the resulting gain or loss is also recognised directly in equity.

If the Group loses control or significant influence, the remaining non-controlling interest is remeasured at fair value and any positive or negative difference between its carrying amount and fair value is recognised in profit or loss.

(c) Associates

Associates are listed below:

Name	Registered office	Investment %	Held by	Currency	Quota capital
Goodmind S.r.l.	Via Nazionale 30, Cambiano, Italy	20%	Pininfarina Extra S.r.l.	€	20,000
Signature S.r.l.	Via Paolo Frisi 6, Ravenna, Italy	24%	Pininfarina S.p.A.	€	10,000

(d) Other companies

Investments in other companies that are available-for-sale financial assets are measured at fair value, if feasible, and any resulting gains or losses are recognised in equity until the investments are sold. At that point, fair value gains or losses accumulated in equity are reclassified to the income statement for the year.

If the equity investments are not listed on a regulated market and their fair value cannot be reliably determined, they are measured at cost, adjusted for any impairment losses, which cannot be reversed.

Translation of foreign currency captions

(a) Presentation currency and translation of financial statements denominated in currencies other than the Euro

The Group's presentation currency is the Euro.

The table below lists the exchange rates used to translate financial statements denominated in functional currencies different from the presentation currency:

Euro vs currency	31.12.2018	2018	31.12.2017	2017
US dollar - USD	1.14	1.18	1.20	1.13
Chinese renminbi (yuan) - CNY	7.87	7.81	7.81	7.63

(b) Foreign currency assets, liabilities and transactions

Transactions carried out in currencies other than the Euro are initially translated at the exchange rate in force on the date of the transaction.

At the reporting date, monetary assets and liabilities denominated in foreign currencies are retranslated into Euros at the closing rate. All resulting exchange rate gains and losses are recognised in profit or loss, except for those stemming from foreign currency loans that hedge investments in foreign operations. Any such gains or losses, net of the related tax effects, are recognised directly in equity. When the equity investment is sold, the accumulated translation differences are reclassified to profit or loss.

Non-monetary items that are carried at historical cost are translated into Euros at the exchange rate in force when the underlying transaction was initially recognised. Non-monetary items that are carried at fair value are translated into Euros at the exchange rate in force on the measurement date.

None of the group companies operate in a hyperinflationary economy.

Investment property

Property held to earn rentals or for capital appreciation is classified as investment property and measured at purchase or production cost, including any related costs and net of accumulated depreciation and impairment losses.

Property, plant and equipment

Property, plant and equipment comprise items used in production, including those held under finance lease. They are recognised at purchase or production cost, net of accumulated depreciation and impairment losses (if any), except for land, which is not depreciated.

The cost includes all purchase-related outlays, i.e., those incurred to bring the asset to the place and conditions necessary for its operation.

Depreciation of buildings and other generic assets is calculated on a straight-line basis, in order to allocate their residual carrying amount over their estimated useful life.

The useful lives of each asset category are set out below:

	Useful life (years)	
Category	**Bairo and San Giorgio facilities**	**Other facilities**
Land	Indefinite	Indefinite
Buildings	50	33
Machinery	20	10
Plant	20	10
Machinery	-	5
Furniture and fixtures	10	8
Hardware	-	5
Other, including vehicles	-	5

Land is recognised separately and is not depreciated but tested for impairment whenever the Group identifies indicators that the carrying amount exceeds the recoverable amount. Subsequent costs are capitalised only if it is probable that they will generate future economic benefits and their amount can be determined reliably. Should a portion be replaced, its carrying amount is derecognised. Costs that do not meet these requirements are immediately recognised in profit or loss. The carrying amount and useful life of property, plant and equipment are reviewed at each reporting date and adjusted, if necessary, prospectively pursuant to paragraphs from 32 to 38 of IAS 8 - Accounting policies, changes in accounting estimates and errors. Gains and losses on the sale, calculated as the difference between the asset's carrying amount and sales price, are recognised in profit or loss. In these notes, impairment losses mean the losses recognised to adjust the assets' carrying amounts to their recoverable amount.

Government grants

Government grants are recognised at fair value only if the Group is reasonably certain that they will be disbursed and has met all conditions for their collection. They are recognised as revenue in proportion to the costs incurred. As required by paragraph 17 of IAS 20 - Accounting for government grants and disclosure of government assistance, grants related to assets are recognised as deferred income and reclassified to profit or loss in line with the depreciation pattern of the related asset.

Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance. They are controlled by the Group and generate measurable future economic benefits. They are recognised at cost, calculated using the same criteria as for property, plant and equipment.

(a) Goodwill

Goodwill is the excess of the purchase price with respect to the acquisition-date fair value of the net assets acquired. It is not amortised, but is tested for impairment at least annually. Impairment testing allocates goodwill to the related cash-generating units, which are the smallest identifiable groups of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets. If the carrying amount of the net assets of a cash-generating unit, including allocated goodwill, exceeds their recoverable amount, the identified impairment loss is firstly allocated to goodwill, up to its entire carrying amount. Any remaining impairment loss is then allocated pro rata to the carrying amount of the assets making up the cash-generating unit. Impairment losses recognised on goodwill cannot be reversed. Any negative goodwill is recognised as income in profit or loss.

(b) Software and other licences

Software and other similar licences are recognised as assets at cost, including that incurred to use them. They are amortised over their estimated useful life, which ranges between three and five years. Costs incurred to maintain software programs are immediately recognised in profit or loss. Those incurred to develop identifiable software that is controlled by the Group, which are very likely to produce future economic benefits exceeding the costs incurred, if any, are recognised as intangible assets and amortised over their useful life, which does not exceed three years.

(c) Research and development expenditure

Research expenditure, as defined by IAS 38 - Intangible assets, is expensed when incurred in accordance with IAS 38.54. Development expenditure is recognised as an intangible asset only if it can be measured reliably and if it is probable that the related project is likely to be successful, with reference to its technical feasibility, the availability of financial resources to complete it and its commercial penetration. Development expenditure that does not meet these requirements is expensed when incurred. This expense is never reclassified as an asset in subsequent years, if the requirements for its recognition as an asset are met after it is recognised in profit or loss. Development expenditure is amortised from when the related output is marketed over the estimated period during which it will generate economic benefits, which can never exceed five years. It is tested for impairment when the Group identifies indicators that its carrying amount exceeds its recoverable amount. The Group carries out development projects on behalf of third parties as part of both styling, engineering and car manufacturing contracts and solely designing and engineering contracts. Development expenditure incurred as part of styling and engineering sold to third parties is classified as a contractual cost under IAS 11 - Construction contracts and, accordingly, no intangible asset is recognised. Development expenditure related to styling, engineering and manufacturing contracts which give the Group a total or partial guarantee that the investment made on behalf of a customer will be recovered is classified as a financial asset under IFRIC 4 - Determining whether an arrangement contains a lease, or, when the conditions for the application of this interpretation are not met, in the carrying amount of the specific equipment under property, plant and equipment.

(d) Other intangible assets

Other intangible assets acquired separately are recognised at cost. Those acquired as a result of a business combination are recognised at their acquisition-date fair value. After initial recognition, those with a finite useful life are subsequently measured at cost, adjusted for accumulated amortisation and impairment losses, whereas those with an indefinite useful life are measured at cost but not amortised. They are tested for impairment at least annually. Where possible, any changes are made prospectively pursuant to paragraphs from 32 to 38 of IAS 8 - Accounting policies, changes in accounting estimates and errors.

Impairment of non-financial assets

Intangible assets with an indefinite useful life, including goodwill, are tested for impairment at least annually and whenever there are indicators of impairment. Property, plant and equipment, investment property and intangible assets with a finite useful life are tested for impairment only if the Group identifies indicators that their carrying amount may exceed their recoverable amount. The recoverable amount is the higher of an asset's (or cash-generating unit's) fair value less costs to sell and its value in use, which is calculated as the present value of the future cash flows expected to be derived from an asset, to be based on reasonable and supportable assumptions that represent management's best estimate of the future economic conditions. The discount rate used reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. This rate for the Group is the weighted average cost of capital ("WACC").

When the carrying amount of an asset exceeds its recoverable amount, the Group recognises the difference as an impairment loss in profit or loss. If the reasons for the impairment loss no longer exist in future years, the impairment loss is reversed to the extent of the pre-impairment carrying amount, less amortisation/depreciation. Impairment losses on goodwill can never be reversed. Cash-generating units are identified in line with the Group's organisational structure and business, by grouping those assets that are able to generate cash inflows independently, as required by IAS 36 - Impairment of assets;

they are not larger than the two operating segments identified under IFRS 8 - Operating segments: 1) styling and engineering; 2) operations. In assessing the recoverable amount for impairment testing purposes, the Group makes reference to the fair value of owned real estate complexes, measured using the market valuations available at the Public Real Estate Registry Office and possibly appraisals prepared by independent experts.

Assets held for sale

Non-current assets, together with current and non-current assets included in disposal groups, whose carrying amount will be recovered through their sale rather than continuing use, are classified as held for sale. Assets held for sale and directly-associable liabilities are classified in the statement of financial position separately from the Group's other assets and liabilities, in accordance with paragraphs from 38 to 40 of IFRS 5 - Non-current assets held for sale and discontinued operations. Assets held for sale are not amortised or depreciated and are measured at the lower of their carrying amount and fair value less costs to sell. Any difference between the carrying amount and fair value less costs to sell is recognised in profit or loss as an impairment loss. Any subsequent improvement in fair value less costs to sell is recognised as a reversal to the extent of the impairment losses previously recognised, including those recognised prior to the classification of the asset as held for sale.

Investments in associates

Investments in associates are recognised in the consolidated financial statements using the equity method, as required by IAS 28 - Investments in associates and joint ventures and IFRS 11 - Joint arrangements. An associate is an entity in which the Group holds at least 20% of its voting rights and over which it exercises a significant influence but not control or joint control.

Under the equity method, the equity investment is recognised in the statement of financial position at cost, increased by subsequent changes in the Group's share of the associate's net assets.

Equity investments in other companies

The other equity investments (other than in subsidiaries and associates) are classified as non-current or current assets, depending on whether the Group intends to maintain the investment in its assets for a period longer or shorter than twelve months, respectively.

Equity investments in other companies are initially recognised at acquisition cost and subsequently measured at FVTPL, as required by IFRS 9.

In the absence of a principal active market, the Group identifies the investment's fair value as its acquisition cost, considering it as the most reliable input in accordance with IFRS 13.

Financial assets and liabilities

The Group initially measures financial assets at fair value plus, except in the case of financial assets that are not recognised at fair value through profit or loss, transaction costs.

IFRS 9 classifies financial assets into three main categories: at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVTPL).

The classification is based on the business model adopted by the Group to manage the asset or the SPPI (solely payments of principal and interest) test, if the financial instruments' contractual cash flows solely comprise payments of principal and interest.

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) – debt instrument; FVOCI – equity investment; or fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

– it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
– its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
– A debt instrument is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
– the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
– its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest – policy applicable from 1 January 2018

For the purposes of this assessment, "principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

– contingent events that would change the amount or timing of cash flows;
– terms that may adjust the contractual coupon rate, including variable rate features;
– prepayment and extension features; and
– terms that limit the Group's claim to cash flows from specified assets (e.g., non-recourse features).

Financial assets: subsequent measurement and gains and losses – policy applicable from 1 January 2018

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt instruments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities: classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Financial expense

In accordance with IAS 23 - Borrowing costs, borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Otherwise, they are recognised in profit or loss on an accruals basis.

Inventories

Inventories are recognised at the lower of cost and net realisable value, which is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. Under IAS 2 - Inventories, the cost is calculated using the FIFO ("first-in first-out") method. The cost of finished goods and semi-finished products includes design, raw materials and direct labour costs, other direct costs and other indirect costs that can be directly allocated to the production activity based on normal production capacity. This cost does not include borrowing costs. Based on the assets' expected future use and net realisable value, materials, finished goods, spare parts and other obsolete or slow-moving items are written down through an allowance account. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Cash and cash equivalents

Net cash and cash equivalents include cash-in-hand, on-demand bank deposits, other investments that may be sold within three months and bank overdrafts, which are recognised in the relevant caption under current liabilities. In accordance with paragraph 8 of IAS 7 - Statement of cash flows, the cash flow for the year is equal to the change in net cash and cash equivalents.

Share capital

Ordinary shares are classified in equity. There are no other share categories. Costs directly related to the issue of ordinary shares or options are recognised in equity. If a group company acquires the parent's shares, or if the parent itself repurchases its own shares within the limits established by article 2357 of the Italian Civil Code, the consideration paid, net of any transaction cost, is deducted from equity attributable to the owners of the parent until the treasury shares are cancelled, possibly assigned to employees or resold. The parent's share capital comprises 54,287,128 ordinary shares with a unit nominal amount of €1.

Employee benefits

(a) Pension plans

The Pininfarina Group's employees participate in defined contribution plans and defined benefit plans. The latter are a portion of the Italian post-employment benefits provided for by article 2120 of the Italian Civil Code and, therefore, do not comprise any plan assets. Defined contribution plans are formalised plans for post-employment benefits that require that the Group pay contributions to an insurance company or a pension fund. By doing this, the Group does not have any other legal or constructive obligation to pay additional contributions should the fund not have sufficient resources to pay all benefits accrued by employees over their current and past service periods when the benefits become due. These contributions paid in exchange for the service rendered by employees are recognised as an expense on an accruals basis. This category includes the payments made to the Cometa and Previp funds. Under defined benefit plans, the Group has a future obligation to pay the pension benefit to the employee upon termination of employment. The amount of the benefit depends on different factors, such as age, seniority and remuneration. The Group, therefore, takes on actuarial and investment risks arising from the plan. It calculates the present value of the plan liability and the service cost using the projected unit credit method, based on the actuarial calculation that uses demographic (mortality rate and turnover) and financial (discount rate and future salary and benefit increases) variables. The post-employment benefits of the Group's Italian employees are classified as follows pursuant to IAS 19 - Employee benefits:

- defined benefit plan for the portion vested prior to enactment of the Finance Act (Law no. 296 of 27 December 2006) and related implementing decrees;
- defined contribution plan for the portion accrued thereafter.

At the annual and half year reporting dates, the Group calculates the benefits using an actuarial valuation. The accumulated actuarial losses and gains arising from changes in estimates are recognised in a specific caption of comprehensive income. Any curtailment or extinguishment of a plan liability is immediately recognised in profit or loss.

(b) Incentives, bonuses and profit-participation plans

The Group recognises a cost and a liability for its obligations for incentives, bonuses and profit-participation plans. The liability is recognised when the Group has a legal or constructive obligation and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(c) Termination benefits

The Group recognises a liability and personnel expense when it is demonstrably committed to terminating the employment of an employee or group of employees before the normal retirement date or provide termination benefits as a result of an offer made in order to encourage voluntary redundancy. The Group is demonstrably committed to a termination when, and only when, it has a detailed formal plan for the termination and is without realistic possibility of withdrawal.

(d) Share-based payments

The Group has granted additional benefits to its key management personnel in the form of equity-settled share based plans (e.g., stock options). Under IFRS 2 - Share-based payment, the present value of the stock options calculated at the grant date using the Black & Scholes method is recognised as personnel expense in profit or loss on a straight-line basis over the vesting period, with a balancing entry recognised in equity.

The effects of the non-market vesting conditions are not considered in the fair value measurement of the options granted, but are taken into account in measuring the number of expected exercisable options.

The Group revises its estimates of expected exercisable options at each reporting date.

The resulting effects are recognised in profit or loss over the vesting period with a balancing entry recognised in equity.

When the options are exercised, the amounts received from employees, net of directly attributable transaction costs, increase the share capital to the extent of the nominal amount of the issued shares. The remainder increases the premium reserve.

Provisions for risks and charges, contingent liabilities

The provisions for risks and charges include specific costs and losses whose existence is certain or probable but whose amount or due date is unknown at the reporting date. Provisions are recognised when all the following conditions are met: (i) the Group has a present obligation (legal or constructive) as a result of a past event; (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; (iii) a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation or transfer it to third parties at the reporting date. Where the effect of the time value of money is material and the payment dates can be estimated reliably, the provision is discounted to present value. The Group recognises expected restructuring costs when a restructuring plan is formalised only if it has raised a valid expectation in those affected that it will carry out the restructuring. The liability accrued in the provisions for risks and charges is regularly adjusted for changes in estimated costs, expected timing and discount rates. Changes in estimates of provisions are recognised in the same income statement caption as the related addition. Disclosures about contingent liabilities, i.e.: (i) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; (ii) a present obligation that arises from past events, whose amount cannot be measured reliably or whose settlement will probably not require an outflow of resources embodying economic benefits are provided in the notes.

Leases

(a) Finance leases

Under IAS 17 - Leases, a lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership from the lessor to the Group (lessee). They are accounted for as follows:

(a1) Leases where the Group is the lessee

The Group enters into these leases to fund its investments in property, plant and equipment, as defined earlier. The leased asset is recognised as an item of property, plant and equipment and depreciated over the shorter of its useful life and the lease term. At the commencement of the lease term, the asset is recognised at the lower of its fair value and the present value of the minimum lease payments determined at the inception of the lease. The financial liability to the lessor is recognised as described earlier for loan and lease liabilities.

(a2) Leases where the Group is the lessor

The Group becomes a lessor when it applies IFRIC 4 - Determining whether an arrangement contains a lease, relating to IAS 17 - Leases, to specific plant and machinery in connection with certain design, engineering and car manufacturing contracts. IFRIC 4 applies to those arrangements that do not have the legal form of a lease, but that give the Group's counterparty the right to use certain assets in exchange for a series of payments. This right implies that the arrangement is or contains a lease. The requirements for the application of this interpretation are as follows:

- fulfilment of the arrangement is dependent on the use of a specific asset;
- the arrangement conveys a right to use the asset;
- it is possible to assess whether an arrangement contains a lease at the inception of the arrangement;
- it is possible to separate payments for the lease from other payments.

Briefly, under IFRIC 4, it is possible to identify and separate the lease from an arrangement and recognise it in accordance with IAS 17 - Leases. In this case, the Group recognises a financial asset equal to the present value of the lease payments. The difference between future collections and their present value is the interest income which is recognised in profit or loss over the lease term at a constant periodic rate of return.

(b) Operating leases

When a lease does not meet the requirements to be classified as a finance lease, it is classified as an operating lease. Lease payments, net of incentives received from the lessor, are recognised as an expense on a straight-line basis over the lease term.

Income taxes

(a) Current taxes

Current taxes are recognised by each group company on the basis of their estimated taxable profit using the tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date, taking into account any domestic tax consolidation arrangements, applicable exemptions and tax assets.

(b) Deferred taxes

Under IAS 12 - Income taxes, deferred taxes are calculated for all temporary differences between the assets' and liabilities' tax bases and carrying amounts, except in two cases: (i) goodwill arising from a business combination, (ii) the initial recognition of an asset or liability in a transaction which is not a business combination and affects neither accounting profit nor taxable profit (tax loss). 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 assets and liabilities are respectively classified as non-current assets and liabilities. They are offset at individual company level if related to taxes that can be legally offset. The resulting balance, if positive, is recognised as a deferred tax asset and, if negative, as a deferred tax liability. Current and deferred taxes related to transactions directly affecting equity are recognised in equity. The Group recognises deferred tax assets to the extent that it is probable that taxable profit will be available against which the temporary difference can be utilised. The carrying amount of a deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Deferred taxes on undistributed profits of the group companies are recognised only if the company really intends to distribute such profits and, in any case, if there are no tax consolidation arrangements cancelling their taxation.

Revenue recognition

IFRS 15 requires an entity to recognise revenue at the amount of consideration to which it expects to be entitled in exchange for transferring promised goods or services to a customer.

Based on the above, IFRS 15 provides an articulated and detailed series of requirements that, as a whole, make up the new single model for the recognition of revenue from contracts with customers. The model provides for the following five steps:

- step 1 – identification of the contract;
- step 2 – identification of the performance obligations;
- step 3 – determination of the transaction price;
- step 4 – allocation of the transaction price to the performance obligations;
- step 5 – recognition of revenue when (or as) the entity satisfies the performance obligations.

<u>Step 1 – identification of the contract</u>

IFRS 15 defines a "contract" as an agreement between two or more parties that creates enforceable rights and obligations, specifying that enforceability of the rights and obligations in a contract is a matter of law. The contract may be approved in writing, orally or in accordance with other customary business practices.

<u>Step 2 – identification of the performance obligations</u>

At contract inception, an entity shall assess the goods or services promised in a contract with a customer and shall identify as a performance obligation each promise to transfer to the customer either:

a) a good or service (or a bundle of goods or services) that is distinct; or
b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

A contract may include promises to transfer more than one good or service to a customer. An entity shall assess the goods or services promised in order to identify which good or service (or bundle of goods or services) that is promised to a customer is distinct and may constitute a separate performance obligation.

A good or service that is promised to a customer is distinct if both of the following criteria are met:

a) the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer;
b) the entity's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract.

If a promised good or service is not distinct, an entity shall combine that good or service with other promised goods or services until it identifies a bundle of goods or services that is distinct. In some cases, that would result in the entity accounting for all the goods or services promised in a contract as a single performance obligation.

Step 3 – determination of the transaction price

The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, some sales taxes).

The Group considers the terms of the contract and its customary business practices to determine the transaction price. The consideration may include fixed amounts, variable amounts, or both.

When determining the transaction price, the Group considers the effects of all of the following:

- variable consideration and constraining estimates of variable consideration;
- the existence of a significant financing component in the contract;
- non-cash consideration;
- consideration payable to a customer.

Step 4 – allocation of the transaction price to the performance obligations

The transaction price identified in step 3 is allocated to each performance obligation identified in step 2 on a relative stand-alone selling price basis.

Step 5 – recognition of revenue when (or as) the entity satisfies the performance obligations

An entity transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

a) the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs;
b) the entity's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or

c) the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

The Group considers the terms of the contract, as well as any laws that apply to the contract, when evaluating whether it has an enforceable right to payment for performance completed to date.

When recognising revenue over time from the provision of design and engineering services, the Group measures the progress towards complete satisfaction of that performance obligation using the percentage of completion method on a cost-to cost-basis.

Incremental costs of obtaining contracts

An entity shall recognise as an asset the incremental costs of obtaining a contract with a customer if it expects to recover those costs.

The incremental costs of obtaining a contract are those costs that an entity incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained (for example, a sales commission).

As a practical expedient, the Group recognises the incremental costs of obtaining a contract as an expense when incurred if the amortisation period of the asset that the entity otherwise would have recognised is one year or less.

An asset recognised for incremental costs of obtaining a contract is amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates.

Contract assets and liabilities

An entity shall present the contract in the statement of financial position as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment. An entity shall present any unconditional rights to consideration separately as a receivable.

If an entity performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the entity shall present the contract as a contract asset, excluding any amounts presented as a receivable. A contract asset is an entity's right to consideration in exchange for goods or services that the entity has transferred to a customer. The Group assesses a contract asset for impairment in accordance with IFRS 9.

If a customer pays consideration, or an entity has a right to an amount of consideration that is unconditional (i.e., a receivable), before the entity transfers a good or service to the customer, the entity shall present the contract as a contract liability when the payment is made or the payment is due (whichever is earlier). A contract liability is an entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or an amount of consideration is due) from the customer.

Licencing

A licence establishes a customer's rights to the intellectual property of an entity.

If the promise to grant the licence is a separate performance obligation, an entity shall not apply the general revenue recognition model but the specific guidelines set out in Appendix B to the standard and described below.

- revenue shall be recognised at a point in time if the entity's promise is to provide the customer with a right to use its intellectual property as it exists at the point in time at which the licence is granted;
- revenue shall be recognised over time if the entity's promise is to provide the customer with a right to access its intellectual property as it exists throughout the licence period.

Notwithstanding the nature of the licence ("right to use" or "right to access"), an entity shall recognise revenue for a sales-based or usage-based royalty promised in exchange for a licence of intellectual property only when (or as) the later of the following events occurs:

a) the subsequent sale or usage occurs; and
b) the performance obligation to which some or all of the royalty has been allocated has been satisfied (or partially satisfied).

Dividend distribution

The Group recognises a liability for dividends to be distributed when the distribution has been approved by the shareholders.

Earnings or losses per share

Basic earnings or losses per share are calculated by dividing the profit or loss for the year attributable to the owners of the parent's ordinary shares by the weighted average number of ordinary shares outstanding during the year. Diluted earnings or losses per share are derived by adjusting the weighted average number of outstanding shares for all potential ordinary shares with a dilutive effect.

Events after the reporting date

The events after the reporting date are those events, favourable and unfavourable, that occur between the reporting date (31 December for the Group) and the date when the financial statements are authorised for issue. Two types of events can be identified: (i) those that provide evidence of conditions that existed at the reporting date and (ii) those that are indicative of conditions that arose after the reporting date.

In accordance with IAS 10 - Events after the reporting period, in the first case (i) the Group adjusts the carrying amounts for the events that occurred after the reporting date and in the second case (ii) the Group does not adjust the carrying amounts, but discloses the events held significant in the notes.

Reference should be made to the "Other information" section of the directors' report for further details.

Statement of cash flows

The statement of cash flows is presented in accordance with the indirect method allowed by IAS 7 - Statement of cash flows.

Repayments of loans and receivables, recognised under IFRIC 4 - Determining whether an arrangement contains a lease, are recognised as cash flows from investing activities at the line "Repayment of loans and receivables - third parties", in line with the definition of investing activities set out in IAS 7, with the Group's financial position and net financial debt structures and in accordance with IAS 7.16-f.

ASSESSMENTS THAT AFFECT THE CONSOLIDATED FINANCIAL STATEMENTS

(a) Going concern

The going concern assumption is a key principle for the preparation of financial statements. When assessing whether the Group is able to continue as a going concern, the directors express their current opinion on the outcome of future events or circumstances which are, by their nature, uncertain. Any opinion about future events is based on information available when the opinion is expressed. Future events may contradict an opinion which, when it was expressed, was reasonable. Some of the elements that affect the opinion on the outcome of future events or circumstances include the size and complexity of an entity, the nature and circumstances of its business and its dependency on external factors.

(b) Additions to the provisions for risks and charges and contingent liabilities and contingent assets

Provisions are liabilities whose due date and amount are uncertain. The directors measure them based on the estimated costs to be incurred to extinguish the obligation at the reporting date.

Contingent liabilities and assets are presented in the financial statements in accordance with paragraphs 27 and 31, respectively, of IAS 37 - Provisions, contingent liabilities and contingent assets.

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group, or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Where necessary, the directors make their estimate with the assistance of their legal advisors and experts.

(c) Impairment

Investments in subsidiaries, associates and joint ventures are tested for impairment by estimating their value in use, which is usually calculated as the Group's share of the investee's equity derived from the consolidated financial statements plus the expected operating cash flows and the cash flow arising from its sale, net of selling costs, if it is material and can be determined reliably.

Cash flows are forecast by directors based on reasonable and supportable assumptions that represent their best estimate of the future economic conditions.

The discount rate used reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

Non-financial assets that are comprised in cash-generating units are tested for impairment on the basis of the expected future profits, whose estimate depends on a number of factors not wholly within the control of the Group.

Property is tested for impairment by comparing its carrying amount to its fair value, measured using the market valuations available at the Public Real Estate Registry Office and/or possibly appraisals prepared by independent experts engaged by the Board of Directors.

(d) Fair value measurement and hierarchy for financial instruments

Pursuant to IFRS 7 – Financial Instruments: Disclosures, the classification of financial instruments at fair value is based on the quality of the inputs used for measurement purposes. The IFRS 7 classification is based on the following fair value hierarchy:

- Level 1: fair value is determined based on prices quoted on an active market for identical assets or liabilities. This category includes financial assets classified as "held for trading", which are mainly government bonds and high-rating bonds.
- Level 2: fair value is determined based on inputs that, while different from the quoted prices used in Level 1, can be observed either directly or indirectly. These consolidated financial statements do not present any financial instruments of this type.
- Level 3: fair value is determined based on valuation models, the inputs of which are not based on observable market data. These consolidated financial statements do not present any financial instruments of this type.

(e) Current and deferred taxes

Current taxes are calculated on the basis of a best estimate of the tax expense for the year, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are measured on the basis of the parent's and Group's expectations on how the carrying amount of their assets and liabilities will be recovered/extinguished, subject to the probability that they will earn future taxable profit. Deferred tax assets and liabilities are measured on the basis of tax rates that are expected to be applicable when the assets will be realised or the liabilities will be extinguished, therefore based on tax rates or changes to tax laws that have been enacted by the reporting date.

(f) Italian post-employment benefits

Following the supplementary pension reform, the portion of Italian post-employment benefits vested before 1 January 2007 is considered to be a defined benefit under IAS 19 - Employee Benefits. Under defined benefit plans, the amount of the benefit due to the employee upon termination of employment depends on different factors, such as age, seniority and remuneration. Despite being prudently estimated and based on internal historical figures, these estimated parameters may be subject to change.

The directors estimated the post-employment benefit obligation assisted by an independent expert included in the Italian Actuary Register.

(g) Stock option plans

The Group's stock option plan is reserved for the parent's key management personnel and is aimed at incentivising their achievement of the parent's objectives and enhancing their loyalty to the parent.

The options are measured using the Black-Scholes valuation approach.

The directors calculated the carrying amounts relating to the stock option plan with the assistance of an independent expert

TYPES OF FINANCIAL INSTRUMENTS AND FAIR VALUE HIERARCHY

The financial instruments held by the Group include:

- cash and cash equivalents;
- financial assets held for trading;
- non-current loan liabilities;
- trade receivables and payables and loans and receivables - related parties.

As required by IFRS 7, the table below lists the types of financial instruments included in the consolidated financial statements and shows the measurement criteria adopted:

	Financial instruments at fair value through:		Fair value hierarchy	Financial instruments at amortised cost	Equity investments measured at cost	Carrying amount at 31.12.2018	Carrying amount at 31.12.2017
	profit or loss	equity					
Assets:							
Equity investments in other companies	-	-		-	252,017	252,017	252,017
Loans and receivables	-	-		550,000	-	550,000	100,470
Assets held for trading	13,105,943	-	Level 1	-	-	13,105,943	-
Trade receivables and other assets	-	-		34,647,190	-	34,647,190	31,438,853
Liabilities:							
Other loans and borrowings	-	-		26,804,418	-	26,804,418	27,928,668
Trade payables and other liabilities	-	-		31,539,919	-	31,539,919	28,032,991

In addition, net cash and cash equivalents are measured at fair value which usually equals their nominal amount.

Pursuant to IFRS 7 – Financial Instruments: Disclosures, the classification of financial instruments at fair value is based on the quality of the inputs used for measurement purposes. The IFRS 7 classification is based on the following fair value hierarchy:

- Level 1: fair value is determined based on prices quoted on an active market for identical assets or liabilities.
- Level 2: fair value is determined based on inputs that, while different from the quoted prices used in Level 1, can be observed either directly or indirectly. These consolidated financial statements do not present any financial instruments of this type.
- Level 3: fair value is determined based on valuation models, the inputs of which are not based on observable market data. These consolidated financial statements do not present any financial instruments of this type.

FINANCIAL RISK MANAGEMENT

Financial risk factors, as identified in IFRS 7 – Financial Instruments: Disclosures, are described below:

- Market risk: the risk that the fair value or the future cash flows of a financial instrument could fluctuate as a result of changes in market prices. Market risk includes the following other types of risk: currency risk, interest rate risk and price risk.
- Currency risk: the risk that the fair value or the future cash flows of a financial instrument could fluctuate as a result of changes in exchange rates.

- Interest rate risk: the risk that the fair value or the future cash flows of a financial instrument could fluctuate as a result of changes in interest rates.
- Price risk: the risk that the fair value or the future cash flows of a financial instrument could fluctuate as a result of changes in market prices (other than changes covered by the interest rate and currency risks), irrespective as to whether such fluctuations are determined by factors specific to the financial instrument or its issuer or by factors that affect all similar market-traded financial instruments.
- Credit risk: the risk that one of the parties causes the other party to incur a financial loss by failing to fulfil an obligation.
- Liquidity risk: the risk that an entity may be unable to fulfil obligations associated with financial liabilities.

(a) Currency risk

The Group entered into most of its financial instruments in Euros, which is its functional and presentation currency. Although it operates in an international environment, its exposure to fluctuations in exchange rates is limited to the following currencies against the Euro: US dollar (USD), and Chinese Yuan (CNY).

(b) Interest rate risk

The Restructuring Agreement signed by Pininfarina S.p.A. with the lending institutions, effective from 30 May 2016 to 31 December 2025, defined a fixed contractual interest rate of 0.25% per annum, based on a year of 360 days.

If the six-month Euribor exceeds 4% during an interest accruing period, the contractual interest rate will be increased by the difference between the actual six-month Euribor and 4%.

The Group is exposed to interest rate risk solely in connection with the loan provided by Volksbank Region Leonberg to Pininfarina Deutschland GmbH, which accrues interest at the three-month Euribor plus a spread of 0.55%.

Interest on the short-term operating lines is computed at a fixed rate ranging between 4.74% and 6.40%, with regular accrual and payment in arrears at the end of each utilisation period.

A breakdown of the Group's financial debt by fixed and variable interest rates is as follows:

	31.12.2018	**%**	31.12.2017	%
- Fixed rate	**25,929,114**	**96.7%**	27,718,668	99.2%
- Variable rate	**875,304**	**3.3%**	210,000	0.8%
Gross financial debt with third parties	**26,804,418**	**100.0%**	27,928,668	100.0%

Due to the new structure of the interest rates on the medium to long-term financing that, at variable rates, accounts for 3.3% of total indebtedness with third parties, the Group has not performed a sensitivity analysis.

(c) Price risk

Because the Group primarily operates within the Eurozone, its exposure to the risk of fluctuations in commodity prices is currently immaterial.

(d) Credit risk

The Group is exposed to credit risk, defined as the probability of an impairment loss on exposures with a commercial or financial counterparty. With reference to commercial transactions, the Group's most significant projects have a limited number of counterparties, most of which may be qualified as of a primary credit standing. At group level, credit risk is especially concentrated in Asia (Iran, India and China).

Counterparty risk in the case of countries in which the Group does not usually undertake commercial transactions is analysed and assessed at the offering phase in order to identify and mitigate any solvency risk.

The Group operates in markets that are or have been recently affected by geopolitical or financial tensions. Specifically, the following exposures are considered bear solvency risk:

(€'000)	Iran
Assets	3,040
Contract liabilities	1,468
Net exposure	**1,572**

Lastly, as disclosed in the specific section, the receivables related to certain contracts may remain unpaid, be renegotiated or cancelled. Specifically, during the year, the Group recognised impairment losses on the receivables relating to the project for a Chinese customer (carrying amount of €5,181 thousand).

(e) Liquidity risk

In brief, the Rescheduling Agreement effective as of 30 May 2016 entailed:

- settlement and extinguishment of 56.74% of the nominal amount of the parent's debt with the lending institutions that accepted this option, in addition to the interest accrued up to the effective date;
- the rescheduling of the nominal amount of the debt with the lending institutions that accepted this option, totalling €41.5 million, from 2016 to 2025;
- the application of a fixed interest rate of 0.25% per annum, based on a year of 360 days, increased by the difference between this rate and the six-month Euribor, should the latter exceed 4%.

The cash flows of the above-mentioned agreement have been determined on the basis of the 2016-2025 business and financial plan that ensures the parent's and the Group's financial stability.

Consequently, over the medium to long term, the liquidity risk is directly correlated to the achievement of the business plan targets.

A breakdown of the contractual amount of the Group's financial debt is set out below:

	Carrying amount 31.12.2018	**Contractual cash flows**	**Of which: due within one year**	**Of which: due from one to five years**	**Of which: due after five years**
Term financing	26,804,418	35,190,578	4,363,393	17,988,023	12,839,162

The Group holds net cash and cash equivalents and assets held for trading in its portfolio totalling €31.4 million. Consequently, it is not exposed to liquidity risk in the foreseeable future.

(f) Risk of default and debt covenants

This risk relates to the possibility that the new Rescheduling Agreement between Pininfarina S.p.A. and the lending institutions that came into force on 30 May 2016 may include acceleration clauses that would give rise to liquidity risk.

The Rescheduling Agreement requires that, as of the verification date of 31 March of each year, the financial covenant shall be at least equal to the minimum consolidated equity, i.e., €30 million. The covenant will be checked until the expiry of the loan in 2025.

The Mahindra Group granted a first demand surety to the lending institutions that is enforceable if Pininfarina S.p.A. fails to meet its obligations.

SEGMENT REPORTING

Operating segments are identified in accordance with paragraphs 5 to 10 of IFRS 8 – Operating segments. In the Operations business segment, the operating segments coincide with a series of activities mainly involving the supply of spare parts for cars manufactured by Pininfarina S.p.A., the lease of the business for the production of electric cars for the car sharing service and support functions.

Financial income and expense and income taxes are not allocated to the reporting segments because management makes the relevant decisions on an aggregate segment basis. Intra-segment transactions are carried out at market conditions. In accordance with IFRS 8.4, the Group presents segment reporting in its consolidated financial statements only.

The Group's business segments are not affected by seasonal factors.

Segment reporting as at and for the years ended 31 December 2018 and 2017 is set out below. Amounts are in thousands of Euros.

	2018			2017		
	Operations	**Design & engineering**	**Total**	Operations	Design & engineering	Total
	A	**B**	**A + B**	A	B	A + B
Revenue	**10,051**	**102,318**	**112,369**	10,569	77,365	87,934
(Intra-segment revenue)	**(2,120)**	**(4,922)**	**(7,042)**	(406)	(426)	(832)
Revenue - third parties	**7,931**	**97,396**	**105,327**	10,163	76,939	87,102
Operating profit (loss)	**(10,286)**	**14,081**	**3,795**	(5,207)	9,437	4,228
Net financial expense			**(2,397)**			(2,107)
Dividends			**-**			-
Share of profit (loss) of equity-accounted investees	**-**	**(21)**	**(21)**	-	12	12
Profit before taxes	**-**	**-**	**1,377**	-	-	2,133
Income taxes	**-**	**-**	**796**	-	-	(821)
Profit from continuing operations	**-**	**-**	**2,173**	-	-	1,312
Other information required by IFRS 8:						
- Amortisation and depreciation	**(1,654)**	**(1,780)**	**(3,433)**	(1,660)	(1,363)	(3,023)
- Impairment losses	**-**	**(117)**	**(117)**	-	(46)	(46)
- Provisions/change in accounting estimates	**(5,181)**	**(88)**	**(5,269)**	(205)	19	(186)
- Net gains on the sale of non-current assets	**181**	**3**	**184**	137	-	137

Reference should be made to the directors’ report for an analysis of the operating segments.

A breakdown of assets and liabilities by business segment is set out below:

	31 December 2018				31 December 2017			
	Operations	**Design & engineering**	**Unallocated**	**Total**	Production / Operations	Design & engineering	Unallocated	Total
	A	**B**	**C**	**A +B+C**	A	B	C	A + B+C
Assets	23,387	69,772	38,221	131,380	23,630	57,482	44,799	125,911
Liabilities	3,944	28,082	37,606	69,631	3,679	17,328	46,101	67,108
Of which: other information required by IFRS 8:								
- Equity-accounted investments	-	605	-	605	-	97	-	97
- Intangible assets	-	6,813	513	7,326	-	1,222	451	1,672
- Property, plant and equipment and investment property	21,893	27,506	580	49,979	22,535	26,198	824	49,557
- Assets held for sale			-	-				
- Employees	93	518	45	656	83	476	48	607

The unallocated segment consists of captions specifically related to centralised functions.

Sales are broken down by geographical segment below:

	31.12.2018	31.12.2017
Italy	**15,716**	15,322
EU	**28,143**	28,109
Non-EU countries	**52,022**	36,211
Revenue from sales and services	**95,881**	79,642

NOTES TO THE CAPTIONS

1. PROPERTY, PLANT AND EQUIPMENT

The carrying amount of property, plant and equipment at 31 December 2018 increased to €50 million from €49.6 million at 31 December 2017.

Changes in property, plant and equipment and an analysis of the items making up the captions are set out below:

	Land	Buildings	Total
Historical cost	12,291,743	63,969,570	76,261,313
Accumulated depreciation and impairment losses	(4,636,429)	(36,995,613)	(41,632,042)
Carrying amount at 31 December 2017	**7,655,314**	**26,973,957**	**34,629,271**
Reclassification: Historical cost	-	-	-
Reclassification: Acc. depreciation and imp. losses	-	-	-
Additions	-	325,496	325,496
Disposals: Historical cost	-	-	-
Disposals: Acc. depreciation and imp. losses	-	-	-
Depreciation	-	(1,129,413)	(1,129,413)
Impairment losses	-	-	-
Reclassifications	-	2,222	2,222
Other changes	-	(2,052)	(2,052)
Carrying amount at 31 December 2018	**7,655,314**	**26,170,210**	**33,825,524**
Of which:			
Historical cost	12,291,743	64,295,066	76,586,809
Accumulated depreciation and impairment losses	(4,636,429)	(38,124,856)	(42,761,285)

Land and buildings include the carrying amounts of real estate complexes, comprising the production facilities located in Via Castellamonte 6, Bairo Canavese (TO) and Strada provinciale per Caluso, San Giorgio Canavese (TO), the styling and engineering sites in Via Nazionale 30, Cambiano (TO) and a property in Beinasco (TO).

The parent completed the disposal of the six property units in Turin commenced in 2017, recognising a gain of €181,074.

The carrying amount of the Bairo Canavese facility is less than its value in use calculated on the basis of the contractual terms in place with the current tenant until the end of the depreciation period and discounting estimated future cash flows.

The carrying amount of the San Giorgio Canavese facility is substantially in line with the appraisal available to the parent.

Considering the above, the parent does not believe there are any indications of impairment for either of these industrial facilities.

All land and buildings located in Italy are owned by Pininfarina S.p.A..

	Machinery	Plant	Total
Historical cost	6,470,797	83,977,820	90,448,617
Accumulated depreciation and impairment losses	(5,045,405)	(80,596,300)	(85,641,705)
Carrying amount at 31 December 2017	**1,425,392**	**3,381,520**	**4,806,912**
Reclassification: Historical cost	-	-	-
Reclassification: Acc. depreciation and imp. losses	-	-	-
Additions	389,716	950,021	1,339,737
Disposals: Historical cost	-	-	-
Disposals: Acc. depreciation and imp. losses	-	-	-
Depreciation	(166,664)	(537,008)	(703,672)
Impairment losses	-	-	-
Reclassifications	-	-	-
Other changes	-	-	-
Carrying amount at 31 December 2018	**1,648,444**	**3,794,533**	**5,442,977**
Of which:			
Historical cost	6,860,513	84,927,841	91,788,354
Accumulated depreciation and impairment losses	(5,212,069)	(81,133,308)	(86,345,377)

Plant and machinery at 31 December 2018 include generic production plant and machinery, mainly based at the Bairo and Cambiano facilities.

Additions of the year are mainly due to machinery and plant installed at the Cambiano facility and the investments made by Pininfarina Engineering S.r.l. to furnish its new Turin offices.

	Furniture and fixtures	Hardware and software	Other assets	Total
Historical cost	3,612,115	5,681,110	934,627	10,227,852
Accumulated depreciation and impairment losses	(2,726,032)	(4,980,197)	(401,609)	(8,107,838)
Carrying amount at 31 December 2017	**886,083**	**700,913**	**533,018**	**2,120,014**
Reclassification: Historical cost	-	-	-	-
Reclassification: Acc. depreciation and imp. losses	-	-	-	-
Additions	356,716	993,332	355,307	1,705,355
Disposals: Historical cost	-	-	(28,134)	(28,134)
Disposals: Acc. depreciation and imp. losses	-	-	28,134	28,134
Depreciation	(166,683)	(294,225)	(84,314)	(545,222)
Impairment losses	-		-	-
Reclassifications	1,340	(102,765)	(41,723)	(143,148)
Other changes	306	104,097	64,476	168,879
Carrying amount at 31 December 2018	**1,077,762**	**1,401,352**	**826,764**	**3,305,878**
Of which:				
Historical cost	3,970,171	6,571,677	1,220,077	11,761,925
Accumulated depreciation and impairment losses	(2,892,409)	(5,170,325)	(393,313)	(8,456,047)

Additions to hardware and software relate to the purchase of IT equipment for technological upgrading, mainly attributable to the parent, Pininfarina Engineering S.r.l. and Pininfarina Extra S.r.l..

The increase in the caption “Other assets” relates to leasehold improvements carried out by Pininfarina Engineering S.r.l. and company cars purchased by the parent and the subsidiary Pininfarina of America Co Ltd..

2. INVESTMENT PROPERTY

The Group’s investment property consists of buildings owned by Pininfarina Deutschland Holding GmbH in Renningen, near Stuttgart, Germany, which are leased to third parties.

They are mortgaged to secure a loan received by the German subsidiary (€150,000).

The market value of property, calculated in the appraisal available to the parent, exceeds its carrying amount.

	Land	Buildings	Total
Historical cost	5,807,378	12,226,555	18,033,933
Accumulated depreciation and impairment losses	-	(10,282,013)	(10,282,013)
Carrying amount at 31 December 2017	**5,807,378**	**1,944,542**	**7,751,920**
Reclassification: Historical cost	-	-	-
Reclassification: Acc. depreciation and imp. losses	-	-	-
Additions	-	5,984	5,984
Disposals: Historical cost	-	-	-
Disposals: Acc. depreciation and imp. losses	-	-	-
Depreciation	-	(365,152)	(365,152)
Impairment losses	-	-	-
Reclassifications	-	-	-
Other changes	-	-	-
Carrying amount at 31 December 2018	**5,807,378**	**1,585,374**	**7,392,752**
Of which:			
Historical cost	5,807,378	12,232,539	18,039,917
Accumulated depreciation and impairment losses	-	(10,647,165)	(10,647,165)

3. INTANGIBLE ASSETS

The carrying amount of intangible assets at 31 December 2018 increased to €7.3 million from €1.7 million at 31 December 2017.

	Goodwill	Licences	Other	Total
Historical cost	1,043,495	6,101,968	2,182,946	9,328,409
Accumulated amortisation and impairment losses	-	(5,547,871)	(2,108,293)	(7,656,164)
Carrying amount at 31 December 2017	**1,043,495**	**554,099**	**74,653**	**1,672,245**
Reclassification: Historical cost	-	-	-	-
Reclassification: Acc. amortisation and imp. losses	-	-	-	-
Additions	-	503,921	33,147	537,068
Disposals: Historical cost	-	-	-	-
Disposals: Acc. amortisation and imp. losses	-	-	-	-
Amortisation	-	(307,855)	(382,073)	(689,928)
Impairment losses	-	-	-	-
Reclassifications	-	-	5,807,011	5,807,011
Other changes	-	-	-	-
Carrying amount at 31 December 2018	**1,043,495**	**750,165**	**5,532,738**	**7,326,396**
Of which:				
Historical cost	1,043,495	6,605,889	8,023,104	15,672,488
Accumulated amortisation and impairment losses	-	(5,855,726)	(2,490,366)	(8,346,092)

The Group's only intangible asset with an indefinite useful life, goodwill of €1,043,495, originates from the consolidation of Pininfarina Extra S.r.l.. The Pininfarina Extra subgroup, which is comprised of Pininfarina Extra S.r.l., Pininfarina of America Corp. and the associate Goodmind S.r.l., engages in styling activities that are not related to the automotive industry. Consequently, it constitutes a separate cash-generating unit.

The increase in "Other" is due to the reclassification, made to comply with IFRS 15, of the prepayment recognised in 2017 related to an advisory services agreement that Pininfarina S.p.A. signed in connection with a long-term engineering contract (see the section General information, IFRS 15 - Revenue from contracts with customers for further information).

The asset was recognised at the amount of the liability with the supplier (see note 15) discounted on the basis of the payment plan agreed with the supplier. It is amortised in line with the stage of completion of the engineering contract. Before the adoption of IFRS 15, the Group would have recognised the same effect as a cost for services in profit or loss rather than amortisation.

4. INVESTMENTS IN ASSOCIATES

They include:

	31.12.2018	31.12.2017
Goodmind S.r.l.	**107,839**	96,694
Signature S.r.l.	**4,96,732**	-
Investments in associates	**6,04,571**	96,694

Goodmind S.r.l., incorporated in July 2012, provides communication services to companies and public sector entities. The Group's share of its profit for the year is €11,145. The associate had eight employees at the reporting date.

Signature S.r.l., incorporated in February 2018, mainly operates in the stationery sector. The parent has a 24% interest therein.

The investment's carrying amount equals its acquisition cost of €329,280 plus the injection of €200,000 for the future capital increase and the Group's share of the associate's loss for the year (€32,548).

5. EQUITY INVESTMENTS IN OTHER COMPANIES

Equity investments in other companies did not change from the previous year end and are as follows:

	31.12.2018
Midi Plc	251,072
Idroenergia Soc. Cons. a.r.l.	516
Volksbank Region Leonberg	300
Unionfidi S.c.r.l.p.A. Turin	129
Equity investments in other companies	**252,017**

6. LOANS AND RECEIVABLES

Changes in loans and receivables are set out below.

	31.12.2017	Increase	Interest income	Collection	31.12.2018
Goodmind S.r.l.	100,470	-	2,157	(102,627)	-
Signature S.r.l *	-	550,000	-	-	550,000
Loans and receivables - related parties	**100,470**	**550,000**	**2,157**	**(102,627)**	**550,000**

* non-interest bearing

The amount due from the associate Goodmind S.r.l. shows the loan provided by Pininfarina Extra S.r.l. to finance its activities.

The amount due from the associate Signature S.r.l. refers to the loan granted by Pininfarina S.p.A. to fund its start-up phase.

7. INVENTORIES

Raw materials mainly consist of various materials used for the production of cars and prototypes at the Cambiano facility. Finished goods mainly comprise car spare parts manufactured by the Group, which are sold to carmakers.

The table below shows a breakdown of inventories and the allowance for inventory write-down:

	31.12.2018	**31.12.2017**
Raw materials	**580,410**	561,083
Allowance for inventory write-down	**(338,368)**	(360,188)
Finished goods	**166,246**	191,854
Allowance for inventory write-down	**-**	-
Inventories	**408,288**	**392,749**

	2018		2017	
	Allowance for raw materials write-down	**Allowance for finished goods write-down**	Allowance for raw materials write-down	Allowance for finished goods write-down
Opening balance	**360,188**	-	377,954	-
Additions	-	-	-	-
Utilisations	(21,820)	-	(17,766)	-
Other changes	-	-	-	-
Closing balance	**338,368**	**-**	360,188	-

The allowance for raw material write-down reflects the risk of obsolete and slow-moving items.

8. CONTRACT ASSETS

Contract assets shows the balance of gross contract work in progress less progress payments and advances.

The change for the year is due to the progress of certain styling and engineering contracts from customers inside and outside the European Union.

9. ASSETS HELD FOR TRADING

Assets held for trading, which totalled €13.1 million at 31 December 2018, are measured at fair value. As they mainly consist of government bonds (investment grade) and are traded in regulated markets and have low risk profiles, the price risk presented by these assets is deemed to be limited.

A breakdown of these assets by nature is provided below:

	31.12.2018	%
Italian government or government-guaranteed bonds	**994,930**	7.59
Bank and insurance bonds	**7,329,007**	55.92
Other bonds	**4,782,006**	36.49
Assets held for trading	**13,105,943**	100.00

The fair value loss for the year has been recognised in profit or loss as a financial expense (see note 25).

10. TRADE RECEIVABLES - THIRD AND RELATED PARTIES

The following table shows trade receivables at 31 December 2018 and 2017:

	31.12.2018	**31.12.2017**
Italy	**2,286,911**	3,578,663
EU	**4,749,650**	4,770,572
Non-EU countries	**19,965,378**	9,474,440
(Loss allowance)	**(5,657,555)**	(456,809)
Third parties	**21,344,385**	17,366,866
Signature S.r.l.	**42,312**	-
Mahindra&Mahindra Group	**2,404,982**	464,031
Tech Mahindra Group	**46,309**	157,428
Automobili Pininfarina GmbH	**335,845**	-
Related parties	**2,829,448**	621,459
Trade receivables	**24,173,832**	17,988,325

The Group's main counterparties are top carmakers with a high credit rating. Since there are no insurance contracts on receivables, the Group's maximum exposure to credit risk is equal to the carrying amount of the receivables less the loss allowance. The Group did not factor any receivables. Trade receivables are mostly denominated in Euros.

The increase in trade receivables from third parties is in line with the increase in revenue compared to the previous year, while the rise in trade receivables from related parties is substantially related to the receivables from the Mahindra & Mahindra Group.

The increase in the loss allowance is due to the impairment losses recognised on a prudent basis on the receivables due from a Chinese customer mostly for engineering services.

Changes in the loss allowance are set out below:

	2018	2017
Opening balance	**456,809**	1,119,529
Additions	**5,286,661**	13,760
Utilisations	**(85,915)**	(676,480)
Other changes	**-**	-
Closing balance	**5,657,555**	456,809

As mentioned in the "Financial risk management" section, the Group recognised impairment losses on certain net contract assets (see the following table) of specific contracts that have been suspended, pending a development of the related customers' industrial and commercial strategies, in order to cover the risk of non-payment, renegotiation or cancellation.

(€'000)	
Trade receivables	11,617
Contract liabilities	6,436
Net exposure	**5,181**

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets from individual customers as at 31 December 2018.

	Gross carrying amount	Loss allowance
Contract assets	3,130,909	-
Current (not past due)	10,917,162	79,106
1–30 days past due	3,777,747	915,326
31–60 days past due	2,025,644	1,214,782
61–90 days past due	1,009,043	479,027
More than 90 days past due	9,272,344	2,969,314

With respect to exposures not individually impaired, the Group defined a provisioning matrix based on its historical credit loss figures, adjusted by the counterparties' different credit rating and business environment.

11. OTHER ASSETS

The following table shows other assets at 31 December 2018 and 2017:

	31.12.2018	31.12.2017
VAT	**5,237,456**	3,716,864
Withholding taxes	**4,011,704**	2,948,090
Prepayments and accrued income	**775,686**	6,477,454
Advances to suppliers	**83,977**	41,800
Amounts due from INAIL (the Italian Workers' Compensation Authority) and INPS (the Italian social security institution)	**53,564**	4,475
Amounts due from employees	**3,500**	40,147
Other	**307,471**	221,698
Other assets	**10,473,358**	**13,450,528**

The decrease in prepayments and accrued income is due to the reclassification to intangible assets (see note 3).

The VAT asset is mainly attributable to the parent and Pininfarina Engineering S.r.l..

12. CASH AND CASH EQUIVALENTS

The table below shows a breakdown of this caption and a comparison with the previous year-end corresponding figures:

	31.12.2018	31.12.2017
Cash in hand and cash equivalents	**17,227**	17,254
Short-term bank deposits	**18,339,366**	39,767,360
Cash and cash equivalents	**18,356,592**	**39,784,614**
(Bank overdrafts)	**(725,304)**	-
Net cash and cash equivalents	**17,631,288**	**39,784,614**

The decrease is mainly due to cash of €13.1 million invested in current financial assets held for trading and working capital trends.

The bank overdrafts relate to the credit facilities drawn down by Pininfarina Deutschland GmbH.

Reference should be made to the statement of cash flows for details of the cash flows for the year.

13. EQUITY

(a) Share capital

	31.12.2018		31.12.2017	
	Nominal amount	**No.**	**Nominal amount**	**No.**
Ordinary shares	**54,287,128**	54,287,128	54,287,128	54,287,128
(Treasury shares)	**(15,958)**	(15,958)	(15,958)	(15,958)
Share capital	**54,271,170**	**54,271,170**	**54,271,170**	**54,271,170**

The parent's share capital is comprised of 54,287,128 ordinary shares, with a unit nominal amount of €1. There are no other classes of shares.

Treasury shares are held in accordance with the limits imposed by article 2357 of the Italian Civil Code.

Detailed information about the parent's shareholders is provided in the "General information" section of these notes.

(b) Share premium reserve

This reserve is unchanged from the previous year end.

(c) Reserve for treasury shares

This reserve of €175,697, unchanged from the previous year end, is recognised in accordance with the provisions of article 2357 of the Italian Civil Code.

(d) Legal reserve

The legal reserve of €6,063,759 increased by €30,428 from the previous year end, as provided for by the resolution for the allocation of the profit for the previous year. Pursuant to the provisions of article 2430 of the Italian Civil Code, it is available to cover any losses.

(e) Stock option reserve

Pursuant to article 114-bis of the Consolidated Finance Act, on 21 November 2016, the shareholders approved a stock option plan that provides for the free assignment of options for the subscription of ordinary shares to the parent's employees. The ratio is one share for each option. The plan aims at incentivising attainment of the parent's objectives and retaining employees. The plan provides that the maximum number of shares to be assigned to the beneficiaries is 2,225,925 and that the option's exercise price is €1.10 for each share. The plan term is seven years (2016-2023).

The reserve increased by the plan cost pertaining to the year.

The options are measured using the Black-Scholes valuation approach, whose assumptions are as follows:

1. Volatility: 80% (three year average)
2. Risk-free rate: -0.41% (the average of the three instalments considered)
3. Dividends: no dividends are expected during the plan term
4. Average share price: €1.10
5. Vesting conditions: permanence of the employment agreement
6. Settlement method: equity instruments
7. Cost for the year: €738,933
8. Carrying amount at the reporting date: €1,911,103

(f) Translation reserve

The translation reserve reflects the cumulative differences from the translation of financial statements of companies with functional currencies other than the Euro, which is the Group's presentation currency. These companies are Pininfarina Shanghai Co Ltd. and Pininfarina of America Corp..

(g) Other reserves

Other reserves are unchanged from the previous year end.

(h) Losses carried forward

Losses carried forward totalled €7,537,263 at the reporting date, down by €1,273,190 from the 31 December 2017 figure. The decrease is due to the profit for 2017 of €1,311,709, net of the allocation to the legal reserve of €30,428, and the effect for the year of the adoption of IAS 19 (revised), quantified at €8,091.

The table reconciling the parent's profit and equity as at and for the year ended 31 December 2018 with the Group's figures is provided in the directors' report, to which reference is made.

14. LOANS AND BORROWINGS

Rescheduling Agreement

(a) Rescheduling Agreement

The new Rescheduling Agreement (the "Agreement") between Pininfarina S.p.A. and its lending institutions became effective on 30 May 2016. Its effects are summarised below:

- settlement and extinguishment of 56.74% of the nominal amount of the parent's debt with the lending institutions that accepted this option, in addition to the interest accrued up to the effective date;
- the rescheduling of the nominal amount of the debt with the lending institutions that accepted this option, totalling €41.5 million, to 2025:
- the application of a fixed interest rate of 0.25% per annum, based on a year of 360 days, increased by the difference between this rate and the six-month Euribor, should the latter exceed 4%.

(b) Fair value of restructured debt

The fair value of the restructured debt was determined by discounting the cash flows as per the Rescheduling Agreement to their present value using a 6.5% rate, determined with the assistance of a third-party financial advisor, as the sum of 1) the return on risk-free investments and 2) a credit spread attributed to Pininfarina S.p.A..

The table below summarises the changes in loans and borrowings:

	31.12.2017	Change in bank overdrafts	Unrealised interest	Repayment	Current/ non-current reclassification	31.12.2018
Finance lease liabilities	-		-	-	-	-
Other loans and borrowings	24,374,769		1,704,345	-	(3,638,089)	22,441,025
Non-current portion	**24,374,769**		**1,704,345**	**-**	**(3,638,089)**	**22,441,025**
Bank overdrafts	-	725,304	-	-	-	725,304
Finance lease liabilities	-		-	-	-	-
Other loans and borrowings	3,553,899		-	(3,553,899)	3,638,089	3,638,089
Current portion	**3,553,899**	**725,304**	**-**	**(3,553,899)**	**3,638,089**	**4,363,393**
Current and non-current portions	**27,928,668**	**725,304**	**1,704,345**	**(3,553,899)**	**-**	**26,804,418**

The increase in bank overdrafts is due to the credit facilities drawn down by Pininfarina Deutschland GmbH.

Other loans and borrowings include the amounts due to the parent's lending institutions, parties to the Agreement, pursuant to the relevant loan and financing agreements.

A breakdown of the contractual cash flows by maturity is provided in paragraph (e) of the "Financial risk management" section.

A breakdown of changes by lender is set out below:

	31.12.2017	Unrealised interest	Repayment	31.12.2018
Intesa Sanpaolo S.p.A.	17,943,386	1,103,290	(2,261,737)	16,784,939
Banca Nazionale del Lavoro S.p.A.	1,056,206	64,943	(133,133)	988,016
Ubi Banca S.p.A. (formerly Banca Regionale Europea S.p.A.)	4,217,769	259,339	(531,646)	3,945,462
Selmabipiemme Leasing S.p.A.	4,501,307	276,773	(567,383)	4,210,697
Volksbank Region Leonberg (GER)	210,000	-	(60,000)	150,000
Other loans and borrowings	**27,928,668**	**1,704,345**	**(3,553,899)**	**26,079,114**

Other information

Pininfarina Deutschland Holding GmbH has a €150,000 loan with Volksbank Region Leonberg (GER). It is the only subsidiary with non-current debt.

Consequently, the Group's loans and borrowings are not subject to currency risk.

15. Post-employment benefits

Post-employment benefits show the present value of the obligation to employees under article 2120 of the Italian Civil Code. Following the changes introduced to Italian laws some years ago, benefits vested before 1 January 2007 are classified as defined benefit plans pursuant to IAS 19 - Employee benefits, while those accrued thereafter are classified as defined contribution plans.

Changes for the year are provided below:

	2018	**2017**
Opening post-employment benefits	**4,789,063**	4,926,779
Interest cost recognised in profit or loss	**49,692**	38,525
Current service cost recognised in profit or loss	**90,435**	66,272
Actuarial gains recognised in other comprehensive income	**(4,202)**	(19,853)
Payments	**(146,691)**	(222,660)
Transfer to Pininfarina Engineering S.r.l.	**-**	-
Other changes	**-**	-
Closing post-employment benefits	**4,778,297**	**4,789,063**

The business lease with Bluecar Italy S.r.l., a Bolloré Group company, included the transfer of 47 employment contracts and related post-employment benefits up until when the lease expires (31 December 2022).

The main assumptions underlying the actuarial calculation of the liability in the current and previous years are set out below:

	2018	2017
Annual inflation rate	**1.5%**	1.5%
Benefit discount rate	**1.0%**	1.0%

The adopted discount rate refers to the market yield of AA-rated Euro securities.

Moreover, the sensitivity analysis carried out increasing/decreasing the base rate by 50% did not show significant changes with respect to the current post-employment benefit obligation.

16. TRADE PAYABLES, OTHER FINANCIAL LIABILITIES AND OTHER LIABILITIES

(a) Trade payables

	31.12.2018	31.12.2017
Third parties	**16,102,312**	15,115,347
Related parties	**493,063**	491,180
Contract liabilities	**13,565,536**	11,177,804
Trade payables and contract liabilities	**30,160,911**	26,784,331

Trade payables to third parties include roughly €5.8 million arising from an advisory services agreement that the parent signed in connection with a long-term contract.

The amount due under the agreement is recognised at the discounted value of the payment plan in place with the service provider.

The reporting-date balance comprises amounts that will be paid within twelve months of the reporting date, except for the trade payable described above, which will be settled over the term of the contract to which it relates.

(b) Other financial liabilities

	31.12.2018	31.12.2017
Wages and salaries payable	3,172,734	2,554,857
Social security charges payable	1,358,763	1,225,841
Other	1,379,007	1,248,660
Other financial liabilities	**5,910,504**	5,029,358

17. PROVISIONS FOR RISKS AND CHARGES, CONTINGENT LIABILITIES AND LITIGATION

(a) Provisions for risks and charges

Changes in provisions for risks and charges are set out below, with a comment on the main changes:

	31.12.2017	**Additions**	**Utilisations**	**Other changes**	**31.12.2018**
Provision for product warranty	53,243	-	(7)	-	53,236
Restructuring provision	228,900	-	(44,446)	-	184,454
Other provisions	313,838	108,845	(39,941)	-	382,742
Provisions for risks and charges	**595,981**	**108,845**	**(84,394)**	**-**	**620,432**

The restructuring provision reflects the best estimate of the liability for restructuring at the reporting date.

Other provisions reflect the estimated liabilities that may arise from losses to complete styling and engineering contracts, potential disputes with former employees and environmental risks. The column titled “Additions” shows the effects of unrealised losses to complete long-term contracts, which are also shown in “Utilisations”.

(b) Contingent liabilities and litigation

The Supreme Court of Cassation definitely ruled in the parent’s favour with respect to its appeal against the 2002 and 2003 tax notices about the alleged non-payment of VAT on the sale of goods to the Peugeot-Citroen Group. The amount claimed was roughly €29.4 million plus interest.

There are no contingent liabilities or litigation to report at the reporting date.

18. CURRENT AND DEFERRED TAXES

(a) Deferred taxes

The table below provides a breakdown of deferred tax assets and liabilities:

	31.12.2018	**31.12.2017**
Deferred tax assets	**3,019,085**	880,553
(Deferred tax liabilities)	**-**	(2,915)
Net deferred tax assets	**3,019,085**	**877,638**

The net deferred tax assets shown in the consolidated financial statements mainly refer to the parent, Pininfarina Engineering S.r.l. and the German companies.

At the reporting date, the directors held it adequate to recognise deferred tax assets on the recoverable portion of the tax loss carryforwards, determined based on forecast future taxable profit and taking into account the domestic tax consolidation agreements signed in Italy and Germany.

(b) Current taxes

Income taxes recognised in profit or loss are detailed below:

	2018	2017
Income taxes	**(856,863)**	(437,068)
IRAP (Regional tax on production activities)	**(481,528)**	(265,536)
Adjustment to prior year tax consolidation benefit	**4,214**	-
Release of prior year provision	**(23,522)**	(2,962)
Current taxes	**(1,357,699)**	(705,566)
Change in deferred tax assets	**2,153,776**	(116,079)
Change in deferred tax liabilities	**-**	-
Net deferred taxes	**2,153,776**	(116,079)
Income taxes	**796,077**	(821,645)

19. REVENUE FROM SALES AND SERVICES

Reference should be made to the relevant table for information on the impact of initially applying IFRS 15 to the Group' revenue from contracts with customers.

a) Revenue streams

The Group's revenue mainly relates to the provision of design and engineering services and sales of spare parts and prototypes.

	2018	2017
Sales - Italy	**1,176,476**	978,828
Sales - EU	**2,168,524**	1,704,285
Sales - Non-EU countries	**5,238,403**	3,231,650
Services - Italy	**14,539,209**	14,343,604
Services - EU	**25,974,373**	26,404,354
Services - Non-EU countries	**46,783,372**	32,978,840
Change in inventories and contract work in progress	**1,648,029**	72,194
Revenue from sales and services	**97,528,386**	79,713,755

Other sources of revenue include the following:

	2018	2017
Lease income	**1,913,751**	1,783,453
Royalties	**5,371,000**	5,263,000
Grants for research and training	**35,112**	21,476
Prior year income	**151,682**	103,927
Insurance compensation	**80,908**	37,710
Sundry	**131,102**	68,675
Rebilling	**141,143**	132,479
Other revenue and income	**7,824,698**	7,410,720

Royalties mainly refer to fees for the brand licence agreement signed with Mahindra & Mahindra Ltd. and the licence to use the Pininfarina trademark granted to the Bolloré S.A. Group in connection with the electric cars manufactured at the Bairo Canavese facility.

Lease income mainly refers to the business lease signed by Pininfarina S.p.A. and a third party and leases for the two buildings located in Renningen, near Stuttgart, in Germany, owned by the subsidiary Pininfarina Deutschland Holding GmbH.

Prior year income refers to prior year income and estimation differences, other than errors, resulting from the normal updating of estimates made in previous years.

b) Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geographical market, major product and service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments.

	Reportable segments		
	Operations	**Design & engineering**	**Total**
Geographical market			
Italy	2,561,195	17,671,951	20,233,146
EU	371,000	28,186,781	28,557,781
Non-EU countries	5,000,000	51,536,549	56,536,549
Total	**7,932,195**	**97,395,281**	**105,327,476**
Major products/service lines			
Design and engineering services		97,395,281	97,395,281
Operations services	1248,054		1248,054
Royalties	5,371,000		5,371,000
Lease income	1,205,333		1,205,333
Other	107,808		107,808
Total	**7,932,195**	**97,395,281**	**105,327,476**
Timing of revenue recognition			
Products transferred at a point in time	107,808		107,808
Products and services transferred over time	7,824,387	97,395,281	105,219,668
Total	**7,932,195**	**97,395,281**	**105,327,476**

c) Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

	31.12.2018	01.01.2018
Included in trade receivables	29,831,387	18,445,134
Contract assets	3,130,909	1,483,347
Contract liabilities	(13,565,536)	(11,177,804)

The contract assets primarily relate to the Group’s rights to consideration for work completed but not billed at the reporting date on made-to-order products/services.

The amount of contract assets was not impacted by impairment losses during the year. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer.

Contract liabilities represent the Group’s obligation to transfer goods or services to a customer for which it has received consideration (or an amount of consideration is due) from the customer.

The amount of revenue recognised in 2018 from performance obligations satisfied (or partially satisfied) in previous periods, mainly due to the changes in the estimate of the stage of completion of contracts, is €1.4 million.

The combined transaction price allocated to performance obligations still unsatisfied at the reporting date approximated €208 million. The Group expects that it will recognised roughly 24% of that amount as revenue in the following year.

No information is provided about remaining performance obligations at 31 December 2018 that have an original expected duration of one year or less, as allowed by IFRS 15.

Opening contract liabilities of €11.2 million have been reclassified to revenue during the year ended 31 December 2018.

d) Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in a contract with a customer.

The Group recognises revenue when it transfers control over a good or service to a customer.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Major products/service lines	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under IFRS 15 (applicable from 1 January 2018)	Revenue recognition under IAS 18 (applicable before 1 January 2018)
Design, engineering and operations services	The Group has determined that for made-to-order products, the customer controls all of the work in progress as the products are being manufactured. This is because, under those contracts, products/services are made to a customer's specification and if a contract is terminated by the customer, then the Group is entitled to reimbursement of the costs incurred to date, including a reasonable margin. Invoices are issued according to contractual terms and are usually payable within 30 days. Uninvoiced amounts are presented as contract assets.	Revenue and associated costs are recognised over time - i.e., before the goods/services are made available at the customers' premises. Progress is determined based on the cost-to-cost method. When incremental in accordance with IFRS 15, costs of obtaining a contract are recognised as assets and depreciated in line with the transfer of control over the related product/service.	Revenue and associated costs are recognised over time - i.e., before the goods/services are made available at the customers' premises. Progress is determined based on the cost-to-cost method.
Architecture and design services	The Group has determined that revenue from design services is recognised at a point in time, because the contractual terms do not allow the Group to collect the consideration before the satisfaction of the performance obligation, even though the products/services are made to a customer's specification. Revenue is recognised when the work is delivered to and accepted by the customer, when the Group's right to payment becomes enforceable.	Revenue is recognised at a point in time, corresponding to the customer's acceptance. The Group applies the practical expedient provided for by the standard for incremental costs of obtaining a contract with a term of less than 12 months. Accordingly, these costs are recognised as an expense when incurred.	Revenue is recognised at a point in time, corresponding to the customer's acceptance
Royalties	The Group determined that royalties are substantially related to the licence to use the Pininfarina trademark on designed products it manufactures. Even though customers do not control the trademark, they benefit therefrom. This shared benefit led the Group to believe that this is a right to access rather than use the trademark and, therefore, the related revenue is recognised over time.	Revenue is recognised over time	Revenue is recognised over time
Lease income	The Group determined that lease income arises from services whereby the customer simultaneously receives and uses the related benefits as the Group provides them. Accordingly, revenue from these performance obligations is recognised over time.	Revenue is recognised over time	Revenue is recognised over time
Other	The Group determines the most appropriate recognition of other minor revenue on a case by case basis.	Revenue is recognised over time/at a point in time	Revenue is recognised over time/at a point in time

20. RAW MATERIALS AND COMPONENTS

Raw materials and components mainly include purchases of equipment and materials used for the styling and engineering contracts and spare parts resold by the parent.

21. EXTERNAL VARIABLE ENGINEERING SERVICES

External variable engineering services mainly refer to design and technical services.

22. WAGES, SALARIES AND EMPLOYEE BENEFITS

	2018	2017
Wages and salaries	**(39,101,005)**	(34,870,090)
Social security contributions	**(9,542,766)**	(8,504,607)
Independent contractors	**-**	-
Utilisation of restructuring provision	**44,446**	9,295
Blue collars, white collars and managers	**(48,599,325)**	(43,365,402)
Post-employment benefits - defined contribution plan	**(1,438,373)**	(1,229,198)
Wages, salaries and employee benefits	**(50,037,698)**	(44,594,600)

Post-employment benefits – defined contribution plan reflect the costs related to post-employment benefits both for defined benefit and defined contribution plans.

A breakdown of the actual number of employees at 31 December 2018 and the average number for the year is set out below, as per article 2427 of the Italian Civil Code, calculated by adding the number of employees at the beginning and end of the year and dividing the result by two:

	2018		**2017**	
	reporting date	**average**	**reporting date**	**average**
Managers	27	26	24	23
White collars	606	580	559	541
Blue collars	23	25	27	25
Total	**656**	**631**	**610**	**589**

The business lease currently in force involved the transfer of 47 employment contracts.

23. ADDITIONS TO/UTILISATION OF PROVISIONS AND IMPAIRMENT LOSSES

	2018	2017
Net impairment losses on loans and receivables	**(5,297,728)**	(46,105)
Revised estimate of the loss allowance	**-**	-
Additions to provisions for risks and charges	**(108,845)**	(268,907)
Utilisation and revised estimates of provisions for risks and charges	**20,537**	83,137
Additions to/utilisation of provisions and impairment losses	**(5,386,036)**	(231,875)

Reference should be made to note 10 for details of impairment losses.

Utilisation and revised estimates of provisions for risks and charges include the utilisation and revised estimates of the provision for losses to complete contracts.

Reference should be made to note 17 for details of additions to the provisions for risks and charges.

24. OTHER EXPENSES

	2018	2017
Travel expenses	**(1,689,071)**	(1,575,580)
Leases	**(2,487,848)**	(2,271,330)
Directors' and statutory auditors' fees	**(923,314)**	(735,959)
Consulting and other services	**(3,191,064)**	(3,177,166)
Other personnel costs	**(1,203,131)**	(1,064,403)
Postal expenses	**(344,087)**	(369,750)
Cleaning and waste disposal services	**(300,644)**	(289,291)
Advertising	**(666,014)**	(681,628)
Indirect taxes	**(966,869)**	(725,953)
Insurance	**(448,373)**	(551,228)
Membership fees	**(97,444)**	(104,851)
Prior period expense	**(65,087)**	(30,284)
General services and other expenses	**(888,448)**	(630,702)
Other expenses	**(13,271,394)**	(12,208,125)

Consulting and other services mainly include IT, administrative and commercial consultancy fees.

General services and other expenses include costs for general services, guarantees and settlements in court.

Leases mainly refer to IT equipment, forklift trucks and cars used by employees. These are operating leases pursuant to IAS 17 – Leases and do not entail special commitments for the group companies.

25. NET FINANCIAL EXPENSE

	2018	2017
Interest and commission expense on credit facilities	**(168,442)**	(105,755)
Interest expense on loans and financing	**(1,802,118)**	(1,904,513)
Interest expense on loans from the ultimate parent	**-**	(19,889)
Expense on assets held for trading	**(276,552)**	-
Interest expense on trade payables	**(164,467)**	(194,638)
Financial expense	**(2,411,579)**	**(2,224,795)**
Bank interest income	**2,958**	20,726
Interest income on loans and receivables - third parties	**-**	384
Interest income on loans and receivables - related parties	**2,157**	3,624
Sales of unopted rights	**-**	79,908
Financial income	**5,115**	104,642
Net financial expense	**(2,406,464)**	**(2,120,153)**

Interest and commission expense refers to interest paid on credit facilities and bank fees.

Interest expense on non-current loans and financing of €1,802,118 comprises the effect of amortised-cost accounting (€1,268,046) and interest accrued under the existing Agreement (€71,649). The remainder relates to foreign companies.

Interest expense on trade payables of €164,467 relates to the amortised-cost measurement of liabilities arising from an advisory services agreement that the parent signed in connection with a long-term engineering contract.

Bank interest income accrued on the current account credit balances.

Interest income on loans and receivables - related parties accrued on the loans granted to the associate Goodmind S.r.l. by Pininfarina Extra S.r.l..

OTHER INFORMATION

Events after the reporting date

There are no significant events that occurred after the reporting date.

Related party transactions

The table below, which is presented pursuant to Consob communication no. DEM/6064293 of 28 July 2006, summarises related party transactions, including intragroup transactions. These transactions were carried out at market conditions, consistent with the nature of the goods exchanged or services provided. They were neither atypical nor unusual for the purposes of the above-mentioned communication.

	Commercial		Financial		Operating		Financial	
	Assets	**Liabilities**	**Assets**	**Liabilities**	**Revenue**	**Expense**	**Income**	**Expense**
Goodmind S.r.l.	-	-	-	-	5,333	-	2,157	-
Signature S.r.l.	42,312	26,428	550,000	-	109,645	104,369	-	-
Tech Mahindra Ltd	46,309	271,905	-	-	124,486	1,110,090	-	-
Tech Mahindra GmbH	-	-	-	-	134,068	-	-	-
Mahindra&Mahindra Ltd	2,404,982	-	-	-	12,353,864	-	-	-
Mahindra Graphic Research Design S.r.l.	-	194,730	-	-	-	638,494	-	-
Ssangyong Motor Company	-	-	-	-	415,794	-	-	-
Automobili Pininfarina GmbH	335,845	-	-	-	4,858,457	-	-	-
Total	**2,829,448**	**493,063**	**550,000**	**-**	**18,001,647**	**1,852,953**	**2,157**	**-**

Intragroup transactions include:

- Goodmind S.r.l.: loan agreement with Pininfarina Extra S.r.l. and lease for equipped office premises with the parent, terminated in February 2018;
- Signature S.r.l.: loan agreement with the parent, purchases and sales of goods with Pininfarina Extra S.r.l.;
- Tech Mahindra Ltd: services agreements with Pininfarina Deutschland GmbH, Pininfarina S.p.A. and Pininfarina of America Corp.; sales of goods by Pininfarina Extra S.r.l. and recharge of costs incurred by Pininfarina S.p.A. on the company's behalf.
- Tech Mahindra GmbH: lease agreement for equipped office premises with Pininfarina Deutschland GmbH;
- Mahindra & Mahindra Ltd: brand licence agreement and engineering services agreements with Pininfarina S.p.A. and Pininfarina Engineering S.r.l. and sales of goods and services by Pininfarina Extra S.r.l.;
- Mahindra Graphic Research Design S.r.l.: engineering services agreements with Pininfarina S.p.A. and Pininfarina Engineering S.r.l.;
- Ssangyong Motor Company: design services agreement with Pininfarina S.p.A.;
- Automobili Pininfarina GmbH: lease for equipped office premises with Pininfarina Deutschland GmbH, design and engineering agreement with Pininfarina S.p.A. and sales of goods with Pininfarina Extra S.r.l..

In addition to the above figures, Studio Starclex - Studio Legale Associato Guglielmetti, related to Romina Guglielmetti (director of Pininfarina S.p.A.), provided legal assistance to the parent for €36,000, while Greta Pininfarina provided employee services to Pininfarina Extra S.r.l. for a cost of approximately €14,000.

On 26 September 2018, Pininfarina Engineering S.r.l. signed an engineering services agreement with Mahindra & Mahindra Ltd ("M&M") for the development of a project to design the upper body systems of the body shell, integration of the body shell with the main operating systems and implementation of the performance requested of a new Mahindra vehicle based on its new platform.

Pininfarina Engineering S.r.l. will receive a fee of €10,375,000.00 for its services to be provided over roughly 16 months.

This fee qualifies the transaction as a “major transaction” pursuant to the relevant legislation. The services provided are part of the “company’s normal business activities” and are rendered “on an arm’s length basis. At the reporting date, services provided to the customers amounted to €5,313,868.

Directors’ and statutory auditors’ fees

(€'000)	**2018**	2017
Directors	**812**	625
Statutory auditors	**112**	111
Total	**924**	**736**

SIGNIFICANT NON-RECURRING TRANSACTIONS

As required by Consob communication no. DEM/6064293 of 28 July 2006, the effects of non-recurring events or transactions, i.e., those events or transactions that do not occur frequently during the normal course of business, are shown in the tables below:

	31.12.2018	31.12.2018, net of significant non-recurring transactions
Property, plant and equipment	**42,586,115**	42,838,541
Investment property	**7,392,752**	7,392,752
Intangible assets	**7,326,395**	7,326,395
Equity investments	**856,588**	327,308
Deferred tax assets	**3,019,085**	2,126,592
Non-current financial assets	**550,000**	-
NON-CURRENT ASSETS	**61,730,935**	**60,011,587**
Inventories	**408,288**	408,288
Contract assets	**3,130,909**	3,130,909
Current financial assets	**13,105,943**	13,105,943
Trade receivables and other assets	**34,647,190**	39,827,915
Cash and cash equivalents	**18,356,593**	19,002,373
CURRENT ASSETS	**69,648,923**	75,475,428
TOTAL ASSETS	**131,379,858**	**135,487,016**
Share capital and reserves	**59,575,694**	59,575,694
Loss from continuing operations	**2,173,181**	6,280,339
EQUITY	**61,748,875**	**65,856,033**
Non-current loans and borrowings	**22,441,025**	22,441,025
Deferred tax liabilities	**-**	-
Post-employment benefits and other provisions	**4,778,297**	4,778,297
NON-CURRENT LIABILITIES	**27,219,322**	**27,219,322**
Current loans and borrowings	**4,363,393**	4,363,393
Other financial liabilities	**5,910,504**	5,910,504
Trade payables	**30,160,911**	30,160,911
Current tax liabilities	**980,683**	980,683
Provisions for risks and charges	**620,432**	620,432
Other liabilities	**375,737**	375,737
CURRENT LIABILITIES	**42,411,660**	42,411,660
TOTAL LIABILITIES	**69,630,982**	**69,630,982**
TOTAL LIABILITIES AND EQUITY	**131,379,858**	**135,487,016**

	2018	2018, net of significant non-recurring transactions
Revenue from sales and services	**97,528,386**	97,528,386
Change in finished goods and contract work in progress	**(25,608)**	(25,608)
Other revenue and income	**7,824,698**	7,824,698
REVENUE	**105,327,476**	**105,327,476**
Net gains on sale of non-current assets and equity investments	**184,074**	3,000
Raw materials and consumables	**(7,678,592)**	(7,678,592)
Other variable production costs	**(2,834,004)**	(2,834,004)
External variable engineering services	**(19,025,131)**	(19,025,131)
Wages, salaries and employee benefits	**(50,037,698)**	(50,037,698)
Amortisation and depreciation, impairment losses and provisions	**(8,819,423)**	(3,638,698)
Net exchange losses	**(50,445)**	(50,445)
Other expenses	**(13,271,394)**	(13,271,394)
OPERATING PROFIT	**3,794,863**	**8,794,514**
Net financial expense	**(2,406,464)**	(2,406,464)
Dividends	**10,108**	10,108
Share of loss of equity-accounted investees	**(21,403)**	(21,403)
PROFIT BEFORE TAXES	**1,377,104**	**6,376,755**
Income taxes	**796,077**	(96,416)
PROFIT FOR THE YEAR	**2,173,181**	**6,280,339**

The transactions identified as significant and non-recurring are as follows:

a) Disposal of four property units in Turin by the parent.

The impact of this transaction on the net financial position and cash flows amounts to €433,500.

b) Acquisition of an investment in Signature S.r.l., injection for a future capital increase and loan agreement from the parent.

The impact of this transaction on the net financial position and cash flows amounts to €1,079,280.

c) Impairment losses recognised on a specific customer by Pininfarina S.p.A. and Pininfarina Engineering S.r.l.

Atypical and unusual transactions

As required by Consob communication no. DEM/6064293 of 28 July 2006, the Pininfarina Group specifies that it did not carry out atypical or unusual transactions during the year, as defined in the above-mentioned Communication, according to which atypical and/or unusual transactions are transactions that, because of their significance/material amount, nature of the counterparty, subject, method used to determine the transfer price and timing of the event, could create doubts as to: the accuracy/completeness of the disclosure provided in the financial statements, the existence of a conflict of interest, the safeguarding of corporate assets and the protection of non-controlling investors.

DISCLOSURE ON THE INDEPENDENT AUDITORS' FEES REQUIRED BY ARTICLE 149-DUODECIES OF THE ISSUER REGULATION

The 2018 fees for audit and non-audit services provided by KPMG and other entities of its network are detailed below, pursuant to article 149-duodecies of the Consob Issuer Regulation.

Service provider	Service recipient	Fee 2018
KPMG S.p.A.	Pininfarina S.p.A. (1)	136,000
KPMG Advisory S.p.A.	Pininfarina S.p.A. (2)	20,000
KPMG S.p.A.	Pininfarina Engineering S.r.l. (3)	25,000
KPMG S.p.A.	Pininfarina Extra S.r.l. (4)	11,500
KPMG network	Subsidiaries (5)	60,800
Total		**253,300**

(1) They include the following services for total fees of €136,000:

- audit of the parent's separate and consolidated financial statements (€43,000);
- review of the interim consolidated financial statements prepared by the parent (€18,000);
- audit of the consolidated reporting package at 31 March 2018 for the consolidation purposes of the Tech Mahindra Group (€40,000);
- limited assurance engagement on the non-financial statement (€20,000);
- translation of financial documents prepared by Pininfarina S.p.A. (€15,000).

(2) Non-financial statement assessment and benchmarking.

(3) Audit of the financial statements of Pininfarina Engineering S.r.l..

(4) Audit of the financial statements of Pininfarina Extra S.r.l..

(5) Audit services provided by KPMG Stuttgart to Pininfarina Deutschland: audit of the consolidated reporting package (€35,600) review of the interim financial information (€7,200) and audit of the reporting package at 31 March for the consolidation purposes of the Tech Mahindra Group (€18,000).

LIST OF CONSOLIDATED COMPANIES

Name	Registered office	Country	Share/ quota capital	Currency %	Consolidated	Investor	Investment %
Parent							
Parent							
Pininfarina S.p.A.	Turin Via Bruno Buozzi 6	Italy	54,287,128	€	100		
Consolidated subsidiaries							
Italian subsidiaries							
Pininfarina Extra S.r.l.	Turin Via Bruno Buozzi 6	Italy	388,000	€	100	Pininfarina S.p.A.	100
Pininfarina Engineering S.r.l.	Turin Via Bruno Buozzi 6	Italy	100,000	€	100	Pininfarina S.p.A.	100
Foreign subsidiaries							
Pininfarina of America Corp.	Miami FL , 501 Brickell Key Drive, Suite 200	USA	10,000	USD	100	Pininfarina Extra S.r.l.	100
Pininfarina Deutschland Holding GmbH	Leonberg Riedwiesenstr. 1	Germany	3,100,000	€	100	Pininfarina Engineering S.r.l.	100
Pininfarina Deutschland GmbH	Munich Frankfurter Ring 81	Germany	25,000	€	100	Pininfarina Deutschland Holding GmbH	100
Pininfarina Shanghai Co. Ltd	Shanghai Jiading district, Unit 1, Building 3, Lane 56, Antuo Road, Anting	China	3,702,824	CNY	100	Pininfarina S.p.A.	100
Equity-accounted investees							
Goodmind S.r.l.	Cambiano (TO) Via Nazionale 30	Italy	20,000	€	20	Pininfarina Extra S.r.l.	20
Signature S.r.l.	Ravenna (RA) Via Paolo Frisi 6	Italy	10,000	€	24	Pininfarina S.p.A.	24

KEY FIGURES OF THE MAIN GROUP COMPANIES
(IFRS FIGURES)

Pininfarina Engineering S.r.l.

Registered office: Turin - I
Quota capital €100,000
Direct investment percentage 100%

	31.12.2018 (€'million)
Revenue	11.6
Loss for the year	(2.5)
Equity	17.
Net financial position	1.9

Pininfarina Deutschland Group

Registered office: Leonberg - D
Share capital €3,100,000

		(€'million)
Revenue	21.3	21.8
Loss for the year	(1.1)	(0.5)
Equity	17.0	18.1
Net financial debt	(2.2)	(0.1)

Pininfarina Shanghai Co Ltd

Registered office: Leonberg - D
Share capital CNY3,702,824
Direct investment percentage 100%

		(€'million)
Revenue	7.2	4.3
Profit for the year	1.1	0.4
Equity	2.1	1.0
Net financial position	1.3	0.8

Pininfarina Extra Group

Registered office: Turin - I
Quota capital €388,000
Investment percentage 100%

	31.12.2018	31.12.2017
		(€'million)
Revenue	9.0	8.4
Profit for the year	1.5	1.5
Equity	8.0	7.2
Net financial position	4.3	3.8

Chief Executive Officer
(Silvio Pietro Angori)
(signed on the original)

STATEMENT ON THE CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO ARTICLE 154-BIS OF LEGISLATIVE DECREE NO. 58/98

- The undersigned Silvio Pietro Angori, as Chief Executive Officer, and Gianfranco Albertini, as Manager in charge of financial reporting of Pininfarina S.p.A., also considering the provisions of article 154-bis.3/4 of Legislative decree no. 58 of 24 February 1998, state that the administrative and accounting policies adopted for the preparation of the consolidated financial statements:
  - are adequate in relation to the Group's characteristics and
  - have been effectively applied during 2018.

Moreover, they state that the consolidated financial statements as at and for the year ended 31 December 2018:

- have been prepared in accordance with the International Financial Reporting Standards endorsed by the European Community pursuant to (EC) regulation no. 1606/2002 issued by the European Parliament and Council on 19 July 2002;
- are consistent with the accounting ledgers and records;
- are suitable to give a true and fair view of the financial position, financial performance and cash flows of the issuer and the group of companies included in the consolidation scope.

The directors' report includes a reliable analysis of the Group's performance and results of operations and the issuer's and consolidated companies' financial position and performance, as well as a description of the main risks and uncertainties to which they are exposed.

22 March 2019

Chief Executive Officer

Silvio Pietro Angori

(signed on the original)

Manager in charge of

financial reporting

Gianfranco Albertini

(signed on the original)

KPMG

KPMG S.p.A.
Revisione e organizzazione contabile
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Telefono +39 011 8395144
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PEC kpmgspa@pec.kpmg.it

(Translation from the Italian original which remains the definitive version)

Independent auditors' report pursuant to article 14 of Legislative decree no. 39 of 27 January 2010 and article 10 of Regulation (EU) no. 537 of 16 April 2014

To the shareholders of
Pininfarina S.p.A.

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of the Pininfarina Group (the "group"), which comprise the statement of financial position as at 31 December 2018, the income statement and the statements of comprehensive income, changes in equity and cash flows for the year then ended and notes thereto, which include a summary of the significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Pininfarina Group as at 31 December 2018 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of Pininfarina S.p.A. (the "parent") in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Estimate of the recoverable amount of trade receivables and contract liabilities

Directors' report: section "2018 performance by business segment, Services". Notes to the consolidated financial statements: note "Financial risk management, paragraph (d)", note 10 "Trade receivables, related parties"

Key audit matter	Audit procedures addressing the key audit matter
The consolidated financial statements at 31 December 2018 include trade receivables and contract liabilities relating to specific contracts in progress with two Asian customers. Estimating the recoverable amount of the net contract assets with those two customers entails a high level of uncertainty, including due to: — with respect to one customer, the geopolitical tensions affecting the country in which it operates; — with respect to the other customer, financial tensions partly caused by delays in the expected development of the customer's industrial and commercial strategies. For the above reasons, we believe that the estimate of the recoverable amount of trade receivables and contract liabilities is a key audit matter.	Our audit procedures included: — analysing the accounting policies used by the directors to estimate the recoverable amount of trade receivables and contract liabilities relating to contracts in progress with those two customers; — analysing the reasonableness of the assumptions used to estimate the recoverable amount through discussions with the relevant internal departments and checking the supporting documentation, including the correspondence exchanged with the two customers; — assessing the appropriateness of the disclosures provided in the annual report about the recoverable amount of trade receivables and contract liabilities and about the risk relating to the two customers.

Recoverability of the Bairo Canavese and San Giorgio Canavese industrial facilities

Notes to the consolidated financial statements: note "Accounting policies" and note 1 "Property, plant and equipment"

Key audit matter	Audit procedures addressing the key audit matter
"Land and buildings" include the carrying amounts of the Bairo Canavese and San Giorgio Canavese industrial facilities. The former was leased to a third party and the latter was put out of use at the end of 2015. The recoverability of the carrying amount of the first facility is checked against its value in use, calculated on the basis of the revenue arising from the lease in place with a third party which was renewed until 2022, whereas that of the second facility is based on its fair value, which is in line with the most recent appraisal available to the parent. Estimating those industrial facilities' value in use and fair value entails a high level of judgement by the parent's directors, especially in relation to the key underlying assumptions. For the above reasons, we believe that the recoverability of the industrial facilities mentioned above is a key audit matter.	Our audit procedures included: — analysing the method used to calculated the Bairo Canavese industrial facility's value in use and the San Giorgio Canavese industrial facility's fair value; — analysing the reasonableness of the assumptions underlying the industrial facilities' estimated value in use and fair value, including by checking the related lease agreements and the appraisals prepared by the parent's consultants; — analysing the events after the reporting date that provide information useful for an assessment of the recoverability of the carrying amounts of those industrial facilities; — assessing the appropriateness of the disclosures provided in the notes about the recoverability of the carrying amounts of those industrial facilities.

Responsibilities of the parent's directors and board of statutory auditors ("Collegio Sindacale") for the consolidated financial statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05 and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the group's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the consolidated financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the parent or ceasing operations exist, or have no realistic alternative but to do so.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, the group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA Italia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA Italia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of internal control relevant to the audit 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 group's internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;

- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the group to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, identified at the appropriate level required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the ethics and independence rules and standards applicable in Italy and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are, therefore, the key audit matters. We describe these matters in our auditors' report.

Other information required by article 10 of Regulation (EU) no. 537/14

On 6 May 2013, the parent's shareholders appointed us to perform the statutory audit of its separate and consolidated financial statements as at and for the years ending from 31 December 2013 to 31 December 2021.

We declare that we did not provide the prohibited non-audit services referred to in article 5.1 of Regulation (EU) no. 537/14 and that we remained independent of the parent in conducting the statutory audit.

We confirm that the opinion on the consolidated financial statements expressed herein is consistent with the additional report to the *Collegio Sindacale*, in its capacity as audit committee, prepared in accordance with article 11 of the Regulation mentioned above.

Report on other legal and regulatory requirements

Opinion pursuant to article 14.2.e) of Legislative decree no. 39/10 and article 123-bis.4 of Legislative decree no. 58/98

The parent's directors are responsible for the preparation of the group's directors' report and report on corporate governance and ownership structure at 31 December 2018 and for the consistency of such reports with the related consolidated financial statements and their compliance with the applicable law.

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to express an opinion on the consistency of the directors' report and the specific information presented in the report on corporate governance and ownership structure indicated by article 123-bis.4 of Legislative decree no. 58/98 with the group's consolidated financial statements at 31 December 2018 and their compliance with the applicable law and to state whether we have identified material misstatements.

In our opinion, the directors' report and the specific information presented in the report on corporate governance and ownership structure referred to above are consistent with the group's consolidated financial statements at 31 December 2018 and have been prepared in compliance with the applicable law.

With reference to the above statement required by article 14.2.e) of Legislative decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Statement pursuant to article 4 of the Consob regulation implementing Legislative decree no. 254/16

The directors of Pininfarina S.p.A. are responsible for the preparation of a consolidated non-financial statement pursuant to Legislative decree no. 254/16. We have checked that the directors had approved such consolidated non-financial statement. In accordance with article 3.10 of Legislative decree no. 254/16, we attested the compliance of the non-financial statement separately.

Turin, 18 April 2019

KPMG S.p.A.

(signed on the original)

Piercarlo Miaja
Director of Audit

TARGET GROUP LIMITED

Board of Directors

Ian David Larkin
Vivek Satish Agarwal
Patrick Michael Byrne
Terence Alexander Baxter
Iestyn David Evans
Andrew Spencer Doman

Registered Office

Target House, 5-19
Cowbridge Road East,
Castlebridge, Cardiff,
CF11 9AU

Bankers

HSBC Bank

Auditors

KPMG LLP
3 Assembly Square
Britannia Quay
Cardiff, CF 10 4AX
United Kingdom

Strategic Report

This strategic report has been prepared for the Group as a whole("Target"), so includes matters which are significant to Target Group Limited and its subsidiary undertakings.

Review of the business

Principal activities

The principal activities of Target arethe provision of transformational outsourcing, business process management and managed services to the financial services sector. We enable clients to transform performance by delivering a world class combination of customer experience, regulatory compliance and productivity through our digital technology and process improvement capabilities. Our services are delivered in highly regulated mission critical environments, and our platform supports over £25bn of business. We have over 40 years' experience and are trusted by over 50 financial institutions, including some of the top 20 global banks

Through Elderbridge Limitedweto act as Lender of Record on a number of lending portfolios, providing management services for portfolio owners in the FCA regulated environment.

Financial review

The previous accounting period was a 15-month period, and we assess performance on an annualised basis. Comparing theyear to 31 March 2019 with the previous 15-month accounting period, turnover decreased by 14% (2018: increase of 36%) whereas on an annualised basis, turnover increased by 8%. This growth was primarily driven by a number of new clients choosing to put their business with Target.Gross margin remained relatively consistent at 37% compared to 36% for the prior period.

Operating profit decreased from £7,964k in the 15-month period ended 31 March 2018 to £5,429k in the year ended 31 March 2019. On an annualised basis this represents a decrease of 15% (£942k), and is primarily due to amortisation of intangible assets (£1.9m) following capital expenditure investment in 2018, as well as the recognition in the prior year of a non-recurring profit on the sale of Target Financial Systems Limited's owned loan portfolio (£423k), which we considered non-core to the future activities of Target. Eliminating the effects of these twofactors, operating profit margin increased by 10%, compared with 7% in the prior year, driven by our investment in improving operational effectiveness.

The following data illustrate the annualised comparison:

	2019 (12-month period) £000	2018 (12-month pro-rata) £000	2018 (15-month period) £000
Revenue	**75,456**	69,930	87,412
EBITDA	**10,798**	9,630	12,037

Our markets

Our clients are predominantly providers of lending, payment, investment and insurance products, across both the public and private sectors. We service these markets through four key offerings; transformational outsourcing, business process outsourcing, managed services and software, all of which are supported by our professional services and consultancy teams.

Business performance

We have continued to work with Tech Mahindra, of which Target is a 100%-owned subsidiary, in bringing new technology to bear in helping our clients succeed. We have also expanded the range of industries we serve, with new clients in utilities and the public sector. We have been delighted that in our core marketsexisting and new clients have chosen to put more business with Target, enabling us to continue to grow our franchise and create additional, sustainable annuity revenue streams.

In our existing client portfolio, we saw several of our largest clients chose to renew their contracts with Target, including Shawbrook and the DVLA. These are relationships that we value deeply. We expect that our continued focus on operational excellence will see us renew several further clients in the near future.

Brexit

Target is monitoring and planning for any impacts of Brexit through a Brexit Governance Meeting held monthly. There is representation from across the business and the purpose is to identify potential risks and the mitigants should those risks transpire. The Brexit Governance Meeting considers both the potential impact on our operations, for example scenarios that may affect the demand on our operations (e.g. call volumes),and also potential impacts to our clients and suppliers.

People

During the year we continued to strengthen our leadership, with some additions to the executive team in Marcella Rich, our Director of Client Services and, post-year end, the appointment of Stuart Anderson, our Chief Commercial Officer. These new appointments and a number of others in our Senior Leadership Team are helping keep Target at the forefront of innovation and change, and we will continue to invest in high calibre people.

The average number of colleagues increased marginally in the period from 989 to1,001. This is a net result of new client mandates and improved productivity in our operations. We continue to invest in our Management Graduate Scheme, welcoming 5new graduates to Target in September 2018. This is a key element of our focus on developing the next generation leaders for the business. In addition, we launched a Technical Graduate scheme this year to provide the opportunity for those interested in a career within technology and 4 Technical graduates are currently being recruited for a September 2019 start.

Our culture programme continues to thrive. Built around a clear set of values and behaviours, we have re-branded our employee recognition scheme 'Target Wins' to ensure that we recognise individuals and teams that make an outstanding contribution across the business. In 2018-19 over 240 nominations were received. Our localised reward scheme has also been re-branded to "You count" which provides small rewards to swiftly recognise great examples of our Target values and behaviours.

During the year we launched a new Diversity&Inclusion working group. At Target we are delighted to have a diverse workforceand this has led to a number of initiatives including the creation of the 'Women in Target' network to support and inspire the nextgeneration of female leaders. In March 2019 we announced a reduction in our mean gender pay gap from 27% to 22% since the previous year.

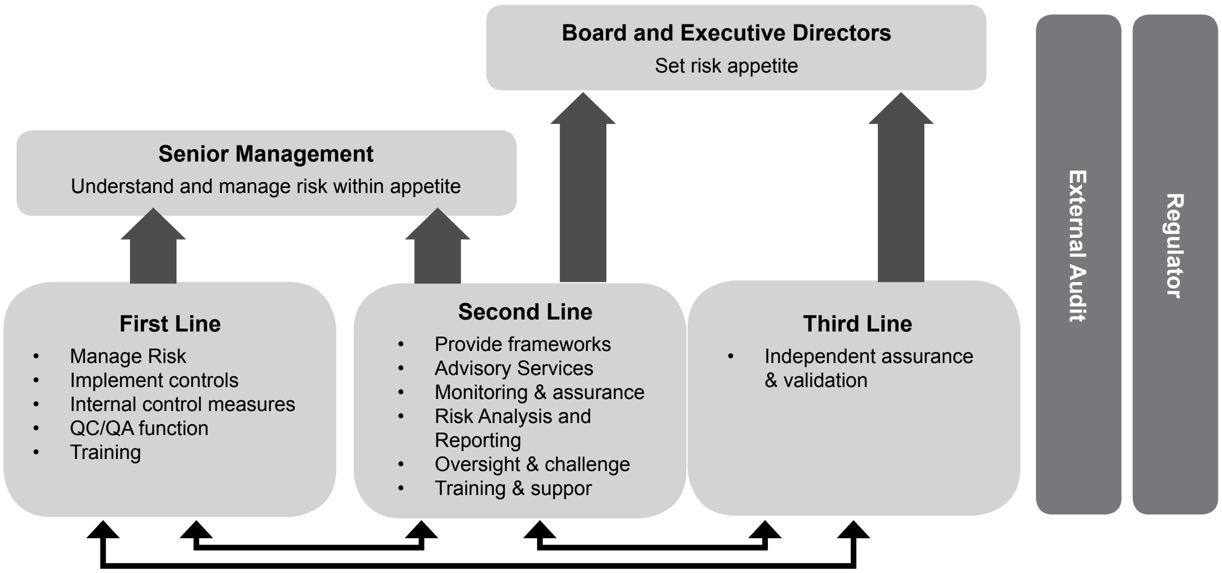
Corporate social responsibility

In 2018 we continued to support charitable causes, with each office selecting a charity. In total, the Group raised over £27,000 for Mind, Save the Family, CHICS, Alzheimer's Society and the Yorkshire Air Ambulance, whilst also raising over £11,000 for smaller charities. Our employees contributed to the local community through foodbank collections, clothing donations and via charitable payroll giving. As a Company, we are passionate about engaging with our local community and taking responsibility for the environment around us.

Principal risks and uncertainties

Risk management in Target Group

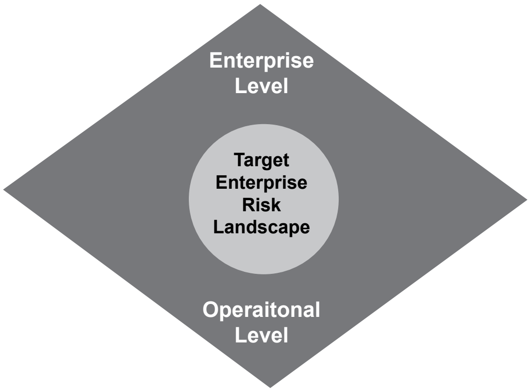
Target seeks to embed effective risk management through the application of a 'Three Lines of Defence' model to manage and mitigate risks and provide assurance over preventative controls. The Framework is maintained by the Group Risk & Compliance function. Operation are the first line of defence and are responsible for day to day operational risk management. This is overseen by the Risk and Compliance Functions operating as the second line of defence. The third line is Internal Audit which operates as a co-sourced arrangement with EY.



Target's Enterprise Risk Landscape is built around the 23 risk categories as set out below.

Strategic Risk	
External & Reg Environment	Governance
Reputational	Target Strategy
Culture	

Financial Risk	
Revenue	Operating Expense
Liquidity/Capital Risk	



Operational & Conduct			
Information Security and Data Protection	Servicing & Arrears	Workflow & Resource Planning	Client Money and Assets
Business resilience & Physical Assets	Cusomer Outcomes	Client Management	People
Technology Capability and Availability	Financial Control	Supplier / Third Parties	Business process and event reporting
Change	Financial Crime	Health/Safety	

Outputs from risk management activities are reviewed through the Risk Governance Framework, culminating in escalation to the Board's Group Risk Committee or Group Audit Committee which are sub committees of the Target Group Board. The Risk Governance Framework is set out in the diagram below.

Business level** - Not the full and exhaustive list of functions at this level

Principal risk outlook

Target is not risk averse but aims to offer innovative technology based servicing, software and product propositions, within the constraints of its financial resources and without compromising customer outcomes, its reputation or its brand. It only pursues opportunities that are well understood, that support the vision and strategy of the group and where risks can be effectively managed.

The principal risks faced by the Group are summarised below:

Risk	Definition	Key mitigating actions
Conduct risk	The risk of a failure in our control and governance frameworks leading to unfair outcomes, detriment to our clients/customers and/or regulatory censure.	Target's governance and control frameworks are designed to minimise the risk of unfair outcomes. These frameworks are subject to regular review by Target, its clients and their auditors.
Information security risk	The risk of failure in our controls for protecting corporate, client and customer data, leading to loss of client and customer trust, material cost and reputational damage.	Target maintains extensive controls to safeguard data, including increasing employee awareness, physical and logical access controls and data encryption. We have also invested in additional controls and technology because of GDPR which will further mitigate this risk.
Operational risk	The risk of failing to effectively deliver the volume of simultaneous, complex change facing the business and thereby impacting on service delivery.	Target has a combined and comprehensive resource management approach that enables effective management of change across all business activities, while maintaining agreed standards of conduct and service level performance.

Future developments

Target Group is in an excellent position to take advantage of opportunities arising in the coming year.

A rapidly changing financial services market will lead to opportunities with both established players and disruptive entrants. The continued strengthening of our senior leadership team and our relationship with Tech Mahindra during the yearleaves us well positioned to secure these new client opportunities.

Ultimately the success of Target will be determined by the success of our clients and I would like to take this opportunity to thank our clients for their continued custom.

By order of the board

5-19 Target House
Cowbridge Road East
Cardiff CF11 9AU
Registered number 01208137

Iestyn Evans
Director

2019

DIRECTORS' REPORT

The directors present their annual report together with the financial statements and auditor's report, for the year ended 31 March 2019.

During the prior period the company changed its accounting reference date to 31 March 2018 in order to align with its parent undertaking. Therefore, the financial statements present the year ending 31 March 2019, whereas the comparative period represents the 15-month period ending 31 March 2018.

In accordance with Section 414C (11) of the Companies Act 2006, certain information around the trading activities of the Group are contained within the Strategic Report.

Results and dividends

The Group's results are set out in theconsolidated profit and loss account provided in the ensuing pages and in the strategic report.

The directors do not recommend the payment of a dividend for the period(2018: £Nil).

Directors

The directors who held office during the year were as follows:

V. Agarwal
I. Evans
A. Doman
P. Byrne
I. D. Larkin
T. A. Baxter

Directors' indemnities

The Company has made qualifying third-party indemnity provisions for the benefit of its directors which were made during the priorperiod and remain in force at the date of this report.

Financial risk management objectives and policies

The Group's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risks.

Cash flow risk

While the Group has exposure to exchange rate fluctuations due to its operations in New Zealand and the Euro zone, this is limited due to a natural hedge, in that revenues are largely offset by expenditure in the local currencies. All treasury matters are now coordinated via the relevant group functions of our parent entity Tech Mahindra Limited.

There is minimal interest rate risk to the Group as we hold no external debt, except our finance leases.

Credit risk

The Group's principal financial assets are bank balances and cash, trade and other receivables and investments.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of cash flows.

The Group has no significant concentration of credit risk, with exposure spread over a large number of clients. Most of our clients are blue chip investment, retail banking, finance and insurance companies, and government bodies which represent a low credit risk.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company uses a mixture of long-term and short-term debt finance, when required.

Regulatory risk

Target Servicing Limited holds FCA permissions as an IFPRU 125k limited licence firm to enable it to operate as a plan manager within the structured product arena under the Hartmoor Financial brand. Whilst the plan manager business was closed in November 2016, we have kept these permissions with the Financial Conduct Authority. Our risk function reviews our regulatory requirements on an ongoing basis to ensure compliance with all relevant permissions held.

Political contributions

No political donations were made (2018: £Nil).

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitude of the applicant concerned. In the event of members of staff becoming disabled, every effort will be made to ensure their employment with the company continues and that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee consultation

The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Group. This is achieved through formal and informal meetings with the Executive Committee ("ExCo") in the form of Town Halls, "ExCo live" and group e-mail communications. The Town Halls are open forums and are a way of consulting regularly with employees on a wide range of matters affecting their current and future interests.

Other information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial period have been included in the Strategic Report on page 1.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

Target House
Cowbridge Road East
Cardiff CF11 9AU
Registered number 01208137

Iestyn Evans 2019
Director

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual 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 they have elected to prepare the group and parent company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 group and parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF TARGET GROUP LIMITED

Opinion

We have audited the financial statements of Target Servicing Limited (“the company”) for the period ended 31 March 2019 which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company’s affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, includingFRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (“ISAs (UK)”) and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as the recoverability of trade debtors and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company’s future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company’s future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company’s financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements (“the going concern period”).

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors’ conclusions, we considered the inherent risks to the company’s business model, including the impact of Brexit, and analysed how those risks might affect the company’s financial resources or ability to continue operations over the going concern period.We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor’s report is not a guarantee that the company will continue in operation.

Strategic report and directors’ report

The directors are responsible for the strategic report and the directors’ report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors’ report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors’ report;

- in our opinion the information given in those reports for the financial period is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

Jeremy Thomas (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
3 Assembly Square
Britannia Quay
Cardiff
CF10 4AX

CONSOLIDATED PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME

for the year ended 31 March 2019

	Note	**Year ended 31 March 2019**	Period ended 31 March 2018
		£'000	£'000
Turnover	3	**75,456**	87,412
Cost of sales		**(47,689)**	(55,795)
Gross profit		**27,767**	31,617
Administrative expenses		**(22,338)**	(23,653)
Operating profit		**5,429**	7,964
Interest payable and similar expenses	4	**(183)**	(318)
Interest receivable and similar income	4	**8**	29
Profit before taxation	6	**5,254**	7,675
Tax on profit	9	**(1,635)**	(1,619)
Profit after taxation		**3,619**	6,056
Other comprehensive income		**-**	-
Total comprehensive income		**3,619**	6,056

All results relate to continued operations.

Notes on pages 16 to 34 form part of these financial statements.

CONSOLIDATED BALANCE SHEET

at 31 March 2019

	Note	**31 March 2019**		31 March 2018	
		£000	**£000**	£000	£000
Fixed assets					
Goodwill	10		**373**		529
Other intangibles	10		**3,035**		4,860
Tangible assets	11		**5,674**		5,749
			9,082		11,138
Current assets					
Debtors – due within one year	13	**24,298**		26,124	
Debtors – due after one year	13	**923**		2,378	
		25,221		28,502	
Cash at bank and in hand		**11,175**		3,778	
		36,396		32,280	
Creditors: amounts falling due within one year	14	**(12,378)**		(13,229)	
Net current assets			**24,018**		19,051
Total assets less current liabilities			**33,100**		30,189
Creditors: amounts falling due after more than one year	15		**(4,117)**		(4,825)
Net assets			**28,983**		25,364
Capital and reserves					
Called up share capital	17		**810**		810
Share premium account			**501**		501
Capital redemption reserve			**68**		68
Profit and loss account			**27,604**		23,985
Shareholders' funds			**28,983**		25,364

These financial statements were approved by the board of directors on 2019 and were signed on its behalf by:

Iestyn Evans
Director

COMPANY BALANCE SHEET

at 31 March 2019

	Note	31 March 2019		31 March 2018	
		£000	£000	£000	£000
Fixed assets					
Intangible assets	10		**2,831**		4,544
Tangible assets	11		**4,489**		4,369
Investment in subsidiary undertakings	12		**14,887**		14,887
			22,207		23,800
Current and non-current assets					
Debtors – due within one year	13	**10,697**		11,273	
Debtors – due after one year	13	**796**		2,332	
		11,493		13,605	
Cash at bank and in hand		**10,648**		3,344	
		22,141		16,949	
Creditors: amounts falling due within one year	14	**(28,100)**		(24,122)	
Net current (liabilities)			**(5,959)**		(7,173)
Total assets less current liabilities			**16,248**		16,627
Creditors: amounts falling due after more than one year	15		**(1,125)**		(1,649)
Net assets			**15,123**		14,978
Capital and reserves					
Called up share capital	17		**810**		810
Share premium account			**501**		501
Capital redemption reserve fund			**68**		68
Profit and loss account			**13,744**		13,599
Shareholders' funds			**15,123**		14,978

The profit for the financial year dealt with in the financial statements of the parent company was £145k (2018: loss £3,212k).

These financial statements were approved by the board of directors on 2019 and were signed on its behalf by:

Iestyn Evans
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Equity attributable to equity shareholders of the Group

	Share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total
	£000	£000	£000	£000	£000
Balance at 1 January 2017	810	501	68	17,929	19,308
Total comprehensive income for the period					
Profit for the year	-	-	-	6,056	6,056
Balance at 31 March 2018 and 1 April 2018	810	501	68	23,985	25,364
Total comprehensive income for the period					
Profit for the period	-	-	-	3,619	3,619
Balance at 31 March 2019	**810**	**501**	**68**	**27,604**	**28,983**

COMPANY STATEMENT OF CHANGES IN EQUITY

Equity attributable to equity shareholders of the Company

	Share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total
	£000	£000	£000	£000	£000
Balance at 1 January 2017	810	501	68	16,811	18,190
Total comprehensive income for the period					
Loss for the period	-	-	-	(3,212)	(3,212)
Balance at 31 March 2018 and 1 April 2018	810	501	68	13,599	14,978
Total comprehensive income for the period					
Profit for the period	-	-	-	145	145
Balance at 31 March 2019	**810**	**501**	**68**	**13,744**	**15,123**

NOTES TO THE FINANCIAL STATEMENTS

For the year ending 31 March 2019

1. Significant accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding period.

General information and basis of accounting

Target Group Limited is a company incorporated in the United Kingdom under the Companies Act.

The Company is a private Company limited by shares and is registered in England and Wales. The address of the registered office is given on page 7.

The nature of the group's operations and its principal activities are set out in the Directors' report and Strategic report on pages 1 to 7.

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The amendments to FRS 102 issued in July 2015 and the amendments to Company law made by the Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015 have been applied.

The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The functional currency of Target Group Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. The consolidated financial statements are also presented in pounds sterling.

Target Group Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside these consolidated financial statements. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

The consolidated financial statements of Tech Mahindra Limited, within which this Company is included, can be obtained from the National Stock Exchange of India Ltd (NSE), The BSE Limited (BSE) and the company's website (www.techmahindra.com).

The Group proposes to continue to take advantage of the disclosure exemptions FRS 102 in its next financial statements.

Going concern

The directors have considered the basis of preparation of the financial statements and, based on the assessment of budgets and cash flow forecasts, have a reasonable expectation that the group and company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all its subsidiary undertakings made up to 31 March 2019, and previously to 31 March 2018. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed.

Business combinations are accounted for under the purchase method. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Foreign currency

Transactions in foreign currencies are translated to the Group companies' functional currency at the foreign exchange rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at the balance sheet date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign exchange differences arising on translation are recognised in the profit and loss account. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on retranslation are recognised in other comprehensive income.

Business combinations

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the company.

Intangible assets - Goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses representing the excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight-line basis over its useful economic life. Provisions are made for any impairment.

The directors consider each acquisition separately for the purpose of determining the amortisation period, being the period over which the directors estimate that economic benefit will continue to be derived from the purchase as:

Goodwill on consolidation arising on acquisition of subsidiary undertakings	5 – 10 years

Intangible assets – research and development

Research expenditure is written off as incurred. Development expenditure is also written off, except where the directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is deferred and amortised over the period during which the Group is expected to benefit. This period is between 2 and 5 years. Provisions are made for any impairment. See note 2 for further details.

Other intangible assets

Intangible assets acquired as part of a business acquisition are capitalised separately from goodwill if the fair value can be measured reliably on initial recognition.

The intangible assets acquired have been valued using an income approach, using the multi-period excess earnings method for customer contracts, and the relief from royalty method for brands.

Subsequent to initial recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment. Intangible assets are amortised on a straight line basis over their estimated useful economic lives as follows:

Customer contracts	-	5 years
Brand	-	5 years

The company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Goodwill and other intangible assets are tested for impairment in accordance with Section 27 Impairment of assets when there is an indication that goodwill or an intangible asset may be impaired.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less the estimated residual value, of each asset on a straight-line basis over their estimated useful economic lives from the point they are brought into use as follows:

Short leasehold property	-	the term of the lease
Computer equipment	-	3-7 years
Fixtures and fittings	-	3-10 years
Motor vehicles	-	2-4 years

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions, are subsequently measured at amortised cost using the effective interest method:

a. Returns to the holder are (i) a fixed amount; or (ii) a positive fixed rate of return over the life of the instrument; or (iii) a positive variable return that, throughout the life of the instrument, is equal to a single referenced quoted or observable interest rate; or (iv) some combination of such fixed rate and variable rates, providing that both rates are positive.

b. There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

c. Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in relevant taxation or law.

d. There are no conditional returns or repayment provisions except for the variable rate return described in (a) and prepayment provisions described in (c).

Debt instruments that are classified as payable or receivable within one year and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Group, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell 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.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Investments

In the Company balance sheet, investments in subsidiaries and associates are measured at cost less impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the profit and loss as described below.

Non-financial assets

The carrying amounts of the entity's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its Cash Generating Unit (CGU) exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

Financial assets

For financial assets carried at amortised cost, the amount of an impairment is 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.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

The tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Interest receivable and interest payable

Interest payable and similar charges include interest payable and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

Turnover

Turnover represents the amounts, excluding value added tax, derived from the provisions of solutions to third party customers. Solutions can be provided in four ways: as software licence and related service sales, under facilities management contracts, under business transformation contracts and under business process outsourcing contracts.

Turnover for the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable. Where a contract has only been partially completed at the balance sheet date turnover represents the fair value of the service provided to date based on the stage of completion of the contract activity at the balance sheet date. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors.

Retirement benefits

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Leases

Assets held under finance leases and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future obligations are recorded as liabilities, while the interest elements of the rental obligations are charged to the profit and loss account over the periods of the leases and to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals under operating leases are charged in the profit and loss account on a straight line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 1, the directors are 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 results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Revenue recognition

Due to the complexity of some of the Group's contracts, there are judgements to be applied, including the measurement and timing of revenue recognition and the recognition of assets and liabilities that result from the performance of the contract.

Research and development costs

In line with FRS 102, the Group capitalises expenditure on development activities where that expenditure meets the requirements of the standard i.e. a product or process is technically and commercially feasible, the Group intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and the Group can measure reliably the expenditure attributable to the intangible asset during its development. Projects are assessed on an individual basis to determine which activities meet the eligibility criteria for capitalisation as an intangible asset. The days attributable to eligible activities based on the time recording system, together with management assessment of percentage attributable where required, are multiplied by the relevant day rate for that period and capitalised. Eligible non-staff costs are also capitalised where relevant.

There are also judgements applied to the period over which the costs will be recovered. This determines the amortisation period appropriate for the asset.

3. Turnover

Turnover by destination was UK £73,913k (2018: £85,300k) and rest of the world £1,543k (2018: £2,112k).

The table below sets out information for each of the group's industry segments:

	Portfolio income		Software		Services		Total	
	2019	2018	**2019**	2018	**2019**	2018	**2019**	2018
	£000	£000	**£000**	£000	**£000**	£000	**£000**	£000
Turnover	**-**	88	**22,937**	29,512	**52,519**	57,812	**75,456**	87,412

4. Finance costs (net)

Interest payable and similar expenses

	Year ended 31 March 2019	Period ended 31 March 2018
	£000	£000
Bank interest and charges	**15**	23
Hire purchase and finance interest	**139**	210
Other finance costs	**29**	85
	183	318

Interest receivable and similar income

	Year ended 31 March 2019	Period ended 31 March 2018
	£000	£000
Other interest receivable and similar income	**8**	29
	8	**29**

5. Staff numbers and costs

The average number of persons employed by the Group (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	Year ended 31 March 2019	Period ended 31 March 2018
Technical and operational	**870**	832
Sales, marketing, management and administration	**131**	157
	1,001	989

The aggregate payroll costs of these persons were as follows:

	Year ended 31 March 2019	Period ended 31 March 2018
	£000	£000
Wages and salaries	**30,464**	37,690
Social security costs	**3,012**	5,201
Pension costs	**1,625**	2,059
	35,101	44,950

6. Profit before taxation

	Year ended 31 March 2019 £000	Period ended 31 March 2018 £000
Profit before taxation is stated after charging/(crediting):		
Amortisation of goodwill (note 10)	**158**	197
Amortisation of other intangible assets (note 10)	**2,693**	948
Depreciation (note 11)		
Owned	**1,511**	1,377
Leased	**1,010**	1,551
Rentals under operating leases - property	**1,085**	1,386
Foreign exchange loss / (gain)	**21**	61
Profit on disposal of owned loan portfolio	**-**	(529)
Auditor's remuneration:		
Audit of these financial statements	**37**	20
Audit of financial statements of other group companies pursuant to legislation	**37**	38
Other assurance services	**19**	19

Auditor's remuneration in respect of the company was £37k (2018: £20k). Audit of other group companies relates to the audit fees for the subsidiaries Harlosh Limited, Target Servicing Limited, Target Financial Systems Limited and Elderbridge Limited and the parent companies Target TG Investments Limited and Target Topco Limited.

Amortisation and impairment charge

The amortisation, impairment charge and impairment reversals are recognised in the following line items in the profit and loss account:

	2019 £000	2018 £000
Administrative expenses	**2,851**	1,145

7. Profit and loss account of parent company

As permitted by Section 408 of the Companies Act 2006, the profit and loss account or statement of other comprehensive income is presented in respect of the parent Company. The profit attributable to the Company is disclosed in the footnote to the Company's balance sheet.

8. Directors' remuneration

Emoluments of the directors were as follows:

	Year ended 31 March 2019 £000	Period ended 31 March 2018 £000
Directors' emoluments	**850**	1,395
Company contributions to money purchase pension scheme	**40**	66
	890	1,461

The number of directors who:

Are members of a money purchase pension scheme	**3**	6
Had awards receivable in the form of shares under a long-term incentive scheme	**3**	2

The aggregate of emoluments of the highest paid director were £281k (2018: £374k) and company pension contributions of £16k (2018: £20k) were made to a money purchase pension plan on his behalf.

9. Taxation

The tax charge for the period comprises:

	Year ended 31 March 2019 £000	Period ended 31 March 2018 £000
Current tax		
UK Corporation tax on profit for the period/year	**997**	811
Adjustments in respect of prior periods	**(26)**	(23)
Total current tax charge	**971**	788
Deferred tax:		
Origination and reversal of timing differences	**55**	663
Adjustments in respect of prior periods	**609**	168
Total deferred tax charge	**664**	831
Total tax charge on profit	**1,635**	1,619

The tax charge is higher (2018: higher) than the standard rate of corporation tax in the UK of 19% (2018: 19.2%) as explained below:

	Year ended 31 March 2019 £000	Period ended 31 March 2018 £000
Profit for the year/period	**3,619**	6,056
Total tax charge	**1,635**	1,619
Profit excluding taxation	**5,254**	7,675
Tax at 19% *(2018:19.2%)*	**998**	1,474
Effects of:		
Expenses not deductible for tax purposes	**46**	80
Group relief claimed	**-**	(10)
Tax losses utilised in the year	**8**	(70)
Adjustments in respect of prior periods	**583**	145
Total charge for the year/period as above	**1,635**	1,619

A reduction in the rate from 19% to 17% is enacted and effective from 1 April 2020, this will reduce the company's (Groups) future tax charge accordingly.

10 Intangible Fixed Assets

	Group					**Company**
	Development costs £000	**Brand £000**	**Customer contracts £000**	**Goodwill £000**	**Total £000**	**Development costs £000**
Cost						
At 1 April 2018	5,912	145	213	5,917	12,187	5,710
Additions	871	-	-	-	871	871
At 31 March 2019	**6,783**	**145**	**213**	**5,917**	**13,058**	**6,581**
Amortisation						
At 1 April 2018	1,297	47	69	5,386	6,799	1,166
Charge for the year	2,624	28	41	158	2,850	2,584
At 31 March 2019	**3,921**	**75**	**110**	**5,544**	**9,649**	**3,750**
Net book value						
At 31 March 2019	**2,862**	**70**	**103**	**373**	**3,408**	**2,831**
At 31 March 2018	4,615	99	146	529	5,389	4,544

Development costs have been capitalised in accordance with the requirements of FRS 102 and are therefore not treated, for dividend purposes, as a realised loss. These costs are being amortised over the life of the project to which they relate on a straight-line basis, which is no more than 5 years.

Goodwill arising on the acquisition of Harlosh Ltd was amortised fully in the prior year, it was being amortised evenly over the directors' estimate of its useful economic life of 10 years.

Goodwill arising on the acquisition of Commercial First Mortgages Ltd's trade and assets is being amortised evenly over the directors' estimate of its useful economic life of 5 years.

11. Tangible fixed assets

Group	**Short leasehold property £000**	**Computer equipment £000**	**Fixtures and fittings £000**	**Total £000**
Cost				
At 1 April 2018	315	19,621	2,213	22,149
Additions	-	2,356	115	2,471
Disposals	-	(81)	-	(81)
At 31 March 2019	**315**	**21,896**	**2,328**	**24,539**
Depreciation				
At 1 April 2018	194	14,581	1,625	16,400
Charge for the period	28	2,287	206	2,521
Disposals	-	(56)	-	(56)
At 31 March 2019	**222**	**16,812**	**1,831**	**18,865**
Net book value				
At 31 March 2019	**93**	**5,084**	**497**	**5,674**
At 31 March 2018	121	5,040	588	5,749

The Group has leased IT equipment and infrastructure which are considered to meet the definition of finance leases and are accounted for accordingly.

Included in tangible fixed assets of the Group are assets held under hire purchase and finance lease agreements with a cost and net book value at 31 March 2019 of £7,243k and £1,422k respectively (2018: £7,342k and £2,513k). The associated depreciation for the period on those assets was £1,010k (2018: £1,551k).

Company	**Short leasehold property £000**	**Computer equipment £000**	**Fixtures and fittings £000**	**Total £000**
Cost				
At 1 April 2018	255	13,250	1,050	14,555
Additions	-	1,953	61	2,014
Disposals	-	(81)	-	(81)
At 31 March 2019	**255**	**15,122**	**1,111**	**16,488**
Depreciation				
At 1 April 2018	179	9,280	727	10,186
Charge for the period	22	1,738	109	1,869
Disposals	-	(56)	-	(56)
At 31 March 2019	**201**	**10,962**	**836**	**11,999**
Net book value				
At 31 March 2019	54	4,160	275	4,489
At 31 March 2018	**76**	**3,970**	**323**	**4,369**

Included in tangible fixed assets of the Company are assets held under hire purchase and finance lease agreements with a cost and net book value at 31 March 2019 of £5,331 and £1,361 respectively (2018: £5,412k and £2,382k). The associated depreciation for the period on those assets was £940k (2018: £1,225k).

12. Investment in subsidiary undertakings

Company	**£000**
Cost	
At 1 April 2018 and 31 March 2019	17,976
Provisions	
At 1 April 2018 and 31 March 2019	3,089
Net book value	
At 31 March 2018 and 31 March 2019	**14,887**

The directors assessed the carrying value of the company's investment in subsidiaries at period end and are of the opinion that they are not worth less than the carrying value in the financial statements.

The company's wholly owned subsidiaries at 31 March 2019 were:

	Country of incorporation	Principal activity	Class of shares	Percentage ownership
Subsidiary undertakings				
Target Servicing Limited	UK	Provision of business process outsourced services	Ordinary	100%
Harlosh Limited	UK	Provision of computer applications software and related services	Ordinary	100%
Harlosh New Zealand Limited	New Zealand	Provision of computer applications software and related services	Ordinary	100%
Target Financial Systems Limited	UK	Management of owned loan portfolios	Ordinary	100%
Elderbridge Limited	UK	Lender of record for loan portfolios	Ordinary	100%

The registered office of all UK subsidiary companies is Target House, Cowbridge Road East, Cardiff, CF11 9AU.

Harlosh New Zealand Limited has a registered office c/o Ulrich Lander Limited, 21 Broderick Road, Johnsonville, Wellington, 6037, New Zealand. The entity ceased to trade during the period.

13. Debtors

	Group		Company	
	2019	2018	**2019**	2018
	£000	£000	**£000**	£000
Trade debtors	**7,226**	5,371	**748**	902
Gross amount due from customers for contract work**	**4,601**	7,372	**1,957**	3,014
Other debtors	**86**	398	**5**	325
Prepayments and accrued income	**7,496**	8,809	**1,952**	1,282
Deferred tax asset (note 16) **	**155**	818	**53**	772
Amounts due from group undertakings	**5,657**	5,734	**6,778**	7,310
	25,221	28,502	**11,493**	13,605

** Included in the above figures are the following amounts due after more than one year:

	Group		Company	
	2019	2018	**2019**	2018
	£000	£000	**£000**	£000
Gross amount due from customers for contract work	**923**	1,560	**796**	1,560
Deferred tax asset (note 16)	**-**	818	**-**	772
	923	2,378	**796**	2,332

14. Creditors: amounts falling due within one year

	Group		Company	
	2019	2018	**2019**	2018
	£000	£000	**£000**	£000
Obligations under finance leases	**669**	1,147	**669**	1,147
Trade creditors	**1,047**	2,723	**472**	1,229
Corporation tax	**826**	107	**301**	-
Other taxes and social security costs	**1,818**	1,449	**(5)**	-
Other creditors	**178**	306	**174**	296
Accruals and deferred income	**7,840**	7,497	**2,580**	2,733
Amounts due to group undertakings	**-**	-	**23,909**	18,717
	12,378	13,229	**28,100**	24,122

15. Creditors: amounts falling due after more than one year

	Group		Company	
	2019	2018	**2019**	2018
	£000	£000	**£000**	£000
Obligations under finance leases (amounts payable in the second to fifth years inclusive)	**1,125**	1,649	**1,125**	1,649
Accruals and deferred income	**2,992**	3,176	**-**	-
	4,117	4,825	**1,125**	1,649

16. Deferred taxation

	Group		Company	
	2019	2018	**2019**	2018
	£000	£000	**£000**	£000
At beginning of year/period - asset	**818**	1,658	**772**	1,004
(Charge) / credit for the year in the P&L account	**(663)**	(840)	**(719)**	(232)
At end of year/period – asset (note 13)	**155**	818	**53**	772

	Group		Company	
	2019	2018	**2019**	2018
	£000	£000	**£000**	£000
The deferred tax asset comprises				
Tax losses carried forward	**-**	544	**-**	498
Other timing differences	**155**	274	**53**	274
	155	818	**53**	772

A further deferred tax asset of £41k (2018: £41k) for the group and £41k (2018: £41k) for the company has not been recognised due to uncertainty over its future utilisation. It is made up as follows:

	2019	2018	**2019**	2018
	£000	£000	**£000**	£000
The unprovided deferred tax asset comprises				
Tax losses carried forward	**41**	41	**41**	41
	41	41	**41**	41

17. Share capital

	Ordinary shares of 5p each Number	**'A' shares of 5p each Number**	**'B' shares of 5p each Number**	**Total Number**
Allotted, called up and fully paid				
At 31 March 2018 and 31 March 2019	11,557,417	1,476,287	3,161,200	16,194,904

	Ordinary Shares of 5p each	'A' Shares of 5p each	'B' Shares of 5p each	Total
	£000	**£000**	**£000**	**£000**
Allotted, called up and fully paid				
At 31 March 2018 and 31 March 2019	578	74	158	810

Both the 'A' and 'B' shares carry no right to vote at, attend or receive notice of general meetings of the company. They have rights to income or capital only on a sale of the business for a value above specific defined thresholds.

The Group and Company's other reserves are as follows:

The share premium reserve contains the premium arising on issue of equity shares.

The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

The capital redemption reserve is a statutory, non-distributable reserve into which amounts are transferred following the redemption or purchase of a company's own shares.

18. Financial instruments

The carrying values of the Group and Company's financial assets and liabilities are summarised by category below:

	Group		Company	
Financial assets	**2019 Total £000**	2018 Total £000	**2019 Total £000**	2018 Total £000
Measured at undiscounted amount receivable				
Amounts due from customers (see note 13)	**11,827**	12,743	**2,705**	3,916
Amounts due from related undertakings (see note 13)	**34,742**	5,734	**6,778**	7,310
Other amounts	**7,737**	10,025	**4,122**	2,379
	54,306	28,502	**13,605**	13,605

	Group		Company	
Financial assets	**2019 Total £000**	2018 Total £000	**2019 Total £000**	2018 Total £000
Measured at amortised cost				
Finance lease liabilities (see notes 14 & 15)	**1,794**	2,796	**1,794**	2,796
Measured at undiscounted amount payable				
Trade and other creditors	**14,701**	15,258	**3,522**	4,258
Amounts owed to related undertakings	**29,085**	-	**23,909**	18,717
	45,580	18,054	**29,225**	25,771

The Group's income, expense, gains and losses in respect of financial instruments are summarised below:

	Group	
Financial assets **Interest income and expense**	**2019 Total £000**	2018 Total £000
Total interest income for financial assets at amortised cost	-	-
Total interest expense for financial liabilities at amortised cost	**(139)**	(238)

The interest expense includes £Nil (2018: £28k) of interest that was recognised within cost of sales in Target Financial Systems Limited. The remainder is interest on finance leases (see note 4).

19. Commitments

Group capital commitments authorised and contracted at 31 March 2019 were £Nil (2018: £Nil).

Group total future minimum lease payments under non-cancellable operating leases are as follows:

	2019 Total £000	2018 Total £000
Group:		
In the first year	**1,103**	1,086
Between one and five years	**4,155**	4,218
After five years	**1,949**	2,960
	7,207	8,264

Total future minimum lease payments under non-cancellable finance leases are as follows:

	2019 £000	2018 £000
Group:		
In the first year	**698**	1,147
Between one and five years	**1,096**	1,649
	1,794	2,796

Annual commitments at 31 March 2019 relate to property and car leases. The majority of leases of land and buildings are subject to rent reviews.

The company had no capital commitments or annual commitments at the year-end (2018: £Nil).

20. Pensions

The assets of the pension schemes to which the group contributes on behalf of its employees are held within independently administered funds. The schemes are all defined contribution schemes thus the group's obligation is solely to make contributions based on a percentage of salary. Employer contributions to the schemes for the period amounted to £1,625k (2018: £2,059k).

21. Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Group's and parent Company's interest-bearing loans and borrowings, which are measured at amortised cost.

	Group		Company	
	2019 £000	2018 £000	2019 £000	2018 £000
Creditors falling due after more than one year				
Finance lease liabilities (see note 15)	**1,125**	1,649	**1,125**	1,649
Creditors falling due within less than one year				
Finance lease liabilities (see note 14)	**669**	1,147	**669**	1,147

Terms and debt repayment schedule

Group	Currency	Nominal interest rate	Year of maturity	Repayment schedule	2019	2018
					£000	£000
Finance lease liabilities	GBP	6%	2019 – 2023	Quarterly	1,794	2,796

Company	Currency	Nominal interest rate	Year of maturity	Repayment schedule	2019 £000	2018 £000
Finance lease liabilities	GBP	6%	2019 – 2023	Quarterly	1,794	2,796

22. Ultimate controlling party

The immediate parent company is Target TG Investments Limited, a company incorporated in Great Britain and registered in England and Wales, with a registered office at Target House, Cowbridge Road East, Cardiff, CF11 9AU.

The ultimate parent company and largest group in which the results of the company are consolidated is Tech Mahindra Limited. The consolidated financial statements of Tech Mahindra Limited are available to the public on the National Stock Exchange of India Ltd (NSE), The BSE Limited (BSE) and the company's website (www.techmahindra.com). Tech Mahindra Limited is also the ultimate parent company and its registered office is Gateway Building, Apollo Bunder, Mumbai – 400001, India.

COMVIVA TECHNOLOGIES COLOMBIA S.A.S

COMVIVA TECHNOLOGIES COLOMBIA S.A.S

INDEPENDENT AUDITOR'S REPORT

Mssrs:

COMVIVA TECHNOLOGIES COLOMBIA S.A.S.

General Shareholders Meeting

Financial Statement Report

I have reviewed the financial statements for Comviva Technologies Columbia S.A.S., which include the financial situation as of March 31, 2018 and the corresponding comprehensive income statement, as well as the summary of the most significant accounting policies.

Management's responsibility regarding financial statements

Management is responsible for the preparation and proper presentation of the financial statements in accordance with Decree 3022 of 2013, compiled in Single Regulatory Decree 2420 of 2015, which incorporates International Financial standards for SME's and the internal control that Management deems necessary to allow for the preparation of financial statements free of material misstatements, due to fraud or error.

External Auditor's responsibility regarding financial statements

My responsibility is to express an opinion regarding the attached financial statements, based on my audit. I have carried out the audit in accordance with Part 2, Title 1 of Single Regulatory Decree 2420 of 2015, which incorporates the International Standards on Auditing – ISA. These standards require that I comply with ethical requirements, as well as plan and execute the audit in order to obtain reasonable assurance about whether the financial statements are free from material misstatements or not.

An audit involves applying procedures to obtain audit evidence on the amounts and information disclosed in the financial statements. The procedures selected depend on the depend on the auditor's judgement, including the assessment of the risks of material misstatement in the financial statements, due to fraud or error. When making these risk assessments, the auditor takes into account the internal control relevant to the preparation and faithful presentation of the financial statements by the Company, in order to design the appropriate audit procedures depending on the circumstances, and with the purpose of expressing an opinion on the effectiveness of the Company's effective internal control. An audit also includes evaluating the adequacy of the accounting policies applied, the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I consider that my audits provide a reasonable and adequate basis for my opinion.

Unqualified opinion

In my opinion, the financial statements faithfully present, in all material aspects, the financial situation of **Comviva Technologies Colombia SAS** as of March 31, 2019, as well as it's results and cash flows for the year ended on that date, in accordance with Decree 3022 of 2013, compiled in Single Regulatory Decree 2420 of 2015, which incorporates International Financial Reporting Standards for SME's.

Report on other legal and regulatory requirements

In addition, I inform that during the fiscal year between April 1,2018 to March 31, 2019, the Company has kept it's accounting in accordance with legal regulations and accounting techniques; the operations recorded in the accounting books and actions of the administrators are in accordance with the by laws and the decisions of the Board of Partners and Board of Directors, the Company has compiled the settlement and timely payment to the Comprehensive Social Security System, and has submitted national and municipal tax declarations, in a timely manner.

Issued in Bagota on April 30, 2019.

Sincerely,

JOSE ANTONIO GONZALEZ CASTANEDA
External Auditor
Professional License N° 12.423-T

April 15 de 2019

Carrera

Bogota Colombia

BALANCE SHEET AS AT MARCH 31, 2019

All amounts in Colombian Pesos

ASSETS	2019 MARCH	LIABILITIES AND OWNER EQUITY	2019 MARCH
CURRENT ASSETS		**CURRENT LIABILITIES**	
Cash and cash equivalents		Accounts payable and others	$ 266,137,658
Banks	$ 415,197,298	Taxes	$ 36,831,279
Cash and cash equivalents	$ 415,197,298	Employee Benefits	$ 143,827,161
		Estimated Liabilities	$ 203,155,786
Debtors		**TOTAL CURRENT LIABILITIES**	$ 649,951,884
Current Commercial Receivables	$ 250,082,962		
Advances	$ 8,838,185	**TOTAL LIABILITIES**	$ 649,951,884
Income tax withholding	$ 14,447,357		
Other debtors	$ 1,059,845		
Total Debtors	$ 274,428,349		
Total Current Assets	$ 689,625,647	**OWNER EQUITY :**	
NON CURRENT ASSETS		Common Stock	$ 43,906,000
		Share placement premium	$ 302,310,000
Plant and Equipment Property		Earnings (loses) previous periods	$ (383,270,024)
Furniture and Fixtures	$ 33,710,499	Earnings (loses) current period	$ 134,530,384
Communications and Hardware Equipment	$ 35,610,608	**TOTAL OWNER EQUITY**	$ 97,476,360
Cumulative Depreciation	$ (11,518,509)		
Total Property Plant and Equipment	$ 57,802,598		
TOTAL ASSETS	$ 747,428,244	**TOTAL LIABILITIES AND OWNER EQUITY**	$ 747,428,244

JAIRATH SACHIN
Legal Representative

JOSE ANTONIO GONZALEZ CASTAÑEDA
Auditor Externo
Tarjeta Professional No. 12423-T

COMVIVA TECHNOLOGIES COLOMBIA S.A.S

PROFIT & LOSS APRIL 1ST 2018 TO MARCH 31ST 2019

All amounts in Colombian Pesos

		2019 March
OPERATIONAL REVENUE	**$**	**3,444,503,829**
INGRESOS NO OPERACIONALES	**$**	**(38,172,090)**
TOTAL REVENUE	**$**	**3,406,331,739**
OPERATIONAL EXPENSES		
Administration Expenses		
Personnel expenses	**$**	**1,740,543,630**
Fees	**$**	**139,717,857**
Taxes	**$**	**10,735,186**
Rent	**$**	**71,677,182**
Contributions and Affiliations	**$**	**9,175,349**
Services	**$**	**45,717,117**
Legal Expenses	**$**	**1,995,080**
Office repairs and Maintenance	**$**	**7,726,896**
Travel expenses	**$**	**18,326,459**
Depreciations	**$**	**8,034,798**
Others	**$**	**142,380,112**
TOTAL ADMINISTRATION OPERATIONAL EXPENSES	**$**	**2,196,029,666**
Cost of Sales		
Personnel Expenses	**$**	**924,909,721**
Other Expenses	**$**	**14,141,415**
TOTAL SALES OPERATIONAL EXPENSES	**$**	**939,051,136**
TOTAL OPERATIONAL EXPENSES	**$**	**3,135,080,802**
NON OPERATIONAL EXPENSES		
Others		
Finance Expenses	**$**	**2,826,213**
Other Taxes	**$**	**336,945**
Other non operational expenses	**$**	**44,593,137**
TOTAL NON OPERATIONAL EXPENSES	**$**	**47,756,294**
TOTAL EXPENSES	**$**	**3,182,837,096**
INCOME TAXES AND COMPLEMENTARY TAXES	**$**	**88,964,259**
NET RESULT	**$**	**134,530,384**

Jairath Sachin
Representante Legal

Jose Antonio Gonzalez Acuña
Auditor Externo
Tarjeta Profesional No. 12423-T

TERRA PAYMENT SERVICES (TANZANIA) LIMITED

Board of Directors
Kevin Alexander Hawkins
Gachlem Zepharos Ngassaki Zoni

Registered No:
124553

Registered Office
Law Associates (Advocates), CRDB Building
6th Floor, Azikiwe Street
P.O Box 11133, Dar es Salaam,Tanzania

DIRECTOR'S REPORT FOR THE YEAR ENDED MARCH 31, 2019

The Directors submit their report together with the Management Accounts of Terra Payment Services (Tanzania) Limited (the Company), for the year ended 31st March, 2019.

Principal Activity

The principal activity of the Company is to provide solutions for telecommunication and network.

Financial results and appropriations

The financial results of the Company for the year ended 31st March, 2019 are set out in the statement of profit or loss and other comprehensive income.

Events after the reporting period

There are no significant events after the reporting period..

Shareholder and its interest

Terra Payment Services (Netherlands) B.V. (99.99%) and Mobex Money Transfer Services Limited (0.01%) are the shareholders 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 are as follows:

Mr. Kevin Alexander Hawkins

Mr. Gachlem Zepharos Ngassaki Zoni

On behalf of the Board of Directors,

Kevin Alexander Hawkins	**Gachlem Zepharos Ngassaki Zoni**
Director	**Director**

BALANCE SHEET AS AT MARCH 31, 2019

Amount in TZS

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
I. Assets			
A Non current assets		**-**	-
B Current Assets			
(a) Financial Assets			
(i) Cash and cash equivalents	1	**40,01,007**	42,758,255
(b) Other current assets	2	**7,43,37,440**	22,959,970
Total current assets		**7,83,38,447**	65,718,225
TOTAL ASSETS		**7,83,38,447**	65,718,225
II. Equity and Liabilities			
A Equity			
(a) Equity Share capital		**-**	-
(b) Other Equity	3	**(14,26,50,357)**	(35,000,480)
		(14,26,50,357)	(35,000,480)
B Liabilities			
1 Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	4	**8,05,64,024**	-
Total non-current liabilities		**8,05,64,024**	-
2 Current Liabilities			
(a) Financial Liabilities			
(i) Trade Payables	5	**1,23,32,215**	7,087,810
(ii) Others financial liabilities	6	**10,45,76,905**	93,630,895
(b) Other current liabilities	7	**2,35,15,660**	-
Total current liabilities		**14,04,24,780**	100,718,705
TOTAL EQUITY AND LIABILITIES		**7,83,38,447**	65,718,225
See accompanying notes forming part of the financial statements	**1-9**		

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

Amount in TZS

	Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
I.	**Revenue from operations**	8	**272,375**	-
II.	**Other income**		**-**	(375,363)
III.	**Total income (I+II)**		**272,375**	(375,363)
I.	**Expenses**			
	(a) Finance costs		**2,840,239**	1,974,702
	(b) Other expenses	9	**105,082,013**	32,425,276
II.	**Total expenses**		**107,922,251**	34,399,978
III.	**Loss before tax**		**(107,649,876)**	(34,775,341)
IV.	**Tax expenses**		**-**	
V.	**Profit/(Loss) after tax before Minority interest**		**(107,649,876)**	(34,775,341)
VI.	**Loss for the period**		**(107,649,876)**	(34,775,341)
VII.	**Total Comprehensive Income for this Half year net of Tax**		**(107,649,876)**	(34,775,341)
	See accompanying notes forming part of the financial statements	1-9		

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 1 - Cash and cash equivalents :

Amount in TZS

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks:		
- In current accounts	4,001,007	42,758,255
	4,001,007	42,758,255

Note 2 - 0ther current assets

Amount in TZS

Particulars	As at March 31, 2019	As at March 31, 2018
- Deposits		
Advance to partner	**63,512,627**	-
Considered good - Inter Company	**10,552,437**	-
- Advances	**-**	22,959,970
- Others	**272,375**	-
	74,337,440	22,959,970

Note 3 - Other Equity :

Amount in TZS

Particulars	As at March 31, 2019		As at March 31, 2018	
Surplus in the statement of profit and loss				
Opening balance	**(35,000,480)**		(225,139)	
Add: Loss for the period	**(107,649,876)**		(34,775,341)	
Closing balance		**(142,650,356)**		(35,000,480)
Total		**(142,650,356)**		(35,000,480)

Note 4 - Long term Borrowings :

Amount in TZS

Particulars	As at March 31, 2019	As at March 31, 2018
Borrowings from related party	**80,564,023**	-
Total	**80,564,023**	-

Note 5 - Other current liabilities :

Amount in TZS

Particulars	As at March 31, 2019	As at March 31, 2018
Advance from partner	**23,515,660**	-
Total	**23,515,660**	-

Note 6 - Trade payables :

Amount in TZS

Particulars	As at March 31, 2019	As at March 31, 2018
Expenses payables other than Accrued Salaries and Benefits	**12,332,215**	7,087,810
Total	**12,332,215**	7,087,810

Note 7 - Other Financials liabilities:

Amount in TZS

Particulars	As at March 31, 2019	As at March 31, 2018
Related party payables	99,906,194	93,630,895
Interest accrued but not due	4,670,712	-
Total	104,576,905	93,630,895

Note 8 - Revenue from operations :

Amount in TZS

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from services		
Annual maintenance contract services	272,375	-
Total	272,375	-

Note 9 - Operating and other expense:

Amount in TZS

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Rent	1,219,925	-
Rates and taxes	237,129	-
Cost of Goods and Services Sold	263,185	46,830
Legal and professional fees	99,598,084	31,439,425
Exchange gain/loss (net)	2,965,963	-
Bank charges	797,726	939,021
Total	105,082,013	32,425,276

TERRA PAYMENT SERVICES (UGANDA) LIMITED

Board of Directors
Kevin Alexander Hawkins
Gachlem Zepharos Ngassaki Zoni

Registered No:
217678

Registered Office
Arcadia Advocates, Acacia Place, 3rd Floor,
Plot 6, Acacia Avenue,
P O Box 28987, Kampala, Uganda

DIRECTOR'S REPORT FOR THE YEAR ENDED 31ST MARCH, 2019

The Directors submit their report together with the Management Accounts of Terra Payment Services (Uganda) Limited (the Company), for the year ended 31st March, 2019.

Principal Activity

The principal activity of the Company is to provide solutions for telecommunication and network.

Financial results and appropriations

The financial results of the Company for the year ended 31st March, 2019 are set out in the statement of profit or loss and other comprehensive income.

Events after the reporting period

There are no significant events after the reporting period.

Shareholder and its interest

Terra Payment Services (Netherlands) B.V. 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 are as follows:

Mr. Kevin Alexander Hawkins

Mr. Gachlem Zepharos Ngassaki Zoni

On behalf of the Board of Directors,

Kevin Alexander Hawkins **Gachlem Zepharos Ngassaki Zoni**

Director **Director**

BALANCE SHEET AS AT MARCH 31, 2019

Amount in UGX

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
I. Assets			
A Non current assets		**-**	-
B Current Assets			
(a) Financial Assets			
(i) Cash and cash equivalents	3	**93,273,411**	71,888,706
(ii) Others financial assets	4	**674,847,793**	123,786,500
(b) Other current assets	5	**1,339,976,633**	1,186,426,750
Total current assets		**2,108,097,837**	1,382,101,956
TOTAL ASSETS		**2,108,097,837**	1,382,101,956
II. Equity and Liabilities			
A Equity			
(a) Equity Share capital	6	**46,693,333**	-
(b) Other Equity	7	**(104,243,401)**	(238,654,087)
		(57,550,067)	(238,654,087)
B Liabilities			
1 Non Current Liabilities			
(a) Deferred Tax Liabilities		**50,266**	-
Total non-current liabilities		**50,266**	-
2 Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings		**-**	-
(i) Trade Payables	8	**79,216,348**	38,912,763
(ii) Others financial liabilities	9	**1,566,367,973**	1,581,718,015
(b) Other current liabilities	10	**520,013,318**	125,265
Total current liabilities		**2,165,597,639**	1,620,756,043
TOTAL EQUITY AND LIABILITIES		**2,108,097,837**	1,382,101,956
See accompanying notes forming part of the financial statements	1-11		

Manas Ranjan Bal
(Financial Controller)

Ravi Shanker Suri
(Senior Manager-Finance)

Place : Gurgaon
Date : May 21, 2018

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

Amount in UGX

	Particulars	Note No.	For the year ended March 31, 2019		For the year ended March 31, 2018
I.	Revenue from operations			-	-
II.	Other income	10		771,202,702	(163,804,973)
III.	**Total income (I+II)**			**771,202,702**	(163,804,973)
IV.	**Expenses**				
	(a) Finance costs			77,354,933	73,910,905
	(b) Other expenses	11		512,693,483	47,799,095
V.	**Total expenses**			**590,048,416**	121,710,001
VI.	**Profit/(Loss) before tax**			**181,154,286**	(285,514,974)
VII.	**Tax expenses**				
	(a) Current tax		-		-
	(b) Short/(excess) provision in respect of earlier years		-		-
	(b) Deferred tax		50,266		-
				50,266	-
VII.	**Profit/(Loss) after tax before Minority interest**			**181,104,020**	(285,514,974)
VIII.	**Profit/(loss) for the period**			**181,104,020**	(285,514,974)

See accompanying notes forming part of the financial statements **3-11**

For and on behalf of Terra Paymnet Services (Uganda) Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 3 - Cash and cash equivalents :

Amount in UGX

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks:		
- In current accounts	**93,273,411**	71,888,706
	93,273,411	71,888,706

Note 4 - Other Financial assets :

Amount in UGX

Particulars	As at March 31, 2019	As at March 31, 2018
Unbilled Revenue	**125,041,834**	123,749,895
Dues from related party	**549,805,959**	36,605
Total	**674,847,793**	123,786,500

Note 6 - Equity Share capital :

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number	**Amount in UGX**	Number	Amount in UGX
(a) Authorised :				
100 shares @ Shs. 500,000 each	**100**	**5,00,00,000**		
(b) Issued and Paid up:	**-**	**-**		
Total	**-**	**-**		

Note 5 - Other current assets

Amount in UGX

Particulars	As at March 31, 2019	As at March 31, 2018
Prefunding Deposits	**1,339,642,958**	1,186,096,863
Balance with Government authorities	**333,675**	329,887
	1,339,976,633	1,186,426,750

Note 6 - Other Equity :

Amount in UGX

Particulars	As at March 31, 2019		As at March 31, 2018	
Share application money pending allotment		**-**		46,693,333
Surplus in the statement of profit and loss				
Opening balance	**(285,347,421)**		167,553	
Add: profit/(loss) for the year	**181,104,020**		(285,514,973)	
Closing balance		**(104,243,401)**		(285,347,420)
Total		**(104,243,401)**		(238,654,087)

Note 7 - Trade payables :

Amount in UGX

Particulars	As at March 31, 2019	As at March 31, 2018
Expenses payables other than Accrued Salaries and Benefits	**79,216,348**	38,912,763
Total	**79,216,348**	38,912,763

Note 8 - Other Financials liabilities:

Amount in UGX

Particulars	As at March 31, 2019	As at March 31, 2018
Inter entity payables: Related party (Net)	1,496,712,699	1,562,364,632
Interest accrued but not due	69,655,273	19,353,383
Total	1,566,367,973	1,581,718,015

Note 9 - Other Current liabilities :

Amount in UGX

Particulars	As at March 31, 2019	As at March 31, 2018
Advance from customers	520,013,318	-
Statutory remittances	-	125,265
Total	520,013,318	125,265

Note 10 - Other income :

Amount in UGX

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Cost allocation Inter Company income	550,836,458	-
Exchange gain/loss (net)	220,366,244	(163,804,973)
Total	771,202,702	(163,804,973)

Note 11 - Operating and other expense:

Amount in UGX

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Cost of services sold	451,231,791	(4,818,328)
Cost allocation Inter Company COGS	1,067,104	-
Rates and taxes	237,683	18,482,956
Legal and professional fees	59,028,043	31,648,898
Bank charges	1,128,862	2,485,570
Total	512,693,483	47,799,095

TERRA PAYMENT SERVICES SOUTH AFRICA (RF) (PTY) LTD.

Directors:
Manoranjan Mohapatra
Ambar Sur
Sriram Gopalakrishnan

Registered No:
2014/234053/07

Registered Office:
10th Floor Office Towers Sandton
City Mall 5th Street Sandton Johannesburg
Gauteng 2146

TERRA PAYMENT SERVICES SOUTH AFRICA (RF) (PTY) LTD.

DIRECTOR'S REPORT FOR THE YEAR ENDED 31ST MARCH, 2019

The Directors submit their report together with the Management Statements of Terra Payment Services South Africa (RF) (PTY) Ltd. (the Company), for the year ended 31st March, 2019.

Principal Activity

The principal activity of the Company is to provide solutions for telecommunication and network.

Financial results and appropriations

The financial results of the Company for the year ended 31st March, 2019 are set out in the statement of profit or loss and other comprehensive income.

Events after the reporting period

There are no significant events after the reporting period.

Shareholder and its interest

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 are as follows:

Mr. Manoranjan Mohapatra	Director
Mr. Ambar Sur	Director
Mr. Sriram Gopalakrishnan	Director

On behalf of the Board of Directors,

BALANCE SHEET AS AT 31 MARCH 2019

Amount in ZAR

	Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
I.	Assets			
A	Non current assets		-	
B	Current Assets			
	(i) Cash and cash equivalents	3	**4,998,624**	5,009,624
	Total current assets		**4,998,624**	5,009,624
	TOTAL ASSETS		**4,998,624**	5,009,624
II.	**Equity and Liabilities**			
A	**Equity**			
	(a) Equity Share capital		-	-
	(b) Other Equity	4	**4,619,907**	4,886,701
			4,619,907	4,886,701
B	**Liabilities**			
1	**Non Current Liabilities**		-	-
2	**Current Liabilities**			
	(a) Financial Liabilities			
	(i) Trade Payables	5	**368,717**	112,922
	(b) Other current liabilities	6	**10,000**	10,000
	Total current liabilities		**378,717**	122,922
	TOTAL EQUITY AND LIABILITIES		**4,998,624**	5,009,624
	See accompanying notes forming part of the financial statements	3-7		

For and on behalf of Terra Payment Services South Africa (Pty) Limited.

TERRA PAYMENT SERVICES SOUTH AFRICA (RF) (PTY) LTD.

Statement of Profit and Loss for the year ended March 31, 2019

Amount in ZAR

Particulars		**Note No.**	**For the year ended March 31, 2019**	For the year ended March 31, 2018
I.	Revenue from operations		**-**	-
II.	Other income			
III.	**Total income (I+II)**		**-**	-
IV.	Expenses			
	(a) Other expenses	7	**266,794**	118,029
V.	**Total expenses**		**266,794**	118,029
VI.	Profit/(Loss) before tax		(266,794)	(118,029)
VII.	Tax expenses		-	
VIII.	Profit/(loss) for the period		(266,794)	(118,029)
	See accompanying notes forming part of the financial statements	3-7		

For and on behalf of Terra Payment Services South Africa (Pty) Limited

Note 3 - Cash and cash equivalents :

Amount in ZAR

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks:		
- In current accounts	**4,998,624**	5,009,624
	4,998,624	5,009,624

Note 4 - Other Equity :

Amount in ZAR

Particulars	As at March 31, 2019		As at March 31, 2018	
Share application money pending allotment		**5,006,118**		5,006,118
Surplus in the statement of profit and loss				
Opening balance	**(119,417)**		(1,388)	
Add: profit/(loss) for the period	**(266,794)**		(118,029)	
Closing balance		**(386,211)**		(119,417)
Total		**4,619,907**		4,886,701

Note 5 - Trade payables :

Amount in ZAR

Particulars	As at March 31, 2019	As at March 31, 2018
Expenses payables other than Accrued Salaries and Benefits	**368,717**	112,922
Total	**368,717**	112,922

Note 6 - Other liabilities :

Amount in ZAR

Particulars	As at March 31, 2019	As at March 31, 2019
Prefund Deposits	**10,000**	10,000
TotaL	**10,000**	10,000

Note 7 - Operating and other expense:

Amount in ZAR

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Cost of Services	**-**	60,952
Legal and professional fees	**229,736**	46,970
Bank charges	**10,999**	10,107
Exchange gain and loss	**26,059**	-
Total	**266,794**	118,029

YABX TECHNOLOGIES (NETHERLANDS) BV

Board of Directors
Axaya Kansal
Sandeep Phadke
Syed Tanvir Hussain
Abhijeet Anant Awekar

Registered Office
Maanplein 20, Building 8,
2516 CK The Hague, The Netherlands

DIRECTOR'S REPORT FOR THE YEAR ENDED 31ST MARCH, 2019

The Directors submit their report together with the Management Statements of YABX Technologies (Netherlands) BV (the Company), for the year ended 31st March, 2019.

Principal Activity

The principal activity of the Company is to provide solutions for telecommunication and network.

Financial results and appropriations

The financial results of the Company for the year ended 31st March, 2019 are set out in the statement of profit or loss and other comprehensive income.

Events after the reporting period

There are no significant events after the reporting period.

Shareholder and its interest

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 are as follows:

Axaya Kansal	Director
Sandeep Phadke	Director
Syed Tanvir Hussain	Director
Abhijeet Anant Awekar,	Director

On behalf of the Board of Directors,

Axaya Kansal **Director**	**Sandeep Phadke** **Director**	**Syed Tanvir Hussain** **Director**	**Abhijeet Anant Awekar** **Director**

YABX TECHNOLOGIES (NETHERLANDS) BV

BALANCE SHEET AS AT MARCH 31, 2019

	Particulars	Note No.	Amount in USD As at March 31, 2019
I	**Assets**		
A	**Non current assets**		
	(a) Property, Plant and Equipment	3	**146,875**
	(aa) Capital work-in-progress		**-**
	(b) Other Intangible assets		**-**
	Total non-current assets		**146,875**
B	**Current Assets**		
	(a) Inventories		**-**
	(b) Financial Assets		
	(ii) Cash and cash equivalents	4	**8,892**
	(c) Other current assets	5	**2,022**
	Total current assets		**10,914**
	TOTAL ASSETS		**157,789**
II	**Equity and Liabilities**		
A	**Equity**		
	(a) Equity Share capital		**-**
	(b) Other Equity		**(62,657)**
			(62,657)
B	**Liabilities**		
1	Non Current Liabilities		
	(a) Provisions		**-**
	Total non-current liabilities		**-**
2	Current Liabilities		
	(a) Financial Liabilities		
	(ii) Trade Payables	6	**154,551**
	(iii) Others financial liabilities	7	**65,896**
	(b) Other current liabilities		**0**
	(c) Provisions		**0**
	Total current liabilities		**154,551**
	TOTAL EQUITY AND LIABILITIES		**91,894**
C	**See accompanying notes forming part of the financial statements**		

For and on behalf of YABX Technology (Netherlands) BV

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

Amount in USD

Particulars		**Note No.**	**For the year ended March 31, 2019**
I.	Revenue from operations		**0**
II.	Other income	8	**166**
III.	**Total income (I+II)**		**166**
IV.	Expenses		
	(d) Depreciation and Amortization expense	3	**3,125**
	(e) Other expenses	9	**59,696**
	Total expenses		**62,822**
V.	Profit/(Loss) before tax		**(62,656)**
VI.	Tax expenses		
	(a) Current tax		**-**
	(b) Deferred tax		**-**
VII.	Profit/(Loss) after tax		**(62,657)**
VII.	Profit/(loss) for the Year		**(62,657)**
VIII.	See accompanying notes forming part of the financial statements		

For and on behalf of Comviva Technologies B.V. Netherlands

Note 3 - Other Intangible assets

Particulars	Gross Block				Accumulated Depreciation / Amortization				Net Block
	As at 1st April, 2018	Additions during the period	Disposals during the period	As at March 31, 2019	As at 1st April, 2018	For the period	On disposal for the period	As at March 31, 2019	As at March 31, 2019
A. Intangible Assets (Other than internally generated)								-	
Intellectual Property Rights	-	150,000	-	150,000	-	3,125	-	3,125	146,875
Total	**-**	**150,000**	**-**	**150,000**	**-**	**3,125**	**-**	**3,125**	**146,874**

Note 4 - Cash and cash equivalents :

Particulars	Amount in USD **As at March 31, 2019**
Balances with banks:	
- In current accounts	**8,892**
Total	**8,892**

Note 5 - 0ther current assets

Particulars	Amount in USD **As at March 31, 2019**
Others	**2,022**
Total	**2,022**

Note 6 - Trade payables :

Particulars	Amount in USD **As at March 31, 2019**
Expenses payables other than Accrued Salaries and Benefits	**1,54,551**
Accrued Salaries and Benefits	**-**
Total	**1,54,551**

Note 7-Others financial liabilities

Particulars	Amount in USD **As at March 31, 2019**
Dues from Subsidiary (Net)	**65,896**
Total	**65,896**

Note 8 - Other income :

Particulars	Amount in USD **As at March 31, 2019**
Exchange gain/loss (net)	**166**
Total	**166**

Note 9. Operating and other expense:

Particulars	Amount in USD **As at March 31, 2019**
Legal and professional fees	**58,110**
Miscellaneous expenses	**1,587**
Total	**59,696**

TERRA PAYMENT SERVICES S.A.R.L. DRC

Board of Directors

Kevin Alexander Hawkins
James Ngalawa Mutiso
Gachlem Zepharos Ngassaki Zoni

Registered No:

CD/KIN/RCCM/16-B-8952

Registered Office

2 Avenue du Musee, ImmeubleBtour,
10 emeetage, Commune of Gombe, Kinshasa
Democratic Republic of Congo
(2 Avenue du Musee, Btour Building, 10th floor, City of Gombe, Kinshasa, DRC)

DIRECTOR'S REPORT FOR THE YEAR ENDED 31STDECEMBER, 2018

The Directors submit their report together with the Management Accounts of Terra Payment Services S.A.R.L., DRC (the Company), for the year ended 31stDecember, 2018.

Principal Activity

The principal activity of the Company is to provide solutions for telecommunication and network.

Financial results and appropriations

The financial results of the Company for the year ended 31stDecember, 2018 are set out in the statement of profit or loss and other comprehensive income.

Events after the reporting period

There are no significant events after the reporting period.

Shareholder and its interest

Terra Payment Services (Netherlands) B.V. 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 are as follows:

Mr. Kevin Alexander Hawkins

Mr. James NgalawaMutiso

Mr. GachlemZepharosNgassakiZoni

On behalf of the Board of Directors,

Kevin Alexander Hawkins Director	**James NgalawaMutiso** Director	**GachlemZepharosNgassakiZoni** Director

BALANCE SHEET AS AT DECEMBER 31,2018

Amount in CDF

Particulars		Note No.	**As at December 31, 2018**	As at December 31, 2017
I.	**Assets**			
A	Non current assets		**-**	-
B	Current Assets			
	(a) Financial Assets			
	(i) Cash and cash equivalents	1	**14,361,923**	15,235,048
	(b) Other current assets	2	**16,273,470**	15,611,711
	Total current assets		**30,635,393**	30,846,759
	TOTAL ASSETS		**30,635,393**	30,846,759
II.	**Equity and Liabilities**			
A	**Equity**			
	(a) Equity Share capital	3	**18,375,188**	18,375,188
	(b) Other Equity	4	**(4,428,238)**	12,471,572
			13,946,950	30,846,759
B	**Liabilities**			
1	Non Current Liabilities		**-**	-
2	Current Liabilities		**-**	-
	(a) Financial Liabilities			
	(i) Trade Payables	5	**16,688,443**	-
	Total current liabilities		**16,688,443**	-
	TOTAL EQUITY AND LIABILITIES		**30,635,393**	30,846,759
	See accompanying notes forming part of the financial statements	1-7		

For and on behalf of Terra Payment Services S.A.R.L. - (DRC)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED DECEMBER 31,2018

Amount in CDF

	Particulars	Note No.		For the year ended December 31,2018	For the nine months ended December 31,2017
I.	Revenue from operations			-	-
II.	Other income	6		**1,137,794**	30,846,759
III.	**Total income (I+II)**			**1,137,794**	30,846,759
IV.	**Expenses**			-	
	(a) Other expenses	7		**17,287,604**	-
V.	**Total expenses**			**17,287,604**	-
VI.	**Profit/(Loss) before tax**			**(16,149,809)**	30,846,759
VII.	Tax expenses			-	
	(a) Current tax		**750,000**		-
				750,000	-
VII.	**Profit/(Loss) after tax before Minority interest**			**(16,899,809)**	30,846,759
VIII.	**Profit/(loss) for the period**			**(16,899,809)**	30,846,759

See accompanying notes forming part of the financial statements

For and on behalf of Terra Payment Services S.A.R.L. -(DRC)

Note 1 - Cash and cash equivalents :

Amount in CDF

Particulars	**As at December 31,2018**	As at December 31,2017
Balances with banks:		
- In current accounts	**14,361,923**	15,235,048
	14,361,923	15,235,048

Note -2 0ther current assets

Amount in CDF

Particulars	**As at December 31,2018**	As at December 31,2017
- Advances		
Considered good	**16,273,470**	15,611,711
	16,273,470	15,611,711

Note 3 -Equity Share capital :

Amount in CDF

	Particulars	**As at December 31,2018**		As at December 31,2017	
		Number	**Amount in CDF**	Number	Amount in CDF
(a)	**Authorised :**				
	200 shares @ USD 100 each	**200**	**18,375,188**	200	18,375,188
(b)	**Issued, subscribed and fully paid up :**	**200**	**18,375,188**	200	18,375,188
	200 shares @ USD 100 each				
	Total	**200**	**18,375,188**	200	18,375,188

Note 4 - Other Equity :

Amount in CDF

Particulars	**As at December 31,2018**		As at December 31,2017	
Surplus in the statement of profit and loss				
Opening balance	**12,471,572**		(18,375,188)	
Add: Loss for the year	**(16,899,809)**		30,846,759	
Closing balance		**(4,428,239)**		12,471,572
Total		**(4,428,239)**		12,471,572

Note 5 - Trade payables :

Amount in CDF

Particulars	**As at December 31,2018**	As at December 31,2017
Expenses payables other than Accrued Salaries and Benefits	**16,688,443**	-
Total	**16,688,443**	-

Note 6 - Other income :

Amount in CDF

Particulars	**For the year ended December 31,2018**	For the nine months ended December 31,2017
Unrealised Foreign Exchange gain/loss (net)	**1,137,794**	1,524,588
Miscellaneous Income	**-**	29,322,171
Total	**1,137,794**	30,846,759

Note 7 - Operating and other expense:

Amount in CDF

Particulars	**For the year ended December 31,2018**	For the nine months ended December 31,2017
Legal and professional fees	**16,531,117**	-
Bank charges	**756,487**	-
Total	**17,287,604**	-

COMVIVA TECHNOLOGIES FZ-LLC

Financial Statements and Reports
for the year ended 31 March 2019

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2019

The Directors submit their report together with the audited financial statements of Comviva Technologies FZ-LLC ('the Company'), for the year ended 31 March 2019.

Principal activity

The principal activity of the Company is to provide solutions for telecommunication and network.

Financial results and appropriations

The financial results of the Company for the year ended 31 March 2019 are set out in the statement of profit or loss and other comprehensive income.

Events after the reporting period

There are 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 are as follows:

Manoranjan Mohapatra

Kaustubh Kashyap (resigned with effect from 12 February 2019)

Phanish Kumaraswamy Bhardwaj (resigned with effect from 12 February 2019)

Deshbandhu Rameshkumar Bansal (appointed with effect from 12 February 2019)

Ramy Mohamed Abdelhalim Mosehly (appointed with effect from 12 February 2019)

Auditors

The financial statements have been audited by Kreston Menon Chartered Accountants, who retire and, being eligible, offer themselves for reappointment.

Signed on behalf of the board of directors:

Manoranjan Mohapatra
Director

Date: April 27, 2019

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF COMVIVA TECHNOLOGIES FZ-LLC

Report on the Audit of the Financial Statements

Opinion

We have audited the 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 2019, 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 notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

We further report that the financial statements comply with the provisions of the Dubai Creative Clusters Private Companies Regulations 2016.

Raju Menon
Reg. No : 271
Kreston Menon Chartered Accountants

Dubai
Date: April 27, 2019

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

	Note	**31.03.2019**	31.03.2018
		AED	AED
Assets			
Non-current assets			
Property and equipment	4	**160,380**	307,919
Loan to related parties	5	**3,047,362**	3,008,728
Total non-current assets		**3,207,742**	3,316,647
Current assets			
Inventories	6	**603,477**	122,759
Trade and other receivables	7	**31,836,551**	32,362,036
Due from related parties	5	**1,060,870**	1,477,134
Other current financial assets	8	**50,000**	50,000
Cash and cash equivalents	9	**11,431,621**	18,142,254
Total current assets		**44,982,519**	52,154,183
Total assets		**48,190,261**	55,470,830
Shareholder's equity and liabilities			
Shareholder's equity			
Share capital	10	**55,000**	55,000
Statutory reserve	11	**27,500**	27,500
Retained earnings		**12,436,654**	11,519,137
Total shareholder's equity		**12,519,154**	11,601,637
Non-current liabilities			
Provision for employees' end of service benefits	12	**461,861**	720,283
Current liabilities			
Trade and other payables	13	**34,746,062**	42,475,570
Due to a related party	5	**463,184**	673,340
Total current liabilities		**35,209,246**	43,148,910
Total liabilities		**35,671,107**	43,869,193
Total shareholder's equity and liabilities		**48,190,261**	55,470,830

The accompanying notes on pages 9 to 24 form an integral part of these financial statements.

The report of the independent auditor is set forth on pages 2 to 4.

Authorised for issue by Directors on 27 April 2019.

For Comviva Technologies FZ-LLC

Manoranjan Mohapatra
Director

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2019

	Note	**31.03.2019**	31.03.2018
		AED	AED
Revenue	14	**65,238,781**	76,182,690
Cost of sales	15	**(52,094,576)**	(62,087,525)
Gross profit		**13,144,205**	14,095,165
Other income	16	**202,848**	1,123,775
Administrative and selling expenses	17	**(12,429,536)**	(9,324,211)
Profit for the year		**917,517**	5,894,729
Other comprehensive income		**-**	-
Total comprehensive income for the year		**917,517**	5,894,729

The accompanying notes on pages 9 to 24 form an integral part of these financial statements.

The report of the independent auditor is set forth on pages 2 to 4.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

	Share capital AED	Statutory reserve AED	Retained earnings AED	Total AED
Balance as at 1 April 2017	55,000	27,500	5,624,408	5,706,908
Total comprehensive income for the year	-	-	5,894,729	5,894,729
Balance as at 31 March 2018	**55,000**	**27,500**	**11,519,137**	**11,601,637**
Total comprehensive income for the year	-	-	917,517	917,517
Balance as at 31 March 2019	**55,000**	**27,500**	**12,436,654**	**12,519,154**

The accompanying notes on pages 9 to 24 form an integral part of these financial statements.

The report of the independent auditor is set forth on pages 2 to 4.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2019

	31.03.2019	31.03.2018
	AED	AED
Cash flows from operating activities		
Profit for the year	**917,517**	5,894,729
Adjustments for :		
Provision for employees' end of service benefits	**474,153**	240,369
Depreciation	**248,302**	240,332
Provision for slow moving inventories	**33,411**	161,680
Interest on loan to a related party	**(202,848)**	(125,996)
Allowance for impairment of trade receivables	**27,021**	-
Loss on disposal of property and equipment	**-**	1,713
Reversal of excess allowance for impairment of trade receivables	**-**	(280,158)
Bad debts written off	**-**	464,213
Operating cash flows before changes in working capital	**1,497,556**	6,596,882
(Increase)/decrease in inventories	**(514,129)**	37,643
Decrease in trade and other receivables	**498,464**	6,447,758
Decrease/(increase) in due from related parties	**619,112**	(1,783)
Decrease in trade and other payables	**(7,729,508)**	(1,944,783)
Decrease in due to a related party	**(210,156)**	(1,291,416)
Cash (used in)/generated from operations	**(5,838,661)**	9,844,301
Employees' end of service benefits paid	**(732,575)**	(53,333)
Net cash (used in)/generated from operating activities	**(6,571,236)**	9,790,968
Cash flows from investing activities		
Purchase of property and equipment	**(100,763)**	(10,204)
Loan given to a related party	**(3,692,000)**	(1,462,949)
Loan repaid by a related party	**3,653,366**	-
Increase in other current financial assets	**-**	(50,000)
Net cash used in investing activities	**(139,397)**	(1,523,153)
Net (decrease)/increase in cash and cash equivalents	**(6,710,633)**	8,267,815
Cash and cash equivalents at beginning of year	**18,142,254**	9,874,439
Cash and cash equivalents at end of year (Note 9)	**11,431,621**	18,142,254

The accompanying notes on pages 9 to 24 form an integral part of these financial statements.

The report of the independent auditor is set forth on pages 2 to 4.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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 - 1401 & 1408-1409, Floor No. 14, Al Shatha Tower, P.O. Box : 500583, 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 (except IFRS 9) on the amounts reported in these financial statements but may affect the financial reporting for future transactions or arrangements.

IFRS 9: Financial Instruments

IFRS 15: Revenue from Contracts with Customers

Amendments to IFRS 2: Classification and Measurement of Share-based Payment Transactions

Amendments to IAS 40: Investment Property - Amendments to clarify transfers of property to or from investment property

Amendments to IFRS 1 and IAS 28: Amendments resulting from annual improvements 2014-16 cycle

The following Standards, amendments thereto and interpretations have been issued prior to 31 March 2019 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 (except IFRS 16) in the relevant accounting periods will have impact only on disclosures within the financial statements. The Company is in the process of assessing the impact of implementing IFRS 16.

IFRS 16: Leases - 1 January 2019

IFRS 17: Insurance Contracts - 1 January 2021

Amendments to IFRS 9: Financial Instruments - Amendments regarding Prepayment Features with Negative Compensation - 1 January 2019

Amendments to IAS 19: Employee Benefits - Amendments regarding Employee Benefit Plan, Curtailment or Settlement - 1 January 2019

Amendments to IAS 28: Investment in Associates and Joint Ventures - Amendments regarding long-term interests in Associates and Joint Ventures - 1 January 2019

Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23: Amendments resulting from Annual Improvements 2015-17 cycle - 1 January 2019

Amendments to IFRS 3: Business Combinations - Amendments to clarify the definition of a Business - 1 January 2020

Amendments to IAS 1 and IAS 8: Amendments regarding the definition of Material - 1 January 2020

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Date to be determined

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 of marketing 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 the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) are initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Financial assets

A financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (“FVOCI”) – debt investment; fair value through other comprehensive income (“FVOCI”) – equity investment; or fair value through profit or loss (“FVTPL”). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are; solely; payments of principal and interest on the outstanding principal amount.

The following accounting policies apply to the subsequent measurement of financial assets.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method and is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment losses are recognised in profit or loss.

Financial assets at FVTPL

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the sum of consideration paid and payable is recognised in profit or loss.

2.10 Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model which requires considerable judgement in selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. IFRS 9 requires the Company to record an allowance for ECLs for all financial assets at amortised cost, debt investments at FVTOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognized earlier than under IAS 39.

The Company has four types of financial assets that are subject to IFRS 9's new expected credit loss model:

- Trade and other receivables (excluding prepayments and advance to suppliers)
- Cash and cash equivalents
- Other current financial assets, and
- Related party receivables not included in trade receivables.

While the above financial assets are subject to the impairment requirements of IFRS 9, the identified impairment loss is immaterial.

Under IFRS 9, loss allowances are measured on either of the following bases:

12 month ECLs: these are ECLs that result from possible default within 12 months after the reporting date; and

Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instruments.

The Company has applied the standard's simplified approach for trade receivables and has calculated ECLs based on lifetime expected credit losses.

The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the financial assets and the economic environment.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

The Company considers a financial asset in default when contractual payments are past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

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 U.A.E. Labour Law, and is based on current remuneration and periods of service at the end of the reporting period.

2.14 Value Added Tax (VAT) payable/receivable

Value added tax (VAT) payable/receivable represents net VAT amount payable to or receivable from the U.A.E. Federal Tax Authority against the value added tax charged to the customers by the Company on its sales and services and the value added tax charged by the suppliers to the Company on its purchases and expenses as per the regulations of Federal Decree Law No. 8 and Cabinet Decision No. 52 of 2017 of United Arab Emirates.

2.15 Revenue recognition

The Company has adopted IFRS 15 using the cumulative effect method (without practical expedients), with effect from 1 April 2018. As permitted, the information presented for 2018 has not been restated and it is shown, as previously reported, under IAS 18, IAS 11 and related interpretations. The details of the new significant accounting policy in relation to the Company's recognition of revenue from the sale of goods and rendering of services are set out below.

Revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control, at a point in time or over time, requires judgement. The Company recognises revenue from sale of goods and rendering of services based on a five-step model as set out in IFRS 15:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer goods or services to the customer.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognise revenue when (or as) the Company satisfies a performance obligation.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which performance obligation is satisfied.

When the Company satisfies a performance obligation by delivering the promised goods or services, it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty.

The impact of IFRS on the Company's accounting policies is not significant.

Revenue is recognised based on the following specific recognition criteria:

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 or on final acceptance. Payment of the transaction price is due immediately when the customer purchases the goods and takes delivery.

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.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as contract receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned revenue and deferred revenue (“contract liability”) is recognised when there is billings in excess of revenues.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Contracts with multiple performance obligations

Some contracts include multiple deliverables, such as the sale of equipment and related services. However, the installation is simple, could be performed by another party. It is therefore accounted for as a separate performance obligation. Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Company uses input method for recognizing revenue for service revenue.

Significant judgements about:

Timing of satisfaction of performance obligation

In making their judgement, the management considered the detailed criteria for the recognition of revenue set out in IFRS 15. The revenue is recognized when the company had transferred control of the goods or completed provision of service to the customer.

Transaction price and the amounts allocated to performance obligations

Management estimates the stand-alone selling price at contract inception based on observable prices of the type of equipment likely to be provided and the services rendered in similar circumstances to similar customers. If a discount is granted, it is allocated to both performance obligations based on their relative stand-alone selling prices.

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. New significant judgements, estimates and assumptions related to the application of IFRS 9 and IFRS 15, are described in Note 2.10 and 2.15.

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 NON-FINANCIAL ASSETS

Assessments of net recoverable amounts of property and equipment and other non- financial assets are based on assumptions regarding future cash flows expected to be received from the related assets.

C. 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.

D. BUSINESS MODEL ASSESSMENT

Classification and measurement of financial assets depends on the results of the Solely Payments of Principal and Interest (SPPI) and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company’s continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

E. SIGNIFICANT INCREASE IN CREDIT RISK

ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information.

F. CALCULATION OF LOSS ALLOWANCE

When measuring ECL the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

4. PROPERTY AND EQUIPMENT

	Computers AED	Furniture & fixtures AED	Network system AED	Office equipment AED	Total AED
Cost					
At 1 April 2017	3,731,819	7,794	57,100	43,289	3,840,002
Additions	3,804	-	-	6,400	10,204
Disposals	(2,203)	-	-	-	(2,203)
At 31 March 2018	3,733,420	7,794	57,100	49,689	3,848,003
Additions	100,763	-	-	-	100,763
At 31 March 2019	3,834,183	7,794	57,100	49,689	3,948,766
Accumulated depreciation					
At 1 April 2017	3,223,560	909	50,817	24,956	3,300,242
Charge for the year (Note 17)	224,967	1,559	5,042	8,764	240,332
On disposals	(490)	-	-	-	(490)
At 31 March 2018	3,448,037	2,468	55,859	33,720	3,540,084
Charge for the year (Note 17)	236,670	1,559	1,241	8,832	248,302
At 31 March 2019	3,684,707	4,027	57,100	42,552	3,788,386
Carrying amount					
At 31 March 2019	**149,476**	3,767	-	7,137	160,380
At 31 March 2018	285,383	5,326	1,241	15,969	307,919

The above additions include AED 13,771 (2018 : AED Nil) purchased from a related party (Note 5).

5. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties include the shareholder, key management personnel/directors, 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:

	31.03.2019	31.03.2018
	AED	AED
Comviva Technologies Limited (Parent company)		
Revenue (Note 14)	**272,393**	-
Purchase of property and equipment (Note 4)	**13,771**	-
Purchases (Note 15)	**3,988,727**	2,501,709
Direct expenses (Note 15)	**1,107,418**	79,272
Fund transfer from the Company	**1,576,735**	1,267,699
Entities under common ownership and control		
Revenue (Note 14)	**-**	110,174
Interest on loan to related parties (Note 16)	**202,848**	125,996
Rent expenses (Note 17)	**246,571**	286,984
Loan given to a related party	**3,692,000**	1,469,920
Loan repaid by a related party	**3,653,366**	-

Compensation of key managerial personnel

The key managerial remuneration represents the compensation paid or payable to key management for employee services. The key management includes directors and other members of senior management. The compensation of key management for the year is shown below:

	31.03.2019	31.03.2018
	AED	AED
Salaries and allowances	**885,610**	1,304,613
End of service benefits	**41,034**	59,937
	926,644	1,364,550

The compensation for key managerial personnel is included in employee costs (Note 18).

The following balances were outstanding at the end of the reporting period :

Loan to related parties	**31.03.2019**	31.03.2018
	AED	AED
Entities under common ownership and control		
Comviva Technologies Nigeria Limited	**1,539,442**	1,538,808
Comviva Technologies B.V	**1,507,920**	1,469,920
	3,047,362	3,008,728

The Company has given a loan of US$ 420,000 to Comviva Technologies Nigeria Limited on 12 April 2013 which carries an interest rate of LIBOR + 5.5%.

The Company has given a loan of US$ 400,000 to Comviva Technologies B.V on 30 September 2017 which carries an interest rate of LIBOR + 2%.

Due from related parties	**31.03.2019**	31.03.2018
	AED	AED
Entities under common ownership and control		
Comviva Technologies Nigeria Limited	**983,579**	1,013,047
Comviva Technologies B.V	**77,291**	25,373
Terra Payment Services (Netherlands) B.V	**-**	438,714
	1,060,870	1,477,134

Due to a related party	**31.03.2019**	31.03.2018
	AED	AED
Parent company		
Comviva Technologies Limited, India	**463,184**	673,340
Following are the balances due from/to related parties		
Included in trade and other receivables (Note 7)	**3,449,558**	3,323,627
Included in trade and other payables (Note 13)	**8,265,100**	10,224,264

6. INVENTORIES

	31.03.2019	31.03.2018
	AED	AED
Stock in trade (Note 15)	**238,328**	320,799
Less : Provision for slow moving inventories	**(186,680)**	(198,040)
	51,648	122,759
Work in progress	**551,829**	-
	603,477	122,759

Movements in the provision for slow moving inventories is as follows:

	31.03.2019	31.03.2018
	AED	AED
Balance at the beginning of the year	**198,040**	36,360
Allowance made during the year (Note 15)	**33,411**	161,680
Written off during the year	**(44,771)**	-
	186,680	198,040

7. TRADE AND OTHER RECEIVABLES

	31.03.2019 AED	31.03.2018 AED
Trade receivables	**20,597,548**	17,464,453
Less : Allowance for impairment of trade receivables	**(453,744)**	(449,218)
	20,143,804	17,015,235
Contract receivables	**9,202,342**	12,424,710
Prepayments	**2,259,905**	2,828,613
Advance to suppliers	**162,814**	25,620
Advance to employees	**34,086**	67,858
Refundable deposits	**33,600**	-
	31,836,551	32,362,036

As at 31 March 2019, trade receivables with a nominal value of AED 453,744 (2018 : AED 449,218) were provided for as per the requirement under IFRS 9 expected credit loss model.

Movements in the allowance for impairment of trade receivables are as follows:

	31.03.2019 AED	31.03.2018 AED
Balance at the beginning of the year	**449,218**	729,376
Provision made during the year (Note 17)	**27,021**	-
Excess provision reversed (Note 16)	**-**	(280,158)
Written off during the year	**(22,495)**	-
	453,744	449,218

Trade receivables are non-interest bearing and are generally on 60 days terms

The following table details the risk profile of trade receivables based on the Company's provision matrix. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Company's different customer base.

As at 31 March, the ageing analysis of trade receivables is as follows :

	Current AED	**0 to 90 days AED**	**91 to 180 days AED**	**181 to 365 days AED**	**Above 365 days AED**	**Total AED**
2019						
Gross receivables	**7,598,962**	**5,687,554**	**2,198,375**	**1,093,499**	**4,019,159**	**20,597,548**
Provision %	**0.001%**	**0.001%**	**0.003%**	**0.007%**	**11.283%**	**2.203%**
Provision	**(40)**	**(50)**	**(74)**	**(82)**	**(453,499)**	**(453,744)**
Net receivables	**7,598,922**	**5,687,504**	**2,198,301**	**1,093,417**	**3,565,660**	**20,143,804**
2018						
Gross receivables	9,857,650	2,279,008	413,055	1,069,316	3,845,314	17,464,453
Provision %	0.000%	0.000%	0.000%	0.000%	11.682%	2.572%
Provision	-	-	-	-	(449,218)	(449,218)
Net receivables	9,857,650	2,279,008	413,055	1,069,316	3,396,096	17,015,235

Trade receivables include AED 3,449,558 (2018 : AED 3,323,627) receivable from related parties (Note 5).

8. OTHER CURRENT FINANCIAL ASSETS

	31.03.2019 AED	31.03.2018 AED
Margin deposit	**50,000**	50,000

9. CASH AND CASH EQUIVALENTS

	31.03.2019 AED	31.03.2018 AED
Cash at bank : Current accounts	**11,431,621**	18,142,254

10. SHARE CAPITAL

	31.03.2019 AED	31.03.2018 AED
Authorised, issued and fully paid;		
55 ordinary shares of AED 1,000 each	**55,000**	55,000

11. STATUTORY RESERVE

	31.03.2019 AED	31.03.2018 AED
Balance at the end of the year	**27,500**	27,500

In accordance with the Memorandum and Article 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 is discontinued since the reserve has accumulated to 50% of the paid up capital. This reserve is not available for distribution except as stipulated by the provisions of Memorandum and Articles of Association.

12. PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS

	31.03.2019 AED	31.03.2018 AED
Balance at the beginning of the year	**720,283**	533,247
Provided during the year (Note 18)	**474,153**	240,369
Paid during the year	**(732,575)**	(53,333)
	461,861	720,283

13. TRADE AND OTHER PAYABLES

	31.03.2019 AED	31.03.2018 AED
Trade payables	**11,048,714**	11,356,644
Accrued expenses	**20,925,353**	22,572,524
Employee benefits payable	**1,492,458**	843,748
Advance from customers	**133,737**	4,937,977
Value added tax payable	**131,206**	259,961
Contract liability	**1,014,594**	2,178,189
Payable for capital expenditure	**-**	326,527
	34,746,062	42,475,570

Trade payables include AED 8,265,100 (2018 : AED 10,224,264) payable to a related party (Note 5).

14. REVENUE

	31.03.2019	31.03.2018
At a point in time :	**AED**	AED
Revenue from :		
Sales of goods	**1,609,728**	2,455,623
Rendering of services	**63,629,053**	73,727,067
	65,238,781	76,182,690
Analysis of revenue is as follows:		
Related parties		
Parent company (Note 5)	**272,393**	-
Other related parties (Note 5)	**-**	110,174
Others	**64,966,388**	76,072,516
	65,238,781	76,182,690

15. COST OF SALES

	31.03.2019	31.03.2018
	AED	AED
Opening inventories	**320,799**	358,442
Purchases	**4,720,104**	6,275,090
Provision for slow moving inventories (Note 6)	**33,411**	161,680
Less : Closing inventories (Note 6)	**(238,328)**	(320,799)
Closing work in progress	**(551,829)**	-
	4,284,157	6,474,413
Royalty	**43,679,961**	53,406,873
Other direct expenses	**4,130,458**	2,206,239
	52,094,576	62,087,525

The above purchases include AED 3,988,727 (2018 : AED 2,501,709) from a related party (Note 5).

The above other direct expenses include AED 1,107,418 (2018 : AED 79,272) to a related party (Note 5).

16. OTHER INCOME

	31.03.2019	31.03.2018
	AED	AED
Interest on loan to related parties (Note 5)	**202,848**	125,996
Exchange gain	**-**	717,621
Reversal of allowance for impairment of trade receivables (Note 7)	**-**	280,158
	202,848	1,123,775

17. ADMINISTRATIVE AND SELLING EXPENSES

	31.03.2019 AED	31.03.2018 AED
Employee costs (Note 18)	**8,544,514**	5,817,828
Rates and taxes	**1,035,258**	720,227
Exchange loss	**715,025**	-
Rent	**337,584**	390,181
Recruitment and visa charges	**277,829**	286,362
Travelling expenses	**258,488**	399,250
Depreciation (Note 4)	**248,302**	240,332
Communication	**147,449**	179,198
Legal and professional fees	**144,225**	125,682
Advertisement and sale promotion	**70,892**	190,056
Insurance	**69,666**	140,948
Bank charges	**44,552**	28,404
Repairs and maintenance	**42,344**	243,210
Allowance for impairment of trade receivables (Note 7)	**27,021**	-
Bad debt written off	**-**	464,213
Freight and forwarding charges	**-**	18,076
Loss on disposal of property and equipment	**-**	1,713
Other expenses	**466,387**	78,531
	12,429,536	9,324,211

The above rent includes AED 246,571 (2018 : AED 286,984) paid to a related party (Note 5).

18. EMPLOYEE COSTS

	31.03.2019 AED	31.03.2018 AED
Salaries and allowances	**7,997,888**	5,568,920
End of service benefits (Note 12)	**474,153**	240,369
Other benefits	**72,473**	8,539
	8,544,514	5,817,828

The above employee costs include AED 926,644 (2018 : AED 1,364,550) compensation paid for key managerial personnel (Note 5).

The entire employee costs have been allocated to administrative and selling expenses (Note 17).

19. FINANCIAL INSTRUMENTS

The net carrying amounts of the financial assets and financial liabilities at the end of the reporting period are classified below:

	At amortised cost	**Loans and receivables**
	31.03.2019 AED	31.03.2018 AED
Financial assets		
Trade and other receivables (excluding prepayments, contract receivable and advance to suppliers) (Note 7)	**20,211,490**	17,083,093
Loan to related parties (Note 5)	**3,047,362**	3,008,728
Due from related parties (Note 5)	**1,060,870**	1,477,134
Other current financial assets (Note 8)	**50,000**	50,000
Cash and cash equivalents (Note 9)	**11,431,621**	18,142,254
	35,801,343	39,761,209

	At amortised cost	
	31.03.2019	31.03.2018
	AED	AED
Financial liabilities		
Trade and other payables (excluding advance from customers and contract liability) (Note 13)	**33,597,731**	35,359,404
Due to a related party (Note 5)	**463,184**	673,340
	34,060,915	36,032,744

Apart from changes in classification of financial assets and financial liabilities, the initial application of ECL requirements of IFRS 9 has not resulted in any significant impact on the Company's opening retained earnings.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2.9 to the financial statements.

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 or 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 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 loan 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	
	31.03.2019	31.03.2018
	AED	AED
Trade and other payables (excluding advance from customers and contract liability) (Note 13)	**33,597,731**	35,359,404
Due to a related party (Note 5)	**463,184**	673,340
	34,060,915	36,032,744

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.

23. CONTINGENT LIABILITIES

As at the end of the reporting period the following contingent liabilities were outstanding :

	31.03.2019	31.03.2018
	AED	AED
Letter of guarantee	**50,000**	50,000

24. COMPARITIVE FIGURES

The previous year figures have been reclassified and regrouped wherever necessary to conform with the current year presentation.

COMVIVA TECHNOLOGIES NIGERIA LIMITED.

Reports and Financial Statements
For the year ended 31 March, 2019
For parent company consolidation purpose

COMVIVA TECHNOLOGIES NIGERIA LIMITED.

CORPORATE INFORMATION

Directors:	Vipul Sharma	(Indian)
	Anil Kumar Krishnan	(Indian)
	Michael Eiremiokhae	(Nigerian) Chief Executive Officer Appointed w.e.f 01/09/2019

Registered No: RC 943437

Registered Office: Infrastructure Bank Building
Plot 52, Ahmadu Bello Way,
Victoria Island,
Lagos.

Secretaries: Alpha-Genasec Limited
Kresta Laurel Complex,
376 Ikorodu Road,
Maryland,
Ikeja,
Lagos.

Auditors: Baker tilly
(Chartered Accountants)
Kresta Laurel Complex,
376, Ikorodu Road,
Maryland,
Ikeja
Lagos.

Banker: Standard Chartered Bank Limited

REPORT OF THE DIRECTORS

The directors hereby submit their report and the financial statements of the Company for the year ended 31 March, 2019.

1. Results for the year

	₦'000
Profit before taxation	**61,150**
Taxation	**(16,023)**
Retained profit for the year	**45,127**

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 substantially 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 record profit of ₦ 45 million from operations in the current year as against loss of ₦ 44.8 million recorded in the prior year. 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 page 1 of these financial statements.

6. Directors' interests

The directors' interests in the Company's shares were as follows:

	No. of ordinary shares of ₦1 each as at 31 March	
	2019	2018
Comviva Technologies Limited		
(Represented by Manoranjan Mohapatra)	**683,916,186**	683,916,186
Ambar Sur	**1**	1

As at 31 March, 2019 Comviva Technologies Limited, India had 683,916,186 ordinary shares of ₦1 each. The Company has 99.99% foreign equity participation as at 31 March, 2019.

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 deserving 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 are kept abreast of the Company's plans as well as its achievements and problems.

8. **Auditors**

Messrs Bakertilly (Chartered Accountants) have indicated their willingness to continue as auditors in accordance with Section 357(2) of the Companies and Allied Matters Act, CAP C20 LFN 2004. A resolution will be proposed to authorise the directors to fix their remuneration.

By Order of the Board

ADEOYE, Joshua Oludayo
FRC/2014/ICSAN/00000008037
For: ALPHA GENASEC LIMITED
Company Secretary
LAGOS, Nigeria

May, 2019

REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF
COMVIVA TECHNOLOGIES NIGERIA LIMITED
Report on the Audit of the financial statements:

We have audited the financial statements of the Company, which comprise the statement of financial position as at 31 March, 2019, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Opinion:

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Comviva Technologies Nigeria Limited as at 31 March, 2019, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion:

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company within the meaning of Nigerian Standards on Auditing (NSAs) issued by the Institute of chartered accountant of Nigeria and have fulfilled our other responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Going Concern:

The Company's financial statements have been prepared using the going concern basis of accounting. The use of this basis of accounting is appropriate unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Management has not identified a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern, and accordingly none is disclosed in the financial statements.

Responsibilities of the Directors for the Financial Statements:

The Directors are responsible for the preparation and fair presentation of these financial statements which are in compliance with the requirements of both Financial Reporting Council of Nigeria Act, No. 6 of 2011 and 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, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibilities for the Audit of the Financial Statements:

Our responsibility is to express an independent opinion on these financial statements based on our audit. We conducted our audit in accordance with Nigerian standards on Auditing (NSAs) issued by the Institute of Chartered Accountants of Nigeria. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that 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. 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.

Report on Other Legal and Regulatory 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 statement of financial position and profit or loss and other comprehensive income are in agreement with the books of account.

ARIEMUDUIGHO, Patterson Orevonyevwe
FRC/2018/ICAN/00000016672
For: BAKERTILLY
(Chartered Accountants)
LAGOS, Nigeria

May, 2019

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH, 2019

		31 March- 19	31 March- 18
Assets	**Note**	**₦**	₦
Non- current assets			
Property, plant and equipment	4	13,224,866	23,418,752
Assets in transit/progress	5	3,894,006	1,496,016
Investment	6	57,116,039	57,116,039
Deferred tax asset	21.1	15,532,791	31,295,259
Total non-current assets		89,767,702	113,326,065
Current assets			
Trade and other receivables	7	456,889,176	417,212,255
Due from related parties	13.1	947,633,720	903,078,754
Prepayments	8	6,225,359	9,128,733
Cash and cash equivalents	9	82,769,123	60,804,739
Total current assets		1,493,517,378	1,390,224,481
Total assets		**1,583,285,080**	**1,503,550,546**
Current liabilities			
Trade and other payables	10	244,579,242	213,735,051
Borrowing	11	105,000,000	105,000,000
Employee benefits	12	22,875,069	14,611,487
Current tax liabilities	20.2	120,987,569	117,038,583
Total current liabilities		493,441,880	450,385,121
Non-current liabilities			
Due to related parties	13.2	720,988,232	725,749,319
Deferred tax liabilities	21.2	(3,555,080)	133,552
Total non-current liabilities		717,433,152	725,882,871
Total liabilities		**1,210,875,032**	1,176,267,992
Net assets		**372,410,048**	**327,282,554**
Equity			
Share capital	14.2	683,916,187	683,916,187
Revenue reserve	15	(311,506,139)	(356,633,633)
Total equity		**372,410,048**	**327,282,554**

The financial statements were approved by the Board of Directors on…… 2019 and signed on its behalf by:

Michael Eiremiokhae	**Vipul Sharma**	**Olabisi Fayombo**
FRC/2018/NBA./00000018875	**FRC/2018/IODN/00000018280**	**FRC/2013/ICAN/0000000288**
Chief Executive Officer	**Director**	**Chief Finance Officer**

The accounting policies and notes on pages 11 to 34 form part of these financial statements

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH, 2019

	Note	31 March- 19 ₦	31 March- 18 ₦
Revenue			
Less: Cost of sales	16	**431,262,807**	**346,757,651**
Investment	17	**18,120,936**	**92,609,076**
Gross profit		**413,141,871**	**254,148,575**
Other operating expenses	18	**(422,181,370)**	**(325,855,396)**
Operating loss		**(9,039,499)**	**(71,706,821)**
Foreign exchange gain /(loss)		**30,656,201**	**(19,782,239)**
Other income	19	**39,533,613**	**36,176,026**
Profit/(Loss) before tax		**61,150,315**	**(55,313,034)**
Income tax expense	20.1	**(3,948,986)**	**-**
Deferred tax	21.3	**(12,073,835)**	**10,459,049**
Profit /(loss) after tax		**45,127,494**	**(44,853,985)**
Profit /(loss) per share of ₦ 1		**0.07**	**(0.07)**

The accounting policies and notes on pages 11 to 34 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR 31 MARCH, 2019

	Share capital ₦	Revenue reserve ₦	Total ₦
31 March, 2017	**683,916,187**	**(311,779,648)**	**372,136,539**
Total comprehensive income for the year			
Loss for the year	-	(44,853,985)	(44,853,985)
31 March, 2018	**683,916,187**	**(356,633,633)**	**327,282,554**
Total comprehensive income for the year			
Profit for the year	-	45,127,494	45,127,494
31 March, 2019	**683,916,187**	**(311,506,139)**	**372,410,048**

The accounting policies and notes on pages 11 to 34 form part of these financial statements

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2019

		31-March-19	31-March-18
Cash flow from operating activities:	**Note**	**₦**	**₦**
Operating loss before working capital changes	22	**36,588,625**	(73,231,842)
Working capital changes	23	**(46,981,826)**	(10,928,018)
Net cash outflows from on operating activities		**(10,393,201)**	(84,159,860)
Cash flow from investing activities:			
Acquisition of Property, plant and equipment		**(2,299,390)**	-
Proceed from Property, plant and equipment disposed		**-**	593,603
Assets in progress		**(2,397,989)**	(1,496,017)
Interest income		**37,054,966**	36,176,026
Net cash inflows from investing activities		**32,357,586**	35,273,612
Net increase in cash and cash equivalent		**21,964,384**	(48,886,248)
Cash and cash equivalent at 1 April		**60,804,739**	109,690,987
Cash and cash equivalent at 31 March	9	**82,769,123**	60,804,739

The accounting policies and notes on pages 11 to 34 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019

1. General information

(a) Reporting entity

Comviva Technologies Nigeria Limited ('the Company') was incorporated in Nigeria on 23rd day of March, 2011 as a limited liability Company by shares.

The principal object of the Company is to produce and develop computer softwares and programmes of all kinds.

The address of its registered office is Infrastructure Bank Building. Plot 52, Ahmadu Bello Way, Victoria Island, Lagos.

(b) Statement of compliance

The financial statements have been prepared explicitly in compliance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and with the interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC) adopted by the Federal Republic of Nigeria.

The Company's functional and presentation currency is the Nigerian naira.

2. Basis of preparation

The financial statements have been prepared on the historical cost basis except for the financial instrument that are measured at fair value as explained in the accounting policies applied in the preparation of the financial statements as set below.

These polices have been applied consistently to all years presented, unless otherwise stated

Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if it affects only that year or in the year of the revision and the future years if the revision affects both current and future years.

- **Standards and interpretations issued but not yet effective**

  The following new standards, amendments to existing standards and interpretations have been issued and are mandatory for the Company's accounting periods beginning on or after 1 January 2019 or later years:

Standard/ Interpretation	**Title**	**Applicable for financial years beginning on/after**
IFRIC Interpretation 23	Uncertainty over Income Tax Treatments	In June 2018, the IASB issued IFRIC Interpretation 23 Uncertainty over Income Tax Treatments in response to diversity in practice for various issues in circumstances in which there is uncertainty in the application of the tax law. The Interpretation is applicable for annual periods beginning on or after January 1, 2020
IFRS 16	Leases	new standard which replaces IAS 17 Leases. The effective date of the standard is for years beginning on or after 1 January, 2020.

- **New standards amendment and interpretation effective after 1 Jan 2019 not yet adopted:**

The number of new standard and interpretation are effective for annual report beginning after 1 January 2019 ,The following standard and amendments to standard are relevant to the company but have not been early adopted in preparing these financial statements:

IFRS 15 supersedes all existing revenue requirements in IAS 11 Construction Contracts, IAS 18 Revenue w. e. f. January 1, 2019. According to IFRS 15 establishes a five step model that will apply to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry. Revenue recognition is based on performance obligation assessment. Extensive disclosures will be required, including disaggregation of total revenue; information about performance obligation; changes in contract asset and liability account balances between periods and key judgments and estimates. The Company is currently assessing the impact of adopting IFRS 15 on the Company's Financial Statements. The Company is not able to quantify the impact on Company's Financial Statements.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are as set out below. These policies have been applied consistently to all years presented, unless otherwise stated.

a. Segment Reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments. Segment results, assets and liabilities include items directly attributable to segment as well as those that can be allocated on a reasonable basis.

b. Foreign currency

Transactions in foreign currencies are translated to the functional currency, the Naira at the spot exchange rate at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated into the functional currency at the spot exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the year adjusted for effective interest and payments during the year and the amortized cost in foreign currency translated at the spot exchange rate at the end of the year. Foreign currency differences arising on retranslation are recognized in profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using exchange rate at the date of the transaction.

c. Revenue recognition

Revenue is recognised in profit or loss when the amount of revenue can be measured reliably, the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of products can be estimated reliably.

(i) Sale of goods and services

Revenue from the sale of products and rendering of services in the ordinary course of business is measured at the fair value of the consideration received or receivable, net of VAT, excise duties, returns, customer discounts and other sales-related discounts.

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.

Revenue is net of volume discount /price incentives which are estimated and accounted for based on the terms of the contract and exclude applicable indirect taxes

Amount received or billed in advance of services performed are recorded as advances from customer/unearned revenue

Unbilled revenue represents amount recognized based on services performed in advance billing accordance with contract and net of estimated allowance for uncertainties and provision for estimated losses.

(ii) Other income

Other income constitutes gains from the sale of assets, net of taxes; proceeds from interest on deposits, leased income and others. These various sources of other income are recognised in other comprehensive income when ownership has been transferred to the buyer.

d. Employee benefit

(i) Wages and salaries:

Wages and salaries for current employees are recognised in the income statement as the employees' services are rendered.

(ii) Pension obligations:

The Company operates a defined contribution retirement benefit scheme. A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or two factors such as age, years of service and compensation. For defined contribution plans, the Company makes contributions on behalf of qualifying employees to a mandatory scheme under the provisions of the Pension Reforms Act of 2004. Once the contributions have been paid, the Company has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The assets of the pension scheme are held in separate trustee administered funds, which are funded by contributions from both the Company and employees.

The Company's contributions to the defined contribution scheme are recognised as employee benefit expense in the income statement when they are due.

The defined contribution pension liability recognised in the balance sheet represents unremitted balance outstanding from contributions made by employer and employees for the current period.

e. Taxation

Income tax expense comprises current and deferred tax.

(i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from the accounting profit as reported in the statement of comprehensive income because of items of income or expense that are either taxable or deductible in future years and items that are not taxable or deductible in the Nigeria tax laws. 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.

(ii) Deferred tax

Deferred tax is recognised on temporary timing differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary timing differences to the extent that it is probable that future taxable profits will be available against which those deductible temporary timing differences can be deducted. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in the statement of comprehensive income, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

f. Property, plant and equipment.

(i) Recognition and measurement

Items of property, plant and equipment are recognised only when it is probable that the future economic benefits associated with the asset will flow to the entity, and the cost of the asset can be measured reliably.

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses. Cost includes cost of purchases including import duties and non-refundable taxes after deducting trade discounts and rebates. It also includes directly attributable cost of bringing the asset to the location and working condition for its intended use.

Properties in the course of construction (capital work-in-progress) are carried at cost, less any recognised impairment losses. Cost includes professional fees and for qualifying assets borrowing costs capitalised in accordance with the Company's accounting policy.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the 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. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is recognised in the statement of comprehensive income on a straight -line basis over the estimated useful lives of each part of an item of property, plant and equipment. Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised or classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

Leasehold land is depreciated over the lease term. Freehold land is not depreciated.

Furniture and fittings are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is calculated using the straight -line method to allocate their cost or re-valued amounts to their residual values over their estimated useful lives.

The estimated useful lives for the current and comparative year are as follows:

Furniture and fittings	5 years
Office equipment	5 years
Computers	3 years
Plant and equipment (electrical Equipment)	5 years
Leased building	2 years
Networking	3 years

The assets' residual values and useful lives are reviewed at the end of each reporting period and adjusted, if appropriate.

An assets carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount.

Recoverable amount is the higher of the assets' fair value less costs to sell and the value in use calculated on individual asset bases.

(iii) Derecognition

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible 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). When 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. When 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 Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an 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 a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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 (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but 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 (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the income statement, 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.

h. Borrowing costs

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds. These include interest expenses calculated using the effective interest rate method, finance charges in respect of finance leases and exchange differences arising from foreign currency borrowings’ interest cost. Where a range of debt instruments is used to borrow funds, or where the financing activities are coordinated centrally, a weighted average capitalisation rate is applied.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. The Company defines a qualifying asset as an asset that takes more than a year to prepare for its intended use. All other borrowing costs are expensed in the period in which they are incurred.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

i. Inventories

Inventories are measured at the lower of cost and net realizable value. Cost of inventories is determined using weighted average cost method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make sales. The cost of inventories consists of purchase costs, conversion costs and all other costs incurred in bringing them to their present location and condition.

(i) Goods in Transit

Goods ordered, shipped and awaiting delivery are recognised as goods in transit and are stated at the purchase price plus other incidental costs incurred to date.

(ii) Spare parts

The cost of spare parts is based on weighted average. Spare parts are valued at lower of cost and net realizable value. Spare parts and servicing equipment are usually carried as inventory and recognised in profit or loss as consumed. However, major spare parts and stand-by equipment qualify as property, plant and equipment when the Company expects to use them during more than one period but only at the point of issue. Similarly, if the spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

j. Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially recorded at fair value (plus any directly attributable transaction costs where applicable). For those financial instruments that are not subsequently held at fair value, the Company assesses whether there is any objective evidence of impairment at each balance sheet date. Financial assets are recognised when the Company has rights or other access to economic benefits. Such assets consist of cash, a contractual right to receive cash or another financial asset, or a contractual right to exchange financial instruments with another entity on potentially favourable terms. Financial assets are derecognised when the right to receive cash flows from the asset have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

There are four categories of financial assets and financial liabilities but two are relevant to the Company for the year under review.

These are described as follows:

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities of greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are initially recognised at fair value including originating fees and transaction costs, and subsequently measured at amortised cost using the effective interest rate method less provision for impairment. Loans and receivables include trade receivables, amounts owed by associates – trade, amounts owed by staff, accrued income and cash and cash equivalents.

(ii) Trade receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost less allowances for impairment.

An allowance for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the terms of the receivables. The amount of the allowance is the difference between the assets carrying value and the present value of the estimated future cash flows discounted at the original effective interest rate.

(iii) Amounts owed by staff

These represent short term interest free salary advances to members of staff.

(iv) Cash and cash equivalents

Cash and cash equivalents include cash in hand and at bank, call deposits and short term highly liquid financial assets (including money market funds) with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments. Cash and cash equivalents are carried at amortised cost in the statement of financial position. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

k. Financial liabilities held at amortised cost

Financial liabilities held at amortised cost include trade payables, accruals, amounts owed to associates – trade, other payables and borrowings.

(i) Trade payables

Trade payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method where applicable. Trade payables are recognised as current liabilities irrespective of the period the obligation to settle will be realised.

(ii) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs and are subsequently stated at amortised cost and include accrued and prepaid interest. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months from the reporting date. Bank overdrafts are shown within borrowings in current liabilities and are included within cash and cash equivalents in the statement of cash flow as they form an integral part of the Company's cash management.

Fair value measurements

The best evidence of the fair value of a financial instrument on initial recognition is the transaction price, i.e. the fair value of the consideration paid or received, unless the fair value is evidenced by comparison with other observable current market transactions in the same instrument, without modification or repackaging, or based on discounted cash flow models.

Where discounted cash flow analyses are used, estimated cash flows are based on management's best estimates and the discount rate is a market-related rate at the balance sheet date from a financial asset with similar terms and conditions.

Where pricing models are used, inputs are based on observable market indicators at the balance sheet date and profits or losses are only recognised to the extent that they relate to changes in factors that market participants will consider in setting a price.

Calculation of effective interest rate

The calculation of the effective interest rate includes all fees paid or received, transaction costs, and discounts or premiums that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability. Interest income and expense on all trading assets and liabilities are considered to be incidental to the Company's trading operations and are presented together with all other changes in the fair value of trading assets and liabilities in net trading income. Interest income and expense presented in the income statement include interest on financial assets and liabilities at amortised cost on an effective interest rate basis.

I. Impairment of Financial assets

(i) Financial assets carried at amortised cost

The Company assesses at each end of the reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired.

A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the Company about the following events:

Significant financial difficulty of the issuer or debtor; A breach of contract, such as a default or delinquency in payments; It becoming probable that the issuer or debtor will enter bankruptcy or other financial reorganisation; The disappearance of an active market for that financial asset because of financial difficulties; or observable data indicating that there is a measurable decrease in the estimated future cash flow from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the Company, including:– adverse changes in the payment status of issuers or debtors in the Company; or national or local economic conditions that correlate with defaults on the assets in the Company.

The Company first assesses whether objective evidence of impairment exists individually for financial assets that are 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 recognised are not included in a collective assessment of impairment.

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics. Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the issuers ability to pay all amounts due under the contractual terms of the debt instrument being evaluated.

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 previously recognised impairment loss is reversed by adjusting the assets but only to the extent of the amount previously recognised as impairment loss. The amount of the reversal is recognised in the income statement.

(ii) Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when 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.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised previously in other comprehensive income and accumulated in equity is recognised in profit or loss.

Income is recognised on an effective interest rate basis for debt instruments other than those financial assets classified as at fair value through profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

(iii) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(iv) Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

m. 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 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 the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a 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.

(i) Contingent liability

A contingent liability is disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote. Where the Company is jointly and severally liable for an obligation, the part of the obligation that is expected to be met by the Company is treated as a contingent liability. The entity recognises a provision for the part of the obligation for which an outflow of resources embodying economic benefits is probable, except in the extremely rare circumstances where no reliable estimate can be made. Contingent liabilities are assessed continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the financial statements of the period in which the change in probability occurs except in the extremely rare circumstances where no reliable estimate can be made.

(ii) Contingent assets

Contingent assets arising from unplanned or other unexpected events giving rise to the possibility of an inflow of economic benefits are disclosed in the financial statements. Contingent assets are assessed periodically to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognised in the financial statements of the period in which the change occurs. If an inflow of economic benefits has become probable, an entity discloses the contingent asset.

n. Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(i) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised as the proceeds received, net of direct issue costs.

o. Share issue costs

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction.

p. Dividend on ordinary shares

Dividends on the Company's ordinary shares are recognised in equity in the period in which they are paid or, if earlier, approved by the Company's shareholders.

Dividends for the year that are declared after the date of the statement of financial position are dealt with in the subsequent events note.

q. Earnings per share

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

r. Events after the reporting year

The values of assets and liabilities at the balance sheet date are adjusted if there is evidence that subsequent adjusting events warrant a modification of these values. These adjustments are made up to the date of approval of the Financial Statements by the Board of Directors. Other non-adjusting events are disclosed in the notes to the accounts.

4. Property, plant and equipment

	Leased building	Computers	Networking	Equipment	Furniture	Total
Cost:	₦	₦	₦	₦	₦	₦
At 1 April, 2018	4,116,686	85,822,860	9,317,128	14,806,252	26,106,556	140,169,482
Additions	-	2,299,390	-	-	-	2,299,390
At 31 March, 2019	4,116,686	88,122,250	9,317,128	14,806,252	26,106,556	142,468,872
Depreciation:						
At 1 April, 2018	4,116,686	83,880,906	7,479,812	7,185,646	14,087,680	116,750,730
For the year	-	2,183,325	1,837,316	2,961,250	5,511,384	12,493,276
At 31 March, 2019	4,116,686	86,064,231	9,317,128	10,146,896	19,599,064	129,244,006
Carrying amounts:						
At 31 March, 2019	-	2,058,019	-	4,659,356	6,507,492	13,224,866
At 31 March, 2018	-	1,941,954	1,837,316	7,620,606	12,018,876	23,418,752

4.1 Impairment of property, plant and equipment

There are no indicators of impairment at the end of the reporting year. Thus, the directors are of the opinion that allowance for impairment is not required.

4.2 Capital commitment

As at 31 March, 2019, the Company's total capital commitment amount is N 7,142,365 (2018:Nil) in respect of Company's IT equipment

5. Assets in transit /progress

	31-March-19	31-March-18
	₦	₦
Advance for capital goods	**3,894,006**	1,496,016

6. Investment

Investment	**57,116,039**	57,116,039

1,875,000 ordinary shares of N 1 each at the cost of N 30.4 per share representing 75% stake in Hedonmark Management Services Limited (HMSL).

7. Trade and other receivables

Trade receivables	**83,464,416**	46,930,087
Less: Provision for impairment	**-**	-
	83,464,416	46,930,087
Other receivables		
Sundry receivables (7.1)	**373,381,615**	366,427,672
Employee receivables	**43,144**	3,854,496
	456,889,175	417,212,255

Trade receivables disclosed above are carried at cost less allowance for doubtful debts. The average credit period taken on services rendered is 60 days. No interest is charged on outstanding trade receivables. Allowances for doubtful debts are recognised against trade receivables between 365 days and above based on estimated irrecoverable amount determined by reference to past default experience of the counter party and analysis of their current position.

The Company does not hold any collateral for these balances.

Age analysis of trade receivables

The aging of the current trade receivables are as follows.

Trade receivables

	31-March-19	31-March-18
Average credit period	**30 days**	30 days
Interest on receivable	**N/A**	N/A
Allowance for doubtful debt	**> 365 days**	> 365 days
Age of receivables	**₦**	₦
< 30 days	**-**	-
31-90 days	**-**	-
91-365 days	**47,010**	21,124,236
> 365 days	**160,518**	-
Not due	**83,256,888**	25,811,091
Total	**83,464,416**	46,930,087

7.1 Sundry receivables

WHT receivables	**319,079,513**	285,343,298
Unbilled domestic debtors	**30,197,235**	53,459,356
Self-assessment tax deposit	**23,288,462**	23,288,462
Imprest account	**588,789**	1,836,440
VAT receivable	**-**	1,221,030
Advances for travel	**-**	1,051,471
Interest receivables	**127,616**	127,616
Advance for capital Goods	**100,000**	100,000
	373,381,615	366,427,673

8. Prepayments

Rent	**4,359,646**	4,359,646
Insurance	**1,865,713**	38,378
Other Prepayment	**-**	4,730,709
	6,225,359	9,128,733

9. Cash and cash equivalents

Cash comprises cash on hand and in banks and investments in short term liquid instruments. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

This comprises

Balance held with banks in Nigeria	**₦**	₦
Cash at bank	**82,769,123**	60,804,739
	31-March-19	31-March-18
	₦	₦

10. Financial liabilities measured at amortised cost

10.1 Trade and other payables – current

Sundry vendors	**173,034,606**	165,853,091
Deferred income	**14,492,272**	7,292,580
Accruals (10.2)	**57,052,364**	40,589,380
	244,579,242	213,735,051

(i) The average credit period for the purchases of major items is 30-45 days. However, with certain arrangement with our major suppliers, payment terms can be renegotiated for longer periods.

(ii) Sundry payables are non-interest bearing and hence approximate their fair values. The Company does not have any derivative financial instrument.

(iii) The directors consider that the carrying amount of payables approximates to the fair value.

10.2 Accrued expenses

	₦	₦
Interest accrued	**34,310,142**	21,110,141
PAYE	**5,537,948**	3,642,452
VAT	**3,593,330**	740,840
Travelling	**-**	632,064
Other expenses	**13,610,944**	14,463,883
	57,052,364	40,589,380

Statutory liabilities such as VAT, PAYE, are expected to be settled in line with the relevant laws/regulations setting them up.

11. Borrowing

Unsecured Loan	**105,000,000**	105,000,000

This represents unsecured loan facility granted by Tech Mahindra Limited to the Company in 2017 .Out of outstanding amount of N105 million on 31 March 2017, N25 Million was issued in May 2016 at a lending rate of 8% per annum, while additional N80 Million was issued in September 2016 at a lending rate of 14 % Per annum.

12. Employee benefits

Defined contribution Pension Plan	**2,013,247**	1,401,077
Employees payables	**251,781**	279,287
Salary payables	**3,163,970**	2,268,663
Staff and consultative incentive (including provisions)	**17,446,071**	10,662,460
	22,875,069	14,611,487

13. Related party transactions

Related party transaction arose from intercompany sales and payments between the Company and its holding Company, Comviva Technologies Limited India .The Company is related to Comviva Technologies Nigeria Limited through common shareholdings or common directorships.

	31-March-19	31-March-18
The following balances were due at end of the reporting year:		

13.1 Amount from related parties (current)

	₦	₦
Intercompany/subsidiary transfer	**107,533,720**	62,978,754
Loan to HSML	**840,100,000**	840,100,000
	947,633,720	903,078,754

13.2 Amount due to related parties (noncurrent)

Comviva Technologies Limited India	**521,644,988**	531,015,161
Comviva Technologies Limited Dubai	**199,343,244**	194,734,159
	720,988,232	725,749,319

14. Share capital

14.1 Authorised:

1,000,000,000 Ordinary shares of ₦1 each	**1,000,000,000**	1,000,000,000

14.2 Issued and paid up:

683,916,187 (2016 – 10,000,000) ordinary		
Shares of ₦1 each	**683,916,187**	683,916,187

15. Revenue reserve

1 April	**(356,633,633)**	(311,779,648)
Add: Transferred from income statement	**45,127,494**	(44,853,985)
31 March	**(311,506,139)**	**(356,633,633)**

16. Revenue

a) **Analysis by product:**

Analysis by product:		
Sales revenue share	**21,920,853**	64,311,212
IT software service	**343,107,319**	101,198,515
Customization and Implementation	**68,903,518**	67,052,301
AMC Services	**16,227,846**	82,527,354
POC Revenue –Software Services	**(18,896,729)**	31,668,269
	431,262,807	346,757,651

Revenue is derived in Nigeria from sale and development of computer softwares and programmes.

	31-March-19	31-March-18
	₦	₦
b) Analysis by geographical area		
Wholly derived from Nigeria	**431,262,807**	346,757,651

17. Cost of sales

	31-March-19	31-March-18
Royalty -domestic	**8,941,100**	86,640,430
Commission on sales	**9,179,836**	4,046,832
Purchase software services	**-**	1,921,814
	18,120,936	92,609,076

18. Other operating expenses

	31-March-19	31-March-18
Staff costs	**264,080,724**	178,594,537
Repairs and maintenance	**17,429,520**	22,748,980
Interest charges	**22,473,571**	22,003,790
Office rent	**12,936,000**	12,936,000
Legal and professional fees	**31,593,884**	11,691,009
Audit fee	**8,455,820**	11,340,000
Employers’ contributions to staff pension	**15,647,798**	9,936,629
Insurances	**8,396,623**	7,774,160
Potages and communication	**5,277,471**	7,407,000
Seminars, conferences and workshops	**3,086,847**	6,637,730
Travelling	**1,424,687**	3,997,106
Contract software development outsource	**4,449,694**	3,223,490
Staff welfare	**2,940,062**	3,056,733
House-keeping	**2,477,935**	2,590,907
Security	**1,565,802**	1,598,227
Loss on sale of assets & scraps	**-**	943,725
Printing and stationery	**443,480**	765,970
Bank charges	**436,407**	449,359
Rent and taxes	**4,953,341**	130,000
Others admin expenses	**19,979**	113,000
Membership subscription	**288,300**	25,000
Advertisement and business promotion	**1,310,149**	11,249
Depreciation	**12,493,276**	17,880,795
	422,181,370	325,855,396

19. Other income

	31-March-19	31-March-18
	₦	₦
Interest received	**37,054,966**	36,176,026
Excess provision written back	**2,269,013**	-
Miscellaneous Income	**209,634**	-
	39,533,613	36,176,026

20. Taxation

20.1 Income tax expense

Income tax expense		
Company income tax	**3,290,822**	-
Education tax (2% of assessable profit)	**658,164**	-
	3,948,986	-
Deferred tax (21.3)	**12,073,835**	(10,459,049)
	16,022,821	(10,459,049)

Company income tax payable

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 Company income Tax Provision is off settable against available WHT credit notes

Note: The Company is exempted from minimum tax due to its foreign equity participation of over 25%.

20.2 Taxation under the statement of financial position:

Income taxes payable	**₦**	₦
At 1 April	**117,038,583**	117,038,583
Provision for the year	**3,948,986**	-
	120,987,569	117,038,583
Payment during the year	**-**	-
At as 31 March	**120,987,569**	117,038,583

20.3 The income tax expense for the year can be reconciled to the accounting loss as follows:-

	Effective tax	**Rate**
	₦	**%**
Profit before tax from continuing operation	**61,150,316**	-
Expected tax based on statutory rate 32%	**19,568,101**	32
Effect of expenses that are not deductible in determining taxable profit	**3,997,848**	7
Effect on loss relief	**(13,762,445)**	(23)
Effect on utilised capital allowance	**(5,854.518)**	(10)
Income tax expense recognized in income statement	**3,948,986**	6

21. Deferred taxation

The following are the deferred tax liabilities and assets recognised by the Company and movements thereon during the current and prior year reporting year.\

21.1 Deferred tax assets

	31-March-19	31-March-18
	₦	₦
Balance at 1 April	**31,295,258**	22,829,338
Charge for the year	**(15,762,467)**	8,465,920
At end of the year	**15,532,791**	31,295,258

21.2 Deferred tax liability

Balance at 1 April	**133,552**	2,126,681
Charge/realised for the year	**(3,688,632)**	(1,993,129)
At end of the year	**(3,555,080)**	133,552

21.3 Deferred tax

Asset	**(15,762,467)**	8,465,920
Liability	**(3,688,632)**	1,993,129
Charge for the year	**12,073,835**	10,459,049

22. Operating profit / (loss) before working capital changes:

Profit/(Loss) after tax	**45,127,494**	(44,853,985)
Add back:		
Taxation expense	**16,022,821**	10,459,049
Interest Income	**(37,054,966)**	(36,176,026)
	24,095,349	(91,489,060)
Adjustment for items not involving movement of cash:		
Loss on Assets disposed	-	763,997
Adjustments on depreciation	-	(387,573)
Depreciation	12,493,276	17,880,794
	36,588,625	(73,231,842)

23. Working capital changes

	31-March-19	31-March-18
	₦	₦
(Increase) in receivables	**(81,328,512)**	(59,952,840)
Increase in payables	**34,346,686**	49,024,018
	(46,981,826)	(10,928,018)

24. Information regarding employees

Emoluments of Directors and employees

(i) Directors' emoluments:

(a) The aggregate emoluments of the Directors were -	-	-
Fees		
Executive Directors' remuneration	**-**	-
(b) The emoluments (excluding pension ontribution) of the Chairman's amounted to	**-**	-
	Number	Number
(d) Other Directors earned remuneration in the following bands:		
Below N200,000	-	-
N200,001 - N210,000	-	-
N220,001 - N230,000	-	-
N240,001 - N250,000	-	-
N340,001 – N350,000	-	-
N440,001 – N450,000	-	-
N1,190,001 and above	-	-

	Number	Number
(ii) Staff number and costs		
The average number of persons employed (excluding Directors) in the Company during the year was as follows:		
Administrative Department	**6**	6
Sales Department	**16**	19
	22	25

The aggregate payroll costs of these persons were	**₦**	₦
as follows: Staff cost, including staff bonus	**248,353,001**	168,657,908
Employees Benefit (Pension and Gratuity contribution)	**15,647,798**	9,936,628
	264,000,799	178,594,536

(iii) Employees remunerated at higher rates
The number of employees, excluding the Directors who received emoluments (Gross salary) in the following ranges were:

		Number	Number
N2,000,001	N3,000,000	**4**	4
N3,000,001	N4,000,000	**4**	4
N4,000,001	N5,000,000	**4**	4
N5,000,001	N6,000,000	**4**	4
N6,000,001	and above	**6**	9
		22	25

25. Contingent liability

There is a contingent liability of N50 million arising from pending tax audit at the Tax Appeal Tribunal at the year end. The directors are of the opinion that it is not probable that there will be outflow of resources in settlement of liabilities. Therefore, no provision was made for contingent liability in the Company financial statements as at 31 March, 2019.

26. Reclassifications

Certain prior year balances have been reclassified to enhance comparability with the current year presentation.

27. Responsibilities of directors on the financial statements

In accordance with the Sections 334 and 335 of the Companies and Allied Matters Act, Cap. C.20 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, 2019 and of its Profit for the year ended on that date, and comply with the requirements of the Companies and Allied Matters Act, CAP C.20 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.

28. Approval of financial statements

The Board of Directors approved these financial statements in May, 2019.

OTHER NATIONAL DISCLOSURES

STATEMENT OF VALUE ADDED

FOR THE YEAR ENDED 31 MARCH, 2019

	2019		2018	
	₦000	%	₦000	%
Earnings	**470,586**		462,844	
Bought-in materials and services	**(132,863)**		(288,308)	
Value added	**337,723**	100	174,536	100
In payment of employees				
Salaries, wages, bonus and Other benefits	**264,080**	78	207,615	138
In payment to Government -				
Taxation	**3,949**	1	-	-
Retained for future maintenance Of assets -				
Depreciation charge for the year	**12,493**	4	22,234	13
Retained for expansion of business -				
Deferred tax	**12,074**	4	(10,459)	(7)
Profit retained/(loss absorb) in the business	**45,127**	13	(44,854)	44
	337,723	100	174,536	100

FIVE-YEAR FINANCIAL SUMMARY

Years ended 31 March	**2019**	2018	2017	2016	2015
	₦000	₦000	₦000	₦000	₦000
Assets employed					
Property plant and equipment	**13,245**	23,418	42,269	64,441	12,440
Investment	**57,116**	57,116	57,116	57,116	57,116
Assets in transit/progress	**3,894**	1,496	-	1,093	-
Deferred tax asset	**15,533**	31,295	22,829	22,829	15,777
Non-current assets	**89,768**	113,326	122,214	138,427	69,556
Current assets	**1,493,517**	1,390,224	1,379,158	536,019	592,032
Creditors due within one year	**(493,442)**	(450,385)	(426,935)	(338,372)	(275,229)
Total assets less current liabilities	**1,089,843**	1,053,165	1,074,437	336,074	386,359
Less: Creditors due after one year	**(717,433)**	(725,883)	(702,301)	(358,644)	(339,577)
Net assets/ (liabilities)	**373,410**	327,282	372,136	(22,570)	46,782
Financed by					
Share capital	**683,916**	683,916	683,916	10,000	10,000
Revenue reserve	**(311,506)**	(356,634)	(311,780)	(32,570)	36,782
	372,410	327,282	372,136	(22,570)	46,782
Profit or loss account					
Revenue	**431,263**	346,757	449,831	576,144	449,194
Profit/ (Loss) before taxation	**61,150**	(55,313)	(289,483)	(80,101)	(43,235)
Taxation	**(16,023)**	10,459	10,273	10,750	(11,776)
Profit/(Loss) after taxation	**45,127**	(44,854)	(279,210)	(69,351)	(55,011)
Per share data:					
Profit/(Loss) earnings per share	**₦0.07**	(₦0.07)	(₦0.40)	(₦6.94)	(₦5.50)
Net assets/(liabilities) per share	**₦0.55**	₦0.48	₦0.54	(₦2.26)	₦4.68

COMVIVA TECHNOLOGIES B.V. NETHERLANDS

INDEPENDENT AUDITOR'S REPORT

To: B S R & Co. LLP, Gurugram, India

In accordance with Group Audit Instructions, we have audited, for purposes of the audit of the consolidated financial statements of Comviva Technologies Limited, the accompanying special purpose "Template for Consolidation" of Comviva Technologies B.V. (hereinafter referred to as "Ind AS Financial Statements") based on Group Accounting Policy which are based on Ind AS as of and for the year ended 31 March 2019.

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Comviva Technologies B.V. ("the Company"), which comprise the Balance Sheet as at 31 March 2019, and the Statement of Profit and Loss (including other comprehensive income) for the year then ended and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

Management is responsible for the preparation and presentation of these Ind AS financial statements that give a true and fair view of the state of affairs (financial position), and profit or loss (financial performance including other comprehensive income) of the Company in accordance with the group's accounting policies, including the Indian Accounting Standards (Ind AS).

This responsibility also includes maintenance of adequate accounting records 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 Ind AS 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 Ind AS financial statements based on our audit.

We conducted our audit in accordance with the International Standards on Auditing. As requested, our audit procedures also included the additional procedures identified in instructions of group auditor B S R & Co. LLP, if any. Tests of controls, including ITGC and application controls testing, was no part of our audit.

International Standards on Auditing require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give a true and fair view in conformity with the group's accounting policies including the Ind AS, of the state of affairs (financial position) of the Company as at 31 March 2019 and its profit/loss (financial performance including other comprehensive income) for the year ended on that date.

Restriction on use and distribution

We note that these Ind AS financial statements are prepared for purposes of providing information to Comviva Technologies Limited to enable it to prepare the consolidated financial statements of the group. As a result, the Ind AS financial statements may not be a complete set of financial statements of Comviva Technologies B.V. in accordance with Ind AS. The Ind AS financial statements may, therefore, not be suitable for another purpose.

This report is intended solely for B S R & Co. LLP and the management of Comviva Technologies BV and should not be distributed to or used by parties other than B S R & Co. LLP.

Den Haag, 7 May 2019
Ruitenburg adviseurs & accountants

drs. R.L. Kalberg RA

COMVIVA TECHNOLOGIES B.V. NETHERLANDS

Balance Sheet as at March 31, 2019

Particulars		Note No.	As at March 31, 2019	As at March 31, 2018
			Amount in EURO	
I	**Assets**			
A	**Non current assets**			
	(a) Property, Plant and Equipment	3(i)	**84,571**	40,753
	(aa) Capital work-in-progress		**32,076**	-
	(b) Other Intangible assets	3(ii)	**1,516,304**	2,185,300
	(c) Investments	4	**5,596,026**	4,200,685
	(d) Financial Assets			
	(i) Loans	5	**9,093,605**	6,707,431
	(e) Advance Income tax (net)		**364,415**	383,803
	(f) Deferred tax assets	6	**772,384**	348,566
	Total non-current assets		**17,459,381**	13,866,537
B	**Current Assets**			
	(a) Inventories	7	**44,151**	16,325
	(b) Financial Assets			
	(i) Trade receivables	8	**2,159,028**	197,444
	(ii) Cash and cash equivalents	9	**305,939**	770,922
	(iii) Other balances with bank	10	**-**	-
	(iv) Others financial assets	11	**4,413,649**	2,680,018
	(c) Other current assets	12	**185,543**	22,391
	Total current assets		**7,108,310**	3,687,100
	TOTAL ASSETS		**24,567,691**	17,553,637
II	**Equity and Liabilities**			
A	**Equity**			
	(a) Equity Share capital	13	**10,001**	10,001
	(b) Other Equity	14	**(3,822,598)**	(1,638,518)
			(3,812,597)	(1,628,517)
B	**Liabilities**			
1	**Non Current Liabilities**			
	(a) Provisions	15(i)	**-**	4,061
	Total non-current liabilities		**-**	4,061
2	**Current Liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	16	**21,365,842**	14,819,093
	(ii) Trade Payables	17	**6,529,820**	3,931,017
	(iii) Others financial liabilities	18	**454,880**	405,976
	(b) Other current liabilities	19	**17,316**	20,780
	(c) Provisions	15(ii)	**12,429**	1,227
	Total current liabilities		**28,380,288**	19,178,093
	TOTAL EQUITY AND LIABILITIES		**24,567,691**	17,553,637
C	**See accompanying notes forming part of the financial statements**	1-23		

For and on behalf of Comviva Technologies B.V. Netherlands

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

Amount in EURO

	Particulars	Note No.		For the year ended March 31, 2019	For the year ended March 31, 2018
I	Revenue from operations	20		**7,624,860**	2,791,370
II	Other income	21		**(457,109)**	997,073
III.	**Total income (I+II)**			**7,167,751**	3,788,442
IV.	**Expenses**				
	(a) Employee benefits expense	22		**261,798**	91,330
	(b) Subcontracting cost			**803,016**	892,355
	(c) Finance costs			**638,042**	285,972
	(d) Depreciation and Amortization expense	3		**697,455**	320,925
	(e) Other expenses	23		**7,048,435**	3,694,571
	Total expenses			**9,448,746**	5,285,152
V.	**Profit/(Loss) before tax**			**(2,280,996)**	(1,496,711)
VI.	**Tax expenses**				
	(a) Current tax		**326,901**		-
	(b) Deferred tax		**(423,818)**		(262,015)
				(96,917)	(262,015)
VII.	**Profit/(Loss) after tax**			**(2,184,079)**	(1,234,695)
VIII.	**See accompanying notes forming part of the financial statements**	1-23			

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 3 - Other Intangible assets

Particulars	Gross Block				Accumulated Depreciation / Amortization				Net Block	
	As at 1st April, 2018	**Additions during the period**	**Disposals during the period**	**As at March 31, 2019**	**As at 1st April, 2018**	**For the period**	**On disposal for the period**	**As at March 31, 2019**	**As at March 31, 2019**	**As at 31st March, 2018**
A. Intangible Assets (Other than internally generated)										
Intangible Assets - Customer rights	372,932	-	-	372,932	269,344	103,588	-	372,932	0	103,588
Intellectual Property Rights	2,270,388	-	-	2,270,388	189,199	567,603	-	756,802	1,513,586	2,081,189
Computer software	567	2,555	-	3,122	44	360	-	404	2,718	523
B.Tangible Assets(Computers)										
Computers	48,289	69,723	-	118,012	7,537	25,904	-	33,441	84,571	40,753
Total	**2,692,177**	**72,278**	**-**	**2,764,455**	**466,125**	**697,455**	**-**	**1,163,580**	**1,600,874**	**2,226,053**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 4 - Non-current investments :

Amount in EURO

Particulars	As at	
	March 31, 2019	March 31, 2018
TRADE (UNQUOTED)		
Investments in Equity Instruments of subsidiaries		
ATS Advanced Technology solutions do brasil industria, comercio, importaca~o Ltda -Brazil	**548,091**	548,091
ATS advanced Technologies (S.A.) Argentina	**4,922,169**	3,526,828
Comviva Technologies Colombia S.A.S.	**118,973**	118,973
Comviva Technologies (Australia) Pty Ltd	**6,793**	6,793
Total	**5,596,026**	4,200,685

Note 5 - Loan :

Particulars	As at	
	March 31, 2019	March 31, 2018
Loan To Subsidiaries :-		
Comviva - Argentina	**445,122**	1,642,474
ATS - Brazil	**2,581,706**	728,808
Comviva - Australia	**4,629,266**	3,563,061
Terra Netherlands BV	**1,437,512**	773,088
Total	**9,093,605**	6,707,431

Note 8 - Trade receivables :

Particulars	As at	
	March 31, 2019	March 31, 2018
Trade Receivables (Unsecured)		
Over Six Months		
- Considered good	**2,159,028**	197,444
- Considered doubtful	**-**	-
	2,159,028	197,444
Total	**2,159,028**	197,444

Note 9 - Cash and cash equivalents :

Particulars	As at	
	March 31, 2019	March 31, 2018
Balances with banks:		
- In current accounts	**305,939**	770,922
	305,939	770,922

Note 10 - Other balances with bank :

Particulars	As at	
	March 31, 2019	March 31, 2018
Earmarked balances with bank		
- Balance held under Escrow account	**-**	-
	-	-

Note 11 - Other Financial assets :

Current financial assets

Amount in EURO

Particulars	**As at March 31, 2019**	As at March 31, 2018
Unbilled Revenue	**3,731,381**	2,291,981
Dues from Subsidiary (Net)	**682,268**	388,037
Total	**4,413,649**	2,680,018

Note 12 - 0ther current assets

Amount in EURO

Particulars	**As at March 31, 2019**	As at March 31, 2018
- Advance to suppliers		
Considered good	**673**	612
Considered doubtful	**-**	-
	673	612
Provision for doubtful advances	**-**	-
	673	612
- Loans and advances to employees	**535**	-
Balance with Government authorities	**10,182**	9,056
Prepaid expenses	**174,153**	12,723
	185,543	22,391

Note 13 - Share capital :

Particulars	**As at March 31, 2019**		As at March 31, 2018	
	Number	**Amount in EURO**	Number	Amount in EURO
(a) Authorised :				
10001 Equity shares of Euro 1 each	**10,001**	**10,001**	10,001	10,001
(b) Issued, subscribed and fully paid up :				
10001 Equity shares of Euro 1 each fully paid up	**10,001**	**10,001**	10,001	10,001
Total	**10,001**	**10,001**	10,001	10,001

Note 14 - Other Equity :

Amount in EURO

Particulars	**As at March 31, 2019**		**As at March 31, 2018**	
Surplus in the statement of profit and loss				
Opening balance	**(1,638,519)**		(403,822)	
Add: profit/(loss) for the period/year	**(2,184,079)**		(1,234,696)	
Closing balance		**(3,822,598)**		(1,638,518)
Total		**(3,822,598)**		(1,638,518)

Note 15 - Provisions :

(i) Long-term provisions

Amount in EURO

Particulars	As at	
	March 31, 2019	March 31, 2018
Provision for employee benefits		
- Compensated absences	**-**	4,061
Total	**-**	4,061

(ii) Short-term provisions

Amount in EURO

Particulars	As at	
	March 31, 2019	March 31, 2018
Provision for employee benefits		
- Compensated absences	**12,429**	1,227
Total	**12,429**	1,227

Note 16 - Short Term Borrowings :

Amount in EURO

Particulars	As at	
	March 31, 2019	March 31, 2018
Unsecured Loan		
From bank	**21,365,842**	14,819,093
Total	**21,365,842**	14,819,093

Note 17 - Trade payables :

Amount in EURO

Particulars	As at	
	March 31, 2019	March 31, 2018
Expenses payables other than Accrued Salaries and Benefits	**6,464,689**	3,929,001
Accrued Salaries and Benefits	**65,131**	2,016
Total	**6,529,820**	3,931,017

Note 18 - Other Financials liabilities:

Amount in EURO

Particulars	As at	
	March 31, 2019	March 31, 2018
Dues to Subsidiary - Dubai	**356,992**	339,792
Interest accrued but not due	**97,888**	66,184
Total	**454,880**	405,976

Note 19 - Other Current liabilities :

Amount in EURO

Particulars	As at	
	March 31, 2019	March 31, 2018
Unearned revenue	**13,680**	17,271
Statutory remittances	**3,637**	3,509
Total	**17,316**	20,780

Note 20 - Revenue from operations :

Amount in EURO

Particulars		**For the year ended March 31, 2019**	For the year ended March 31, 2018
Income from Comviva Product and related managed support			
Licence Fee with Implementation and other services	**4,315,890**		1,789,694
Revenue sharing arrangements	**1,463,960**		343,684
Annual maintenance contract services	**1,384,888**		657,992
		7,164,738	2,791,370
Income from sale of equipments and software (third party)		**460,122**	-
Total		**7,624,860**	2,791,370

Note 21 - Other income :

Amount in EURO

Particulars	**For the year ended March 31, 2019**	For the year ended March 31, 2018
Interest income	**312,796**	155,469
Exchange gain/loss (net)	**(836,719)**	841,603
Miscellaneous Income	**3,842**	0
Total	**(457,109)**	997,073

Note 22. Employee benefits expense :

Amount in EURO

Particulars	**For the year ended March 31, 2019**	For the year ended March 31, 2018
Salaries, wages and bonus	**249,434**	83,060
Contribution to provident and other funds	**12,313**	7,594
Staff Welfare Expenses	**51**	676
Total	**261,798**	91,330

Note 23. Operating and other expense:

Amount in EURO

Particulars		**For the year ended March 31, 2019**	For the year ended March 31, 2018
Cost of hardware equipment and other items sold		**6,820,980**	3,132,887
Royalty and software charges		**10,384**	-
Travelling and conveyance		**35,541**	20,662
Freight and forwarding charges		**54,101**	15,517
Recruitment Expenses		**1,045**	2,507
Rates and taxes		**9,935**	3,970
Insurance		**5,251**	4,968
Repairs and maintenance:			
Machinery and computers	**100**		
Building	**411**		
Others	**-**		
		511	-
Advertising and sales promotion		**14,504**	55,104
Communication costs		**10,398**	8,489
Legal and professional fees		**44,639**	428,634
Conference expenses		**1,027**	2,025
Miscellaneous expenses		**40,245**	19,808
Total		**7,048,435**	3,694,571

TERRA PAYMENT SERVICES (NETHERLANDS) B.V.

Board of Directors
SandeepPhadke
Syed TanvirHussain
AbhijeetAnantAwekar
AxayaKansal

Registered No:
63673746

Registered Office
Maanplein 20, Building 8, 2516 CK
The Hague, The Netherlands

DIRECTOR'S REPORT

For the year ended 31st march, 2019

The Directors submit their report together with the Management Statements of Terra Payment Services (Netherlands) BV (the Company), for the year ended 31st March, 2019.

Principal Activity

The principal activity of the Company is to provide solutions for telecommunication and network.

Financial results and appropriations

The financial results of the Company for the year ended 31st March, 2019 are set out in the statement of profit or loss and other comprehensive income.

Events after the reporting period

There are no significant events after the reporting period.

Shareholder and its interest

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 are as follows:

Mr. Sandeep Phadke

Mr. Syed Tanvir Hussain

Mr. Abhijeet Anant Awekar

Mr. Axaya Kansal

On behalf of the Board of Directors,

Axaya Kansal Director	Sandeep Phadke Director	Syed Tanvir Hussain Director	Abhijeet Anant Awekar Director

BALANCE SHEET AS AT MARCH 31, 2019

Particulars			Note No.	**As at March 31, 2019**	Amount in EURO As at March 31, 2018
I	**Assets**				
A	**Non current assets**				
	(a)	Property, Plant and Equipment	3	**1,151**	795
	(b)	Investments	4	**989,554**	9,31,896
		(i) Other financial Assets	5	**890**	810
	Total non-current assets			**991,595**	9,33,501
B	**Current Assets**				
	(a)	Financial Assets			
		(i) Trade receivables	6	**15,462**	518
		(ii) Cash and cash equivalents	7	**30,598**	4,901
		(iii) Others financial assets	6A	**1,521,308**	10,26,504
	(b)	Other current assets	8	**116,189**	59,326
	Total current assets			**1,683,558**	10,91,249
	TOTAL ASSETS			**2,675,153**	20,24,750
II	**Equity and Liabilities**				
A	**Equity**				
	(a)	Equity Share capital	9	**2,549,554**	25,49,554
	(b)	Other Equity	10	**(2,111,745)**	(17,85,801)
				437,810	7,63,753
B	**Liabilities**				
1	**Non Current Liabilities**				
	(a)	Financial Liabilities			
		(i) Borrowings	11	**1,435,011**	7,73,636
	Total non-current liabilities			**1,435,011**	7,73,636
2	**Current Liabilities**				
	(a)	Financial Liabilities			
		(i) Trade Payables	12	**322,005**	1,05,466
		(ii) Others financial liabilities	13	**480,328**	3,81,894
	Total current liabilities			**802,333**	4,87,361
	TOTAL EQUITY AND LIABILITIES			**2,675,153**	20,24,750
C	**See accompanying notes forming part of the financial statements**		1-15		

For and on behalf of Terra Payment Technologies (Netherlands) B. V.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

Amount in EURO

	Particulars	Note No.	**For the year ended March 31, 2019**	For the year ended March 31, 2018
I.	Revenue from operations		**31,034**	896
II.	Other income	14	**761,913**	(34,700)
III.	**Total income (I+II)**		**792,946**	(33,804)
IV.	**Expenses**			
	(a) Finance costs		**36,740**	8,674
	Other Operating Costs			
	(b) Depreciation and Amortization expense	3	**980**	794
	(c) Other expenses	15	**1,081,172**	1,23,134
	Total expenses		**1,118,892**	1,32,602
V.	**Profit/(Loss) before tax**		**(325,946)**	(1,66,406)
VI.	**Tax expenses**		**-**	-
VII.	**Profit/(loss) for the period**		**(325,946)**	(1,66,406)

VIII. See accompanying notes forming part of the financial statements

For and on behalf of Terra Payment Technologies (Netherlands) B. V.

NOTES TO THE FINANCIAL STATEMENTS

Note 3 - Property, Plant and Equipment

Amount in EURO

Particulars	Gross Block				Accumulated Depreciation / Amortization				Net Block	
	As at 1st April, 2018	Additions during the year	Disposals during the Period	**As at March 31, 2019**	As at 1st April, 2018	For the Period	On disposal for the Period	**As at March 31, 2019**	**As at March 31, 2019**	As at 1st April, 2018
A. Tangible Assets										
Computers	2,384	1,336	-	**3,720**	1,589	980	-	**2,569**	**1,151**	795
Total	2,384	1,336	-	**3,720**	1,589	980	-	**2,569**	**1,151**	795

Note 4 - Non-current investments :

Amount in EURO

Particulars	**As at March 31,2018**	As at March 31,2018
Investment in Terra Payment Services S.A.R.L. (DRC)	**18,082**	18,082
Investment in Terra Payments UK Limited	**359,304**	3,01,645
Terra Payment Services Botswana (Pty) Limited	**11**	11
Investment in Terra Payment Services S.A.R.L. - Senegal	**1,530**	1,530
Investment in Terra Payment Services South Africa (PTY) Ltd.*	**368,702**	3,68,702
Investment in Terra Payment Services (Uganda) Limited	**12,424**	12,424
Investment in Terra Payment Service (Mauritius)	**27,055**	27,055
Investment in Mobex Money Transfer Services Limited	**202,447**	2,02,448
Total	**989,554**	9,31,896

*Application Money Pending Allotment

Note 5 - Other financial Assets :

Amount in EURO

Particulars	**As at March 31,2018**	As at March 31,2018
Security deposits	**890**	810
Total	**890**	810

Note 6 - Trade receivables :

Amount in EURO

Particulars	**As at March 31,2018**	As at March 31,2018
Trade Receivables (Unsecured)		
- Considered good	**15,462**	518
Total	**15,462**	518

Note 7 - Cash and cash equivalents :

Amount in EURO

Particulars	**As at March 31,2018**	As at March 31,2018
Balances with banks:		
- In current accounts	**30,598**	4,901
	30,598	4,901

Note 6A - Others financial assets :

Amount in EURO

Particulars	**As at March 31,2018**	As at March 31,2018
Loan given - Inter Entity	**414,718**	3,83,390
Other Inter Entity Receivables	**256,528**	1,18,027
Cost Allocation recoverable	**848,200**	5,24,709
Unbilled Revenue	**1,861**	378
	1,521,308	10,26,504

Note 8 - Other Current Assets :

Particulars	**As at March 31,2018**	Amount in EURO As at March 31,2018
- Advance to suppliers		
Considered good	**8,981**	8,169
Considered doubtful	**-**	-
	8,981	8,169
Provision for doubtful advances	**-**	-
	8,981	8,169
- Loans and advances to employees	**44,649**	14,220
Balance with Government authorities	**31,217**	8,907
Prepaid expenses	**31,344**	28,029
	116,189	59,326

Note 9 - Equity Share capital :

Particulars		**As at March 31, 2019**		As at March 31, 2018	
		Number	**Amount in EURO**	Number	Amount in EURO
(a)	**Authorised :**				
	Equity shares of Euro 1 each	**2,549,554**	**2,549,554**	25,49,554	25,49,554
(b)	Issued, subscribed and fully paid up :				
	Equity shares of Euro 1 each fully paid up	**2,549,554**	**2,549,554**	25,49,554	25,49,554
Total		**2,549,554**	**2,549,554**	25,49,554	25,49,554

Note 10 - Other Equity :

Particulars		**As at March 31, 2019**		As at March 31, 2018
Surplus in the statement of profit and loss				
Opening balance	**(1,785,799)**		(16,19,396)	
Add: profit/(loss) for the period/year	**(325,946)**		(1,66,406)	
Closing balance		**(2,111,745)**		(17,85,801)
Total		**(2,111,745)**		(17,85,801)

Note 11 - Long Term Borrowings :

(i) Long-term borrowings

Particulars	**As at March 31, 2019**	Amount in EURO As at March 31, 2018
Unsecured Borrowings		
- Loan from Holding Company	**1,435,011**	7,73,636
Total	**1,435,011**	7,73,636

Note 12 - Trade payables :

Particulars	**As at March 31, 2019**	Amount in EURO As at March 31, 2018
Expenses payables other than Accrued Salaries and Benefits	**274,765**	92,813
Accrued Salaries and Benefits	**47,240**	12,654
Total	**322,005**	1,05,466

Note 13 - Other Financials liabilities:

Particulars	**As at March 31, 2019**	Amount in EURO As at March 31, 2018
Inter Entity Payables	**480,328**	3,81,894
	480,328	3,81,894

Note 21 - Revenue from operations :

Particulars		**For the year ended March 31, 2019**	Rs. For the year ended March 31, 2018
Income from Comviva Product and related managed support			
Revenue sharing arrangements	**4,235**		-
		4,235	-
Income from sale of equipments and software (third party)*		**26,799**	-
Software sale	**26,799**		
		26,799	17,04,34,692
Total		**31,034**	-

*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 14 - Other income :

Amount in EURO

Particulars	**For the year ended March 31, 2019**	For the year ended March 31, 2018
Exchange gain/loss (net)	**12,934**	(41,071)
Insurance	**265**	-
Cost allocation Inter Company income	**734,285**	-
Interest Income - Inter Company	**14,217**	6371
Miscellaneous Income	**212**	-
Total	**761,913**	(34,700)

Note 15. Employee benefits and other expense (Consultant Staff):

Particulars		**For the year ended March 31, 2019**	For the year ended March 31, 2018
Fees and bonus		**505,957**	4,30,738
Staff Welfare Expenses		**17,243**	77
Cost of hardware equipment and other items sold		**230,019**	3,644
Royalty and software charges		**56,830**	-
Travelling and conveyance		**25,470**	33,178
Exchange gain/loss		**5,977**	-
Rates and taxes		**3,842**	-
Insurance			10,810
Repairs and maintenance:			
Machinery and computers	39		
		39	
Advertising and sales promotion		**69,444**	82,922
Communication costs		**43,255**	39,174
Legal and professional fees		**115,751**	42,234
Conference expenses		**201**	30
Bank charges		**6,884**	-
Miscellaneous expenses		**259**	5,036
Cost Allocation to Terra Entities		**-**	(5,24,709)
Total		**1,081,172**	1,23,134

Tech Mahindra

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