Tech Mahindra

IN THE FUTURE

SUBSIDIARY ANNUAL REPORT

2015-16

Tech Mahindra Limited

Connected World.
Connected Solutions.

Today is the future.

The world's NextGen IT solutions will be embedded into mobiles and machines. And the power to control them will be centered in ours. By 2020, 25% of traditional spend on legacy IT will be saved by going digital. 80% of the new spend will be around digital technologies and the overall digital tech spend will be 35%. Impact of digital is also seen in the way the work skills are changing. Hybrid jobs are the 'in-thing' and these require us to be flexible & ambidextrous and be able to learn, unlearn & relearn. Technology skills are so integral to every function today that lines are blurring between being a technologist and a functional expert.

The future will be a lot different; today is the future.

And we are connected to it.

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TECH MAHINDRA (AMERICAS) INC.

Board of Directors

Mr. Manish Vyas - President

Mr. Arvind Malhotra

Mr. Lakshmanan Chidambaram

Mr. Ashish Tikhe - Treasurer

Registered Office

36, Pittenger Road,

Freehold, New Jersey, 07728,

USA

Bankers

HSBC Bank

Auditors

Catrakilis Kraitzick Hrabova, LLC

CPAs and Advisors

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors present their Report together with the audited accounts of your Company for the year ended March 31, 2016.

Financial Results:

For the year ended March 31,	2016	2016	2015	2015
	USD	INR	USD	INR
Income	811,042,666	53,735,631,836	740,737,630	49,077,571,676
Profit/(Loss) before tax	44,095,199	2,921,527,408	40,377,024	2,675,179,727
Profit/(Loss)after tax	27,514,094	1,822,946,296	23,535,715	1,559,358,799

Review of operations:

During the fiscal year, the Company achieved income of US$ 811,042,666 (equivalent to INR 53,735,631,836) an increase of 9.49% over the sales for the previous year. The Company continues to invest in strengthening its business in the US which is the largest IT market in the World. The increase in business and the focus on right sizing the US operations while preparing for the next level of growth has helped the Company to earn healthy level of profits in the last few years. The profit has increased by 16.90% over the last year.

NEW SUBSIDIARY

TAPIO INC

On February 29, 2016 the company incorporated Tapio Inc. ("Tapio"), a Delaware Corporation. Tapio's main business will be similar to TMA with more alignment towards products both for the Telecom and Enterprise markets. Initially they will be licensing and further developing API software from AT& T for customers worldwide.

Board:

During the year under review the sole shareholder withdrew the nominations of Mr. Vineet Nayyar, Mr. Ulhas Yargop, Mr. Milind Kulkarni and Mr. Anil Khatri & proposed Mr. Manish Vyas, Mr. Arvind Malhotra, Mr. Lakshmanan Chidambaram and Mr. Ashish Tikhe as the directors w.e.f. 19th August 2015.The Board places on record its appreciation for the guidance provided by the erstwhile 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

Date: April 21, 2016
Place: Plano, Texas, USA

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of Tech Mahindra (Americas), Inc., (the "Company") a wholly owned subsidiary of Tech Mahindra Limited, an India corporation, which comprise the balance sheets as of March 31, 2016 and 2015, and the related statements of operations and retained earnings, and cash flows for the periods then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

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

Qualified Opinion

In our opinion, except for the matter discussed in the Basis of Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Tech Mahindra (Americas),Inc., (the "Company") a wholly owned subsidiary of Tech Mahindra Limited, as of March 31, 2016 and 2015, the results of its operations and its cash flows for the periods then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

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

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

Catrakilis Kraitzick Hrabova, LLC
Atlanta, Georgia

April 21, 2016

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION

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

Our report on our audits of the basic financial statements of Tech Mahindra (Americas) Inc., a wholly owned subsidiary of Tech Mahindra Limited, an India corporation, as of March 31, 2016 and 2015, and the related statements of operations and retained earnings, and cash flows for the periods then ended, appears on pages herein. We conducted our audits in accordance with auditing standards generally accepted in the United States of America for the purpose of forming an opinion on the basic financial statements taken as a whole. The information on pages herein is presented for purpose of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on it.

USD amounts in the supplemental schedules are translated for convenience into Indian Rupees (INR) at the exchange rate of INR 66.255 to 1.00 USD for both 2016 and 2015.

Catrakilis Kraitzick Hrabova, LLC
Atlanta, Georgia

April 21, 2016

SUPPLEMENTAL BALANCE SHEETS

		March 31,			
		2016		2015	
	Note	**USD**	**INR**	USD	INR
ASSETS:					
Current assets:					
Cash	3	**2,555,589**	**169,320,549**	6,752,877	447,411,866
Accounts receivable, net	4	**35,986,291**	**2,384,271,710**	15,423,097	1,021,857,292
Employee advances		**2,461,869**	**163,111,131**	2,791,893	184,976,871
Deferred tax assets	5	**11,601,713**	**768,671,495**	4,291,777	284,351,685
Due from parent company	10	**111,853,127**	**7,410,828,929**	113,061,417	7,490,884,183
Due from affiliated companies	11	**23,593,978**	**1,563,219,012**	3,498,415	231,787,486
Prepaid expenses and other current assets		**20,919,696**	**1,386,034,458**	4,471,464	296,256,847
Prepaid income tax		**10,164,478**	**673,447,490**	1,259,183	83,427,170
Total current assets		**219,136,741**	**14,518,904,774**	151,550,123	10,040,953,400
Property and equipment, net	6	**12,443,826**	**824,465,692**	17,309,841	1,146,863,515
Other Assets					
Security deposits		**1,207,754**	**80,019,741**	442,431	29,313,266
Intangible assets, net	7	**14,564,064**	**964,942,060**	15,888,070	1,052,664,078
Investment in subsidiaries	8	**164,264,678**	**10,883,356,241**	170,500,000	11,296,477,500
Investment in associated companies	9	**3,002,587**	**198,936,402**	3,000,000	198,765,000
Total other assets		**183,039,083**	**12,127,254,444**	189,830,501	12,577,219,844
Total Assets		**414,619,650**	**27,470,624,910**	358,690,465	23,765,036,759
LIABILITIES AND STOCKHOLDER'S EQUITY					
Liabilities:					
Current liabilities:					
Accrued expenses		**84,578,863**	**5,603,772,569**	66,682,590	4,418,054,999
Accounts payable		**4,229,234**	**280,207,899**	5,946,622	393,993,441
Due to parent company	10	**80,919,409**	**5,361,315,443**	33,123,542	2,194,600,275
Due to affiliated company	11	**16,694,242**	**1,106,077,004**	1,729,201	114,568,212
Long-term debt, current portion	13	**900,063**	**59,633,674**	1,073,396	71,117,852
Total current liabilities		**187,321,811**	**12,411,006,589**	108,555,351	7,192,334,779
Long-term debt, net of current portion	13	**380,063**	**25,181,074**	1,280,126	84,814,748
Stockholder's equity					
Common stock	14	**170,521,745**	**11,297,918,215**	170,521,745	11,297,918,215
Retained earnings		**56,396,031**	**3,736,519,032**	78,333,243	5,189,969,017
Total stockholder's equity		**226,917,776**	**15,034,437,247**	248,854,988	16,487,887,232
Total Liability and Stockholder's Equity		**414,619,650**	**27,470,624,910**	358,690,465	23,765,036,759

See Notes to Supplemental Financial Statements

SUPPLEMENTAL STATEMENTS OF OPERATIONS AND RETAINED EARNINGS

	Years ended March 31,			
	2016		2015	
	USD	**INR**	USD	INR
REVENUE	**811,042,666**	**53,735,631,836**	740,737,630	49,077,571,676
OPERATING EXPENSES:				
Personnel	**511,555,297**	**33,893,096,202**	435,343,718	28,843,698,035
General and administrative	**242,204,896**	**16,047,285,387**	254,165,531	16,839,737,256
Amortization	**1,324,006**	**87,722,018**	1,324,007	87,722,084
Depreciation	**11,859,222**	**785,732,754**	9,456,978	626,572,077
Total operating expenses	**766,943,421**	**50,813,836,361**	700,290,234	46,397,729,452
Operating income	**44,099,245**	**2,921,795,475**	40,447,396	2,679,842,224
OTHER INCOME (EXPENSES)				
Other income	**2,587**	**171,402**	-	-
Interest income (expense)	**(10,851)**	**(718,933)**	(66,933)	(4,434,646)
Foreign currency gain (loss)	**4,218**	**279,464**	(3,439)	(227,851)
Total other expense	**(4,046)**	**(268,067)**	(70,372)	(4,662,497)
Income before income tax expense	**44,095,199**	**2,921,527,408**	40,377,024	2,675,179,727
INCOME TAX EXPENSE (NOTE 5)	**16,581,105**	**1,098,581,112**	16,841,309	1,115,820,928
NET INCOME	**27,514,094**	**1,822,946,296**	23,535,715	1,559,358,799
Retained earnings, beginning of period	**78,333,243**	**5,189,969,015**	54,944,273	3,640,332,808
Cash dividends paid on common stock	**(49,451,306)**	**(3,276,396,279)**	-	-
Stock issued as part of the merger transaction with entity related by common control	**-**	**-**	(146,745)	(9,722,590)
Retained earnings, end of period	**56,396,031**	**3,736,519,032**	78,333,243	5,189,969,017

See Notes to Supplemental Financial Statements

SUPPLEMENTAL STATEMENTS OF CASH FLOWS

	Years ended March 31,			
	2016		2015	
	USD	**INR**	USD	INR
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net income	**27,514,094**	**1,822,946,296**	23,535,715	1,559,358,799
Adjustments to reconcile net income to				
cash provided by (used in) operating activities:				
Amortization	**1,324,006**	**87,722,018**	1,324,007	87,722,084
Depreciation	**11,859,222**	**785,732,754**	9,456,978	626,572,077
Deferred income tax expense	**(7,309,936)**	**(484,319,810)**	(1,208,322)	(80,057,374)
Changes in operating assets and liabilities:				
Accounts receivable, net	**(20,563,194)**	**(1,362,414,418)**	(7,252,908)	(480,541,420)
Due from parent company	**1,208,290**	**80,055,255**	(33,045,490)	(2,189,428,940)
Due from affiliated companies	**(20,095,563)**	**(1,331,431,527)**	(3,357,863)	(222,475,213)
Employee advances	**330,024**	**21,865,741**	(291,763)	(19,330,758)
Prepaid expenses and other current assets	**(16,448,232)**	**(1,089,777,612)**	(1,891,214)	(125,302,383)
Prepaid income taxes	**(8,905,295)**	**(590,020,320)**	631,817	41,861,035
Security deposits and other assets	**(765,323)**	**(50,706,475)**	285,196	18,895,661
Accrued expenses	**17,896,273**	**1,185,717,568**	13,996,746	927,354,406
Accounts payable	**(1,717,388)**	**(113,785,542)**	(4,497,550)	(297,985,175)
Customer advances	**-**	**-**	-	-
Income tax payable	**-**	**-**	(2,602,323)	(172,416,910)
Due to parent company	**47,795,867**	**3,166,715,168**	14,603,310	967,542,304
Due to affiliated companies	**14,965,041**	**991,508,791**	683,746	45,301,591
Net Cash Provided by (Used in) Operating Activities	**47,087,886**	**3,119,807,887**	10,370,082	687,069,784
CASH FLOWS FROM INVESTING ACTIVITIES:				
Capital expenditures	**(6,993,207)**	**(463,334,930)**	(7,533,905)	(499,158,876)
Investment in subsidiaries and associates	**-**	**-**	(172,900,000)	(11,455,489,500)
Refund of investment funds from escrow account	**6,232,735**	**412,949,857**	-	-
Net Cash Used in Investing Activities	**(760,472)**	**(50,385,073)**	(180,433,905)	(11,954,648,376)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Proceeds from long-term debt	**(1,073,396)**	**(71,117,852)**	(1,073,396)	(71,117,852)
Issuance of additional common stock	**-**	**-**	170,000,000	11,263,350,000
Payment of dividend	**(49,451,306)**	**(3,276,396,279)**	-	-
Net Cash Provided by Financing Activities	**(50,524,702)**	**(3,347,514,131)**	168,926,604	11,192,232,148
Net increase (decrease) in cash	**(4,197,288)**	**(278,091,317)**	(1,137,219)	(75,346,444)
Cash, beginning of period	**6,752,877**	**447,411,866**	7,890,096	522,758,310
Cash, end of period	**2,555,589**	**169,320,549**	6,752,877	447,411,866
Supplemental disclosure:				
Cash paid for interest	**170,610**	**11,303,766**	90,137	5,972,027
Cash paid for income taxes	**17,364,404**	**1,150,478,587**	22,976,136	1,522,283,891

3See Notes to Supplemental Financial Statements

Notes to Supplemental Financial Statements March 31, 2016 and 2015

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

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

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

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

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

On February 29, 2016 TMA acquired 100% of Tapio Inc.(“Tapio”), a Delaware corporation. Tapio main business objectives will be similar to TMA with more alignment towards products both for the Telecom and Enterprise markets. Initially they will be licensing and further developing API software from AT&T for customers worldwide.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

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

B. NON-CONSOLIDATED SUBSIDIARY

Tech Talenta, Inc.

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

Lightbridge Communications Corporation

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

Tapio Inc.

TMA, a wholly owned subsidiary of TechM, has elected not to present consolidated financial statements for TMA and its wholly owned subsidiary Tapio. Management is of that at TMA level, stand-alone company financial statements are considered more meaningful to the readers of the financial statements. Tapio had no activity for the year ended March 31, 2016. As of March 31, 2016, TMA has not funded its investment in Tapio.

C. INVESTMENTS IN ASSOCIATED COMPANIES

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

D. USE OF ESTIMATES IN PREPARATION OF FINANCIAL STATEMENTS

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

E. CASH AND CASH EQUIVALENTS

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

F. ACCOUNTS RECEIVABLE

Accounts receivable consist primarily of amounts due from parent and affiliated companies' customers for services provided by TMA. As of March 31, 2016 and 2015, the allowance for doubtful accounts was $1,428,073 (INR 94,616,977) and $909,975 (INR 60,290,394), 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 33,128) with lesser amounts expensed in the year purchased.

H. INTANGIBLE ASSETS

The Company accounts for the intangible assets using FASB ASC 350, Goodwill and Other Intangible Assets. Under FASB ASC 350, intangible assets with identifiable useful lives are amortized on the straight-line basis over its determined useful lives. The Company evaluates the carrying value of the intangible assets on at least an annual basis and more frequently if events occur or circumstances change that would more likely than not reduce the fair value of the reporting unit below its carrying amount. If intangible assets are considered to be impaired, the impairment to be recognized is measured as the amount by which the carrying value of the reporting unit exceeds the fair value. There were no impairment charges recognized during the three months and twelve months ended March 31, 2016.

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

I. REVENUE AND EXPENSES

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

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

Expenses are recorded when incurred.

J. UNBILLED REVENUE

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

K. INCOME TAXES

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

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

L. RESTATEMENT

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

3. CASH

At March 31, 2016 and 2015, cash is summarized as follows:

	March 31, 2016		March 31, 2015	
	USD	**INR**	USD	INR
Cash at banks	**2,555,589**	**169,320,549**	6,752,877	447,411,866

4. ACCOUNTS RECEIVABLE

At March 31, 2016 and 2015, accounts receivable are summarized as follows:

	March 31, 2016		March 31, 2015	
	USD	**INR**	USD	INR
Amounts due for services rendered and billed	**28,578,013**	**1,893,436,251**	12,441,733	824,327,021
Less: allowance for doubtful accounts	**(1,428,073)**	**(94,616,977)**	(909,975)	(60,290,394)
Amounts due for services rendered and billed, net	**27,149,940**	**1,798,819,274**	11,531,758	764,036,627
Amounts due for services rendered, not billed	**8,836,351**	**585,452,436**	3,891,339	257,820,665
Total accounts receivable, net	**35,986,291**	**2,384,271,710**	15,423,097	1,021,857,292

Billed accounts receivable concentrations:

	March 31, 2016		
	USD	**INR**	**Concentration**
Century Link	**809,575**	**53,638,393**	**3%**
LG Electronics Mobile Research LLC	**3,075,276**	**203,752,412**	**11%**
Solenis	**3,906,226**	**258,807,005**	**14%**
Nissan North America	**7,571,546**	**501,652,781**	**26%**

	March 31, 2015		
	USD	INR	Concentration
Century Link	1,751,370	116,037,019	11%
LG Electronics Mobile Research LLC	1,259,990	83,480,637	9%
Solenis	1,049,860	69,558,475	8%

5. INCOME TAXES

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

For the years ended March 31, 2016 and 2015, the current income tax expense consists of the following:

	Years ended March 31,			
	2016		2015	
	USD	**INR**	USD	INR
Federal	**19,626,849**	**1,300,376,880**	14,917,321	988,347,104
State	**4,264,192**	**282,524,041**	3,132,311	207,531,265
	23,891,041	**1,582,900,921**	18,049,632	1,195,878,369

For the years ended March 31, 2016 and 2015, the deferred income tax expense (benefit) consists of the following:

	Years ended March 31,			
	2016		2015	
	USD	**INR**	USD	INR
Federal	**(5,703,139)**	**(377,861,474)**	(1,038,834)	(68,827,947)
State	**(1,606,797)**	**(106,458,335)**	(169,489)	(11,229,494)
	(7,309,936)	**(484,319,809)**	(1,208,323)	(80,057,441)
Total current and deferred income tax expense	**16,581,105**	**1,098,581,112**	16,841,309	1,115,820,928

Deferred tax asset consists of the following:

	March 31, 2016		March 31, 2015	
	USD	**INR**	USD	INR
Federal	**9,374,020**	**621,075,695**	3,670,881	243,214,221
State	**2,227,693**	**147,595,800**	620,896	41,137,464
	11,601,713	**768,671,495**	4,291,777	284,351,685

As of March 31, 2016 and 2015, TMA had utilized all available federal net operating losses (NOLs) available to be carried forward from prior years. As of March 31, 2016 and 2015, the Company had approximately $11,990 (INR 794,397) and $216,193 (INR 14,323,867), respectively, of available state NOLs which were available to be carried forward through March 31, 2020. TMA expects to be able to utilize the entire deferred tax benefit, therefore, no valuation allowance has been recorded to reduce the asset.

In accordance with the tax sharing agreement between the Company and its wholly owned subsidiary, LCC, the Company recorded an amount payable to LCC of $15,346,422 (INR 1,016,777,190) 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.

6. PROPERTY AND EQUIPMENT

At March 31, 2016 and 2015, property and equipment are summarized as follows:

	March 31, 2016		March 31, 2015	
	USD	**INR**	USD	INR
Plant and machinery - cost	**21,149,889**	**1,401,285,896**	19,885,448	1,317,510,357
Computer and software - cost	**14,079,999**	**932,870,334**	10,966,374	726,577,109
Furniture and equipment - cost	**3,284,521**	**217,615,939**	2,554,464	169,246,012
Leasehold improvements - cost	**2,841,711**	**188,277,562**	1,218,954	80,761,797
Office equipment - cost	**631,061**	**41,810,947**	368,734	24,430,471
Less: accumulated depreciation	**(29,543,355)**	**(1,957,394,986)**	(17,684,133)	(1,171,662,231)
Property and equipment, net	**12,443,826**	**824,465,692**	17,309,841	1,146,863,515

Depreciation expense was $11,859,222 (INR 785,762,754) and $9,456,978 (INR626,572,077) for the twelve months ended March 31, 2016 and 2015, respectively. The depreciation policies followed by TMA are described in Note 2G.

7. INTANGIBLE ASSETS, NET

At March 31, 2016 and 2015, intangible assets are summarized as follows:

	March 31, 2016		March 31, 2015	
	USD	**INR**	USD	INR
Trademarks, customer lists and other	**19,860,088**	**1,315,830,130**	19,860,088	1,315,830,131
Less: accumulated amortization	**(5,296,024)**	**(350,888,070)**	(3,972,018)	(263,166,053)
Intangible assets, net	**14,564,064**	**964,942,060**	15,888,070	1,052,664,078

Amortization expense for the years ended March 31, 2016 and 2015 was $1,324,006 (INR 87,722,018) and $1,324,007 (INR 87,722084), respectively. The amortization policies followed by the Company are described in Note 2H.

8. INVESTMENT IN SUBSIDIARY

The Company owns 100% investment (500,000 shares of $1.00 par value) in Tech Talenta, Inc. (100% owned subsidiary), that is accounted for on the cost method. The cost of investment was reported at $500,000 (INR 33,127,500) at March 31, 2016 and 2015. The subsidiary's stockholder's equity at March 31, 2016 and 2015 was $976,092 (INR 64,670,975) and $562,604 (INR 37,275,328), 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 11,263 million) and the transaction related acquisition costs was $2,772,263 (INR 183,676,285), which was included in the general and administrative expenses in the statement of operations. During the period ended March 31, 2016 the Company received a refund of $6,235,322 (INR 413,121,259) from the investment escrow account. The balance of the investment was reported at $163,764,678 (INR 10,846 million) at March 31, 2016.

As stated in Note 1, the Company formed Tapio Inc. (100% owned subsidiary) on February 29, 2016, which is accounted for on the cost method. The authorized capital stock of the newly formed corporation shall be $500, 000 (INR 33,127,500) and the shares to be issued by the corporation shall have a par value of $0.01 (INR 0.66) each.

9. INVESTMENT IN ASSOCIATED COMPANIES

The Company owns 30% investment (600,000 Series A Preferred Stock shares of $0.001 par value) in Avion, that is accounted for on equity method. The cost of investment was reported at $3,000,000 (INR 187,500,000) at March 31, 2015. The Company recognize $0 and $0 after-tax gains or losses from Avion during the year ended March 31, 2016 and 2015.

10. TRANSACTIONS WITH PARENT COMPANY

As stated in Note 2I above, TMA has entered into revenue sharing contracts with TechM, its parent company. The transactions with TechM is summarized below for the years ended March 31, 2016 and 2015:

	Years ended March 31,			
	2016		2015	
	USD	**INR**	USD	INR
Beginning balance, due from parent company	**79,937,875**	**5,296,283,908**	61,495,695	4,074,397,272
Contract revenue - parent company	**(100,669,754)**	**(6,669,874,551)**	(45,209,287)	(2,995,341,310)
Income from parent company	**810,063,917**	**53,670,784,821**	722,815,651	47,890,150,957
Payments to parent company	**70,136,675**	**4,646,905,402**	49,033,675	3,248,726,137
Collections from parent company	**(812,687,190)**	**(53,844,589,773)**	(860,055,691)	(56,982,989,807)
Loan from parent company	**-**	**-**	170,000,000	11,263,350,000
Expense reimbursement - debit/credit notes	**(15,847,805)**	**(1,049,996,320)**	(18,142,168)	(1,202,009,341)
Ending balance, due from parent company	**30,933,718**	**2,049,513,487**	79,937,875	5,296,283,908
Amounts due to parent company	**(80,919,409)**	**(5,361,315,443)**	(33,123,542)	(2,194,600,275)
Amounts due from parent company	**111,853,127**	**7,410,828,929**	113,061,417	7,490,884,183
	30,933,718	**2,049,513,486**	79,937,875	5,296,283,908

11. TRANSACTIONS WITH AFFILIATED COMPANIES

During years ending March 31, 2016 and 2015, TMA had inter-company transactions with Tech Mahindra Technologies, Inc. ("TechM Tech"), an affiliated company. Transaction with TechM Tech are summarized below:

	Years ended March 31,			
	2016		2015	
	USD	**INR**	USD	INR
Beginning balance, due (to) from TechM Tech	**41,459**	**2,746,866**	45,741	3,030,570
Expense reimbursement - debit/credit notes	**284,555**	**18,853,191**	289,200	19,160,946
Collections from TechM Tech	**(303,198)**	**(20,088,383)**	(293,482)	(19,444,650)
Ending balance, due (to) from TechM Tech	**22,816**	**1,511,674**	41,459	2,746,866

Due (to) from TechM Tech consists of:

	March 31, 2016		March 31, 2015	
	USD	**INR**	USD	INR
Amounts due to TechM Tech	**-**	**-**	-	-
Amounts due from TechM Tech	**22,816**	**1,511,674**	41,459	2,746,866
	22,816	1,511,674	41,459	2,746,866

During the periods ending March 31, 2016 and 2015, TMA had inter-company transactions with Tech Talenta, Inc. ("TechT"), its wholly owned subsidiary. Transaction with TechT are summarized below:

	Years ended March 31,			
	2016		2015	
	USD	**INR**	USD	INR
Beginning balance, due (to) from TechT	**(369,995)**	**(24,514,019)**	(327,260)	(21,682,611)
Subcontractor cost - TechT	**(11,805,134)**	**(782,149,153)**	(11,414,908)	(756,294,730)
Expense reimbursement - debit/ credit notes	**(180,422)**	**(11,953,860)**	814,590	53,970,660
Amounts paid to TechT	**12,041,212**	**797,790,502**	10,557,583	699,492,662
Ending balance, due (to) from TechT	**(314,339)**	**(20,826,530)**	(369,995)	(24,514,019)

Due (to) from TechT consists of:

	March 31, 2016		March 31, 2015	
	USD	**INR**	USD	INR
Amounts due to TechT	**(1,302,519)**	**(86,298,396)**	(1,538,665)	(101,944,250)
Amounts due from TechT	**988,180**	**65,471,866**	1,168,670	77,430,231
	(314,339)	**(20,826,530)**	(369,995)	(24,514,019)

During the periods ending March 31, 2016 and 2015, TMA had inter-company transactions with Tech Mahindra BPO business segment ("TMBPO"), an affiliated company. Transaction with TechM BPO are summarized below:

	Years ended March 31,			
	2016		2015	
	USD	**INR**	USD	INR
Beginning balance, due (to) from TMBPO	**235,323**	**15,591,325**	94,811	6,281,703
Subcontractors cost	**(503,534)**	**(33,361,645)**	(401,504)	(26,601,648)
Expense reimbursement - debit/credit notes	**285,201**	**18,895,992**	158,691	10,514,072
Collections from TMBPO	**(826,627)**	**(54,768,172)**	-	-
Payments made to TMBPO	**804,907**	**53,329,113**	383,325	25,397,198
Ending balance, due (to) from TMBPO	**(4,730)**	(313,387)	235,323	15,591,325

Due (to) from TMBPO consists of:

	March 31, 2016		March 31, 2015	
	USD	**INR**	USD	INR
Amounts due to TMBPO	**(43,378)**	**(2,874,009)**	(179,660)	(11,903,373)
Amounts due from TMBPO	**38,648**	**2,560,622**	414,983	27,494,698
	(4,730)	**(313,387)**	235,323	15,591,325

During the periods ending March 31, 2016 and 2015, TMA had inter-company transactions with Tech Mahindra IPR, Inc. ("TM IPR"), an affiliated company. Transaction with TM IPR are summarized below:

	Years ended March 31,			
	2016		2015	
	USD	**INR**	USD	INR
Beginning balance, due (to) from TM IPR	**1,564,164**	**103,633,686**	(100,000)	(6,625,500)
Income from TM IPR	**978,749**	**64,847,015**	485,202	32,147,059
Expense reimbursement - debit/ credit notes	**-**	**-**	1,079,162	71,499,878
Amounts paid to TM IPR	**(1,564,164)**	**(103,633,686)**	100,000	6,625,500
Ending balance, due (to) from TM IPR	**978,749**	**64,847,015**	1,564,364	103,646,937

Due (to) from TM IPR consists of:

	March 31, 2016		March 31, 2015	
	USD	**INR**	USD	INR
Amounts due to TM IPR	**-**	**-**	-	-
Amounts due from TM IPR	**978,749**	**64,847,015**	1,564,364	103,646,937
	978,749	**64,847,015**	1,564,364	103,646,937

During the periods ending March 31, 2016 and 2015, TMA had inter-company transactions with Tech Mahindra ICT ("TM ICT"), an affiliated company. Transaction with TM ICT are summarized below:

	Years ended March 31,			
	2016		2015	
	USD	**INR**	USD	INR
Beginning balance, due (to) from TM ICT	**(2,142)**	**(141,918)**	-	-
Expense reimbursement - debit/ credit notes	**(20,951)**	**(1,388,109)**	(2,142)	(141,918)
Amounts paid to TM ICT	**21,170**	**1,402,619**	-	-
Ending balance, due (to) from TM ICT	**(1,923)**	**(127,408)**	(2,142)	(141,918)

Due (to) from TM ICT consists of:

	March 31, 2016		March 31, 2015	
	USD	**INR**	USD	INR
Amounts due to TM ICT	**(1,923)**	**(127,408)**	(2,142)	(141,918)
Amounts due from TM ICT	**-**	**-**	-	-
	(1,923)	**(127,408)**	(2,142)	(141,918)

In the periods ending March 31, 2016 and 2015, TMA had inter-company transactions with vCustomer Philippines, Inc., ("vCustomer Philippines"), an affiliated company. Transactions with vCustomer Philippines are summarized below:

	Years ended March 31,			
	March 31, 2016		March 31, 2015	
	USD	**INR**	USD	INR
Beginning balance, due (to) from vCustomer Philippines	**203,768**	**13,500,649**	(258,628)	(17,135,398)
Expense reimbursement - debit/ credit notes	**-**	**-**	(5,741,359)	(380,393,741)
Amounts paid to vCustomer Philippines	**(203,768)**	**(13,500,649)**	6,203,755	411,029,788
Ending balance, due (to) from vCustomer Philippines	**-**	**-**	203,768	13,500,649

Due (to) from vCustomer Philippines consists of:

	March 31, 2016		March 31, 2015	
	USD	**INR**	USD	INR
Amounts due to vCustomer Philippines	**-**	**-**	-	-
Amounts due from vCustomer Philippines	**-**	**-**	203,768	13,500,649
	-	-	203,768	13,500,649

During the periods ending March 31, 2016 and 2015, TMA had inter-company transactions with vCustomer Philippines (Cebu), Inc., ("vCustomer Cebu"), an affiliated company. Transactions with vCustomer Cebu are summarized below:

	Years ended March 31,			
	2016		2015	
	USD	**INR**	USD	INR
Beginning balance, due (to) from vCustomer Cebu	**105,171**	**6,968,105**	(170,039)	(11,265,934)
Expense reimbursement - debit/ credit notes	**-**	**-**	(2,723,111)	(180,419,719)
Amounts paid to vCustomer Cebu	**(105,171)**	**(6,968,105)**	2,998,321	198,653,758
Ending balance, due (to) from vCustomer Cebu	**-**	**-**	105,171	6,968,105

Due (to) from vCustomer Cebu consists of:

	March 31, 2016		March 31, 2015	
	USD	**INR**	USD	INR
Amounts due to vCustomer Cebu	**-**	**-**	-	-
Amounts due from vCustomer Cebu	**-**	**-**	105,171	6,968,105
	-	**-**	105,171	6,968,105

During the periods ending March 31, 2016 and 2015, TMA had inter-company transactions with New vC Services Private Limited ("vCustomer India"), an affiliated company. Transactions with vCustomer India are summarized below:

	Years ended March 31,			
	2016		2015	
	USD	**INR**	USD	INR
Beginning balance, due (to) from vCustomer India	**(82)**	**(5,433)**	(185,232)	(12,272,546)
Expense reimbursement - debit/ credit notes	**(870)**	**(57,643)**	(2,301,261)	(152,470,048)
Amounts paid to vCustomer India	**952**	**63,076**	2,486,411	164,737,161
Ending balance, due (to) from vCustomer India	**-**	**-**	(82)	(5,433)

Due (to) from vCustomer India consists of:

	March 31, 2016		March 31, 2015	
	USD	**INR**	USD	INR
Amounts due to vCustomer India	**-**	**-**	(82)	(5,433)
Amounts due from vCustomer India	**-**	**-**	-	-
	-	**-**	(82)	(5,433)

During the periods ending March 31, 2016 and 2015, TMA had inter-company transactions with Tech Mahindra Services De Informatica, LTDA ("TM Brazil"), an affiliated company. Transactions with TM Brazil are summarized below:

	Years ended March 31,			
	2016		2015	
	USD	**INR**	USD	INR
Beginning balance, due (to) from TM Brazil	**(8,652)**	**(573,238)**	(4,296)	(284,631)
Expense reimbursement - debit/ credit notes	**(24,192)**	**(1,602,840)**	(67,549)	(4,475,459)
Amounts paid to TM Brazil	**32,844**	**2,176,078**	63,193	4,186,852
Ending balance, due (to) from TM Brazil	**-**	**-**	(8,652)	(573,238)

Due (to) from TM Brazil consists of:

	March 31, 2016		March 31, 2015	
	USD	**INR**	USD	INR
Amounts due to TM Brazil	**-**	**-**	(8,652)	(573,238)
Amounts due from TM Brazil	**-**	**-**	-	-
	-	**-**	(8,652)	(573,238)

During the period ending March 31, 2016, TMA had inter-company transactions with Satyam Computer Services De Mexico ("TM Mexico"), an affiliated company. Transactions with TM Mexico are summarized below:

	Years ended March 31,			
	2016		2015	
	USD	**INR**	USD	INR
Beginning balance, due (to) from TM Mexico	**-**	**-**	-	-
Expense reimbursement - debit/ credit notes	**(1,449)**	**(96,003)**	-	-
Amounts paid to TM Mexico	**55,297**	**3,663,702**	-	-
Ending balance, due (to) from TM Mexico	**53,848**	**3,567,699**	-	**-**

Due (to) from TM Mexico consists of:

	March 31, 2016		March 31, 2015	
	USD	**INR**	USD	INR
Amounts due to TM Mexico	**-**	**-**	-	-
Amounts due from TM Mexico	**53,848**	**3,567,699**	-	-
	53,848	**3,567,699**	-	-

During the period ending March 31, 2016, TMA had inter-company transactions with Lightbridge Communications Corporation ("LCC"), an affiliated company. Transactions with LCC are summarized below:

	Years ended March 31,			
	2016		2015	
	USD	**INR**	USD	INR
Beginning balance, due (to) from LCC	**-**	**-**	-	-
Expense reimbursement - debit/ credit notes	**(15,346,422)**	**(1,016,777,190)**	-	-
Loan to LCC	**20,000,000**	**1,325,100,000**	-	-
Income from affiliate	**152,802**	**10,123,897**	-	-
Ending balance, due (to) from LCC	**4,806,380**	**318,446,707**	-	-

Due (to) from LCC consists of:

	March 31, 2016		March 31, 2015	
	USD	**INR**	USD	INR
Amounts due to LCC	**(15,346,422)**	**(1,016,777,190)**	-	-
Amounts due from LCC	**20,152,802**	**1,335,223,897**	-	-
	4,806,380	**318,446,707**	-	-

During the period ending March 31, 2016, TMA had inter-company transactions with LCC International, Inc. ("LCCINTL"), an affiliated company. Transactions with LCCINTL are summarized below:

	Years ended March 31,			
	2016		2015	
	USD	**INR**	USD	INR
Beginning balance, due (to) from LCCINTL	**-**	**-**	-	-
Expense reimbursement - debit/ credit notes	**703,012**	**46,578,060**	-	-
Ending balance, due (to) from LCCINTL	**703,012**	**46,578,060**	-	-

Due (to) from LCCINTL consists of:

	March 31, 2016		March 31, 2015	
	USD	**INR**	USD	INR
Amounts due to LCCINTL	**-**	**-**	-	-
Amounts due from LCCINTL	**703,012**	**46,578,060**	-	-
	703,012	**46,578,060**	-	-

During the period ending March 31, 2016, TMA had inter-company transactions with Avion Networks, Inc. ("Avion"), an affiliated company. Transactions with Avion are summarized below:

	Years ended March 31,			
	2016		2015	
	USD	**INR**	USD	INR
Beginning balance, due (to) from Avion	**-**	**-**	-	-
Share of profit (loss)	**2,587**	**171,402**	-	-
Revenue from Avion	**1,075,956**	**71,287,465**	-	-
Amounts paid from Aviom	**(422,620)**	**(28,000,688)**	-	-
Ending balance, due (to) from Avion	**655,923**	**43,458,179**	-	-

Due (to) from Avion consists of:

	March 31, 2016		March 31, 2015	
	USD	**INR**	USD	INR
Amounts due to Avion	**-**	**-**	-	-
Amounts due from Avion	**655,923**	**43,458,179**	-	-
	655,923	**43,458,179**	-	-
Amounts due to affiliated companies	**(16,694,242)**	**(1,106,077,004)**	(1,729,201)	(114,568,212)
Amounts due from affiliated companies	**23,593,978**	**1,563,219,012**	3,498,415	231,787,485
	6,899,736	**457,142,008**	1,769,214	117,219,273

12. LINE OF CREDIT

In January 2015, the Company entered into a credit facilities agreement with a financial institution. The credit facilities consist of 1) $12 million Documentary Letters of Credit; 2) $10 million Overdraft; 3) $10 million Revolving Credit Facility; 4) $1.5 million Business Card. The maximum borrowing of the credit facilities is $33.5 million (INR 2,219.54 million) with interest rates as follows: 1) 1.25% for Overdraft; 2) LIBOR plus 0.8% for Documentary Letters of Credit and 3) LIBOR plus 1% for revolving Credit Facility. The credit facilities mature on February 28, 2017. The balance outstanding at March 31, 2016 was zero.

In January 2015, the Company entered into a revolving line of credit facility with a financial institution. The maximum borrowing of the line of credit facility is $40 million (INR 2,650 million) with variable interest rate at LIBOR plus 1.1%. The line of credit matures on December 15, 2016. The balance outstanding at March 31, 2016 was zero.

13. LONG TERM DEBT

At March 31, 2016 and 2015, long-term debt consists of the following:

	March 31, 2016		March 31, 2015	
	USD	**INR**	USD	INR
Note payable to a financial institution dated October 30, 2013, collateralized by a software license. This note has an annual interest rate of 3.02% and monthly installments of $173,333 beginning January 2014 through October 2016.	**520,000**	**34,452,600**	1,213,333	80,389,377
Note payable to a financial institution dated January 30, 2014, collateralized by a software license. This note has an annual interest rate of 2.98% and monthly payments of $95,016 beginning April 2014 through January 2018.	**760,126**	**50,362,148**	1,140,189	75,543,222
Less: current portion	**(900,063)**	**(59,633,674)**	(1,073,396)	(71,117,852)
Long-term portion	**380,063**	**25,181,074**	1,280,126	84,814,747

Future maturities of long-term debt are as follows:

Year ending March 31, 2018	
USD	INR
380,063	25,181,074
380,063	25,181,074

14. COMMON STOCK

The Company is authorized to issue 220,000,000 shares of common stock, par value $1 per share, of which 170,521,745 and 375,000 shares were issued and outstanding on March 31, 2016 and 2015, respectively.

15. CONCENTRATIONS WITH PARENT COMPANY'S CUSTOMERS

Revenue from the parent and affiliated companies ("contract revenue") for the twelve months ended March 31, 2016 and 2015 was $811,042,666 (INR 53,735,631,836) and $723,470,391 (INR 47,933,530,756), representing 100% and 98%, respectively. This contract revenue is received by TMA and then is transferred to TechM and affiliated companies. Contract revenue has been treated as agency transactions for financial statements purposes.

Contract revenue concentrations:

	Year ended March 31, 2016		
	Amount		**Concentration**
	USD	**INR**	
Nissan North America	**35,794,911**	**2,371,591,828**	**36%**
LG Electronics Mobile Research LLC	**6,486,045**	**429,732,911**	**6%**
Solenis	**12,568,327**	**832,714,505**	**12%**
CenturyLink	**5,493,279**	**363,957,200**	**5%**
Samsung Telecommunications America	**4,390,861**	**290,916,496**	**4%**

	Year ended March 31, 2015		
	Amount		Concentration
	USD	INR	
LG Electronics Mobile Research LLC	2,231,964	147,878,775	4%
Solenis	4,292,119	284,374,344	7%
CenturyLink	14,306,434	947,872,785	23%
Samsung Telecommunications America	7,646,984	506,650,925	12%

16. EMPLOYEE BENEFITS

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

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

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

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

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

17. COMMITMENTS

Leases:

TMA leases office space under operating leases. Rent expenses under these operating leases were $3,072,807 (INR 203,588,827) and $2,080,821 (INR 137,864,795) for the twelve months ended March 31, 2016 and 2015, respectively. Future minimum lease payments under operating leases are as follows:

Year ending March 31,	USD	INR
2017	**2,819,049**	**186,776,091**
2018	**2,159,790**	**143,096,886**
2019	**1,535,400**	**101,727,927**
2020	**1,056,694**	**70,011,261**
Thereafter	**681,507**	**45,153,246**
	8,252,440	**546,765,411**

18. MERGER WITH COMPANY RELATED BY COMMON CONTROL

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

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

	USD	INR
Cash	3,286,491	217,746,461
Accounts receivable	5,356,539	354,897,491
Prepaid expenses	156,498	10,368,775
Due from affiliated companies	308,939	20,468,753
Deferred tax asset	35,049	2,322,171
Property and equipment	83,408	5,526,197
Security deposits	15,540	1,029,603
Intangible assets	16,108,738	1,067,284,436
Total assets	25,351,202	1,679,643,887
Accounts payable	718	47,571
Accrued expenses	491,992	32,596,930
Due to affiliated companies	79,734	5,282,776
Total liabilities	572,444	37,927,277
Net assets acquired	24,778,758	1,641,716,610

19. CONTINGENT LIABILITIES

The Company is involved in various legal proceedings in the ordinary course of its business. Although management of the Company can not predict the ultimate outcome of these proceedings 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, will not have a material effect on the Company's financial statements.

20. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through April 21, 2016, the date the financial statements were available to be issued. No significant events occurred subsequent to the balance sheet date but prior to April 21, 2016, that would have a material impact on the financial statements.

SUPPLEMENTAL SCHEDULES OF REVENUE AND EXPENSES (USD & INR)

	Years ended March 31, 2016		Years ended March 31, 2015	
	USD	**INR**	USD	INR
Schedule I				
REVENUE				
Contract revenue	**100,672,155**	**6,670,033,630**	45,209,287	2,995,341,310
Transfers to parent and affiliated companies	**(100,672,155)**	**(6,670,033,630)**	(45,209,287)	(2,995,341,310)
	-	**-**	-	-
Revenue from parent and affiliated companies	**811,042,666**	**53,735,631,836**	723,470,391	47,933,530,756
Revenue from third parties	**-**	**-**	17,267,239	1,144,040,920
	811,042,666	**53,735,631,836**	740,737,630	49,077,571,676
Schedule II				
PERSONNEL EXPENSES				
Salaries				
Software engineers	**440,470,091**	**29,183,345,879**	380,344,586	25,199,730,545
Administrative	**10,000**	**662,550**	-	-
Sales and marketing	**-**	**-**	1,200,000	79,506,000
Payroll taxes	**33,641,334**	**2,228,906,584**	29,764,836	1,972,069,209
Employee benefits	**37,433,872**	**2,480,181,189**	24,034,296	1,592,392,281
	511,555,297	**33,893,096,202**	435,343,718	28,843,698,035
Schedule III				
GENERAL AND ADMINISTRATIVE				
Contracted services	**164,015,411**	**10,866,841,056**	200,240,430	13,266,929,690
Travel	**34,767,069**	**2,303,492,157**	28,595,979	1,894,626,589
Office expenses	**19,213,466**	**1,272,988,190**	7,859,150	520,707,983
Communications	**7,456,724**	**494,045,249**	3,198,949	211,946,366
Professional fees	**4,811,803**	**318,806,008**	6,342,890	420,248,177
Rent	**3,072,807**	**203,588,828**	2,080,821	137,864,795
Sales and other indirect taxes	**2,129,081**	**141,062,262**	1,428,920	94,673,095
Sales and marketing	**1,975,894**	**130,912,857**	2,073,240	137,362,516
Entertainment	**1,826,054**	**120,985,208**	525,923	34,845,028
Miscellaneous	**1,227,489**	**81,327,284**	573,075	37,969,084
Insurance	**706,577**	**46,814,259**	592,866	39,280,337
Project specific expenses	**561,320**	**37,190,257**	78,714	5,215,196
Bad debt expense (recovery)	**441,201**	**29,231,772**	503,793	33,378,805
Software charges	**-**	**-**	67,149	4,448,957
Reimbursable expenses	**-**	**-**	3,632	240,638
	242,204,896	**16,047,285,387**	254,165,531	16,839,737,256

TECH TALENTA INC.

Board of Directors
Mr. Manish Vyas
Mr.Vivek Karla

RegisteredOffice
211, E. 7th Street,
Suite 620,Austin,
Tx 78701,Texas, USA.

Bankers
HSBC Bank

Auditors
Catrakilis Kraitzick Hrabova, LLC
CPAs and Advisors.

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors present their Report together with the audited accounts of your Company for the year ended March 31, 2016.

Financial Results:

For the year ended March 31	**2016**	**2016**	2015	2015
	USD	**INR**	USD	INR
Income	**18,669,635**	**1,236,956,667**	16,189,863	1,072,659,373
Profit/(Loss) before tax	**671,759**	**44,496,460**	198,310	13,139,029
Profit/(Loss) after tax	**413,488**	**27,395,647**	125,829	8,336,800

Review of operations:

During the fiscal year,the Company achieved income of US$18,669,635 (equivalent to INR1,236,956,667) an increase of 15.31%over the sales for the previous year. 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. TTI is a wholly owned subsidiary of Tech Mahindra (Americas) Inc.

Board:

Mr. Manish Vyas and Mr.Vivek Karla are the members of the Board of Directors.

Outlook for the current year:

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

Acknowledgements:

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

Manish Vyas
Director

Date: April 18, 2016
Place: Plano, Texas, USA

INDEPENDENT AUDITOR'S REPORT

Board of Directors

Tech Talenta Inc.

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

We have audited the accompanying financial statements of Tech Talenta Inc.,(the"Company") a wholly owned subsidiary of Tech Mahindra (Americas), Inc. which comprise the balance sheets as of March 31, 2016 and 2015,and the related statements of operations and retained earnings, and cash flows for the periods then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

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, 2016 and 2015, the results of its operations and its cash flows for the periods then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

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

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

Catrakilis Kraitzick Hrabova, LLC
Atlanta, Georgia
April 18, 2016

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTAL INFORMATION

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

Our report on our audits of the basic financial statements of Tech Talenta Inc. a wholly owned subsidiary of Tech Mahindra (Americas),Inc.,as of March 31, 2016 and 2015,and the related statements of operations and retained earnings, and cash flows for the years then ended, appears on pages herein. We conducted our audits in accordance with auditing standards generally accepted in the United States of America for the purpose of forming an opinion on the basic financial statements taken as a whole. The information on pages herein is presented for purpose of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on it.

USD amounts in the supplemental schedules are translated for convenience in to Indian Rupees

(INR) at the exchange rate of INR 66.255 to 1.00 USD for both 2016 and 2015.

Catrakilis Kraitzick Hrabova, LLC

Atlanta, Georgia

April 18, 2016

BALANCE SHEETS

		March 31,			
		2016		2015	
	Note	**USD**	**INR**	USD	INR
ASSETS:					
Current Assets:					
Cash		**633,965**	**42,003,351**	362,524	24,019,028
Accounts receivable	3	**1,153,170**	**76,403,278**	1,163,340	77,077,092
Employee advances		**10,745**	**711,910**	5,402	357,910
Prepaid expenses		**460,945**	**30,539,911**	-	-
Prepaid income tax		**75,175**	**4,980,720**	1,255	83,150
Due from parent company	5	**1,302,579**	**86,302,372**	1,538,685	101,945,575
Due from affiliated company	6	**104,536**	**6,926,033**	33,484	2,218,482
Total current assets		**3,741,115**	**247,867,575**	3,104,690	205,701,237
Other assets:					
Deferred tax asset	4	**-**	**-**	25,091	1,662,404
Security deposits		**3,839**	**254,353**	3,923	259,918
		3,839	**254,353**	29,014	1,922,322
Total Assets		**3,744,954**	**248,121,928**	3,133,704	207,623,559
LIABILITIES AND STOCKHOLDER'S EQUITY:					
Liabilities:					
Current liabilities:					
Accrued expenses		**1,617,310**	**107,154,874**	1,158,904	76,783,185
Due to parent company	5	**988,180**	**65,471,866**	1,168,671	77,430,297
Due to affiliate company	6	**2,677**	**177,365**	243,525	16,134,749
Customer advances		**160,695**	**10,646,847**	-	-
Total current liabilities		**2,768,862**	**183,450,952**	2,571,100	170,348,231
Stockholder's equity:					
Common stock - $1 par value, 500,000 shares authorized, issued and outstanding		**500,000**	**33,127,500**	500,000	33,127,500
Retained earnings (accumulated deficit)		**476,092**	**31,543,476**	62,604	4,147,828
Total stockholder's equity		**976,092**	**64,670,976**	562,604	37,275,328
Total Liabilities and Stockholder's Equity		**3,744,954**	**248,121,928**	3,133,704	207,623,559

See notes to supplimental financial statements.

STATEMENT OF OPERATIONS AND RETAINED EARNINGS

		Twelve months ended March 31,			
	Schedule	2016		2015	
		USD	INR	USD	INR
REVENUE	I	**18,669,635**	**1,236,956,667**	16,189,863	1,072,659,373
OPERATING EXPENSES					
Personnel	II	**16,030,957**	**1,062,131,056**	14,016,629	928,671,754
General and administrative	III	**1,966,919**	**130,318,218**	1,973,113	130,728,602
Total operating expenses		**17,997,876**	**1,192,449,274**	15,989,742	1,059,400,356
Operating income		**671,759**	**44,507,393**	200,121	13,259,017
OTHER EXPENSES					
Foreign currency exchange loss (gain)		**165**	**10,932**	1,811	119,988
Total other expenses		**165**	**10,932**	1,811	119,988
Income before income tax expense		**671,594**	**44,496,460**	198,310	13,139,029
INCOME TAX EXPENSE	Note 4	**258,106**	**17,100,813**	72,481	4,802,229
NET INCOME		**413,488**	**27,395,647**	125,829	8,336,800
Retained earnings (accumulated deficit), beginning of period		**62,604**	**4,147,828**	(63,225)	(4,188,972)
Retained earnings, end of period		**476,092**	**31,543,476**	62,604	4,147,828

See notes to supplimental financial statements.

STATEMENTS OF CASH FLOWS

	Twelve months ended March 31,			
	2016		2015	
	USD	**INR**	USD	INR
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net income	**413,488**	**27,395,647**	125,829	8,336,800
Adjustments to reconcile net income to cash used in operating activities				
Deferred income tax expense (benefit)	**25,091**	**1,662,404**	15,817	1,047,955
Changes in operating assets and liabilities:				
Accounts receivable	**10,170**	**673,813**	(486,450)	(32,229,745)
Employee advances	**(5,343)**	**(354,000)**	(5,402)	(357,910)
Prepaid expenses	**(460,945)**	**(30,539,911)**	-	-
Prepaid income tax	**(73,920)**	**(4,897,570)**	(1,255)	(83,150)
Due from parent company	**236,106**	**15,643,203**	(858,983)	(56,911,919)
Due from affiliate company	**(71,052)**	**(4,707,550)**	193,979	12,852,079
Security deposits	**84**	**5,565**	947	62,743
Accounts payable	**(21,987)**	**(1,456,749)**	(60,853)	(4,031,816)
Accrued expenses	**480,393**	**31,828,438**	443,678	29,395,886
Due to parent company	**(1,165,994)**	**(77,252,932)**	816,229	54,079,252
Due to affiliated company	**744,655**	**49,337,117**	70,272	4,655,871
Customer advances	**160,695**	**10,646,847**	(5,445)	(360,758)
Net Cash Provided by (Used in) Operating Activities	**271,441**	**17,984,322**	248,363	16,455,288
Net increase (decrease) in cash	**271,441**	**17,984,322**	248,363	16,455,291
Cash , beginning of period	**362,524**	**24,019,028**	114,161	7,563,737
Cash, end of period	**633,965**	**42,003,351**	362,524	24,019,028
Supplemental cash flow disclosure				
Cash paid for income taxes	**306,935**	**20,335,978**	63,364	4,198,182

See notes to supplimental financial statements.

NOTES TO SUPPLEMENTAL FINANCIAL STATEMENTS MARCH 31,2016 AND 2015

1. NATURE OF OPERATIONS

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

On December 15, 2015, the Company registered a branch office in the United Kingdom.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

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

B. USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS

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

C. CASH AND CASH EQUIVALENTS

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

D. ACCOUNTS RECEIVABLE

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

E. REVENUE RECOGNITION

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

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

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

F. INCOME TAXES

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

In 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.

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 by applying ASC 740 to each member as if they were separate taxpayers. 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.

3. ACCOUNTS RECEIVABLE

At March 31,2016 and 2015,accounts receivable are summarized as follows:

	March31,			
	2016		2015	
	USD	**INR**	USD	INR
Amounts due for services rendered,billed	**863,632**	**57,219,938**	729,486	48,332,095
Amounts due for services rendered, not billed	**289,538**	**19,183,340**	497,389	32,954,508
Less: allowance for doubtful accounts	**-**	**-**	(63,535)	(4,209,511)
Accounts receivable,net	**1,153,170**	**76,403,278**	1,163,340	77,077,092

Billed accounts receivable concentrations:	**March 31,2016**			
	USD	**Concentration**	INR	Concentration
HP Enterprise Services,LLC	**204,093**	**24%**	13,522,182	24%
Beckton Dickinson	**165,308**	**19%**	10,952,482	19%

Billed accounts receivable concentrations:	**March 31,2015**			
	USD	**Concentration**	INR	Concentration
CHR Solutions	**148,348**	**20%**	9,828,797	0%
HP Enterprise Services,LLC	**144,634**	**20%**	9,582,726	0%
Beckton Dickinson	**-**	**0%**	-	0%

Subsequent to year end, as of April 18, 2016, $338,169 (INR 22,405,387) (39%) of billed accounts receivable balance outstanding at March 31,2016 has been collected.

4. INCOME TAXES

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

Current income tax expense consist of the following:

	Twelve months ended March 31,			
	2016		2015	
	USD	**INR**	USD	INR
Federal	**196,276**	**13,004,266**	41,783	2,768,333
State	**36,739**	**2,434,142**	14,881	985,941
Total current income tax expense (benefit)	**233,015**	**15,438,408**	56,664	3,754,274

Deferred income tax expense consist of the following:

	Twelve months ended March 31,			
	2016		2015	
	USD	**INR**	USD	INR
Federal	**19,981**	**1,323,841**	15,441	1,023,043
State	**5,110**	**338,564**	376	24,912
Total deferred income tax expense	**25,091**	**1,662,405**	15,817	1,047,955
Total current and deferred income tax expense	**258,106**	**17,100,813**	72,481	4,802,229

Deferred tax asset consists of the following:

	Twelve months ended March 31,			
	2016		2015	
	USD	**INR**	USD	INR
Federal	**-**	**-**	19,981	1,323,841
State	**-**	**-**	5,110	338,563
Total deferred tax asset	**-**	**-**	25,091	1,662,404

As of March 31,2016 and 2015, 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.

5. TRANSACTIONS WITH PARENT COMPANY

In the periods ended March 31, 2016 and 2015, Tech T had inter-company transactions with Tech Mahindra (Americas),Inc. the parent company. Transactions with parent company are summarized below:

	Twelve months ended March 31,			
	2016		2015	
	USD	**INR**	USD	INR
Beginning balance,due to parent company	**369,994**	**24,513,952**	327,260	21,682,611
Revenue from parent company	**11,805,066**	**782,144,648**	11,414,908	756,294,730
Expense reimbursement-debit/ credit notes	**(180,481)**	**(11,957,768)**	(814,590)	(53,970,660)
Payments made to parent company	**360,852**	**23,908,249**	-	-
Collections from parent company	**(12,041,032)**	**(797,778,575)**	(10,557,564)	(699,491,403)
Ending balance,due (to)from parent company	**314,399**	**20,830,506**	370,014	24,515,278

Due (to)from parent consists of:

	March 31,			
	2016		2015	
	USD	**INR**	USD	INR
Amounts due to parent company	**(988,180)**	**(65,471,866)**	(1,168,671)	(77,430,297)
Amounts due from parent company	**1,302,579**	**86,302,372**	1,538,685	101,945,575
	314,399	**20,830,506**	370,014	24,515,278

6. TRANSACTIONS WITH AFFILIATED COMPANY

In the periods ended March 31, 2016 and 2015, Tech T had inter-company transactions with Tech Mahindra Limited ("TechM"), an affiliated company. Transactions with TechM are summarized below:

	Twelve months ended March 31,			
	2016		2015	
	USD	**INR**	USD	INR
Beginning balance,due (to) from TechM	**(210,042)**	**(13,916,333)**	54,210	3,591,684
Revenue from TechM	**1,025,206**	**67,925,024**	1,179,309	78,135,118
Expense reimbursement-debit/ credit notes	**(50,302)**	**(3,332,759)**	(59,972)	(3,973,446)
Payments to affiliated company	**274,253**	**18,170,632**	-	-
Collections from affiliated company	**(937,256)**	**(62,097,896)**	(1,383,588)	(91,669,623)
Ending balance,due (to)from TechM	**101,859**	**6,748,668**	(210,041)	(13,916,267)

Due (to)from TechM consists of:

	March 31,			
	2016		2015	
	USD	**INR**	USD	INR
Amounts due to TechM	**(2,677)**	**(177,365)**	(243,525)	(16,134,749)
Amounts due from TechM	**104,536**	**6,926,033**	33,484	2,218,482
	101,859	**6,748,668**	(210,041)	(13,916,267)

7. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through April 18, 2016, the date the financial statements were available to be issued. No significant events occurred subsequent to the balance sheet date but prior to April 18, 2016, that would have a material impact on the financial statements.

SUPPLEMENTAL SCHEDULES OF REVENUE AND EXPENSES

	Twelve months ended March 31,			
	2016		2015	
	USD	**INR**	USD	INR
Schedule I				
REVENUE				
Revenue from parent company	**11,805,066**	**782,144,648**	11,414,908	756,294,730
Revenue from affiliated company	**1,025,206**	**67,925,024**	1,179,309	78,135,118
Revenue from third parties	**5,839,363**	**386,886,996**	3,595,646	238,229,526
	18,669,635	**1,236,956,668**	16,189,863	1,072,659,374
Schedule II				
PERSONNEL EXPENSES				
Personnel cost				
Software engineers	**14,703,392**	**974,173,237**	12,560,862	832,219,912
Sales and marketing	**114,150**	**7,563,008**	430,654	28,532,98
Payroll tax	**1,213,415**	**80,394,811**	1,025,113	67,918,862
	16,030,957	**1,062,131,056**	14,016,629	928,671,755
Schedule III				
GENERAL AND ADMINISTRATIVE				
Contracted services	**1,813,658**	**120,163,911**	1,740,226	115,298,674
Travel	**82,032**	**5,435,030**	60,059	3,979,209
Professional fees	**70,529**	**4,672,899**	61,946	4,104,232
Other taxes	**49,343**	**3,269,220**	19,170	1,270,108
Entertainment	**10,922**	**723,637**	6,497	430,459
Business promotion expenses	**2,321**	**153,778**	6,478	429,200
Miscellaneous expense	**1,649**	**109,254**	1,460	96,732
Communication	**-**	**-**	8,872	587,814
Office expense	**-**	**-**	4,870	322,662
Bad debt (recovery)/expense	**(63,535)**	**(4,209,511)**	63,535	4,209,511
	1,966,919	**130,318,218**	1,973,113	130,728,601

TECH MAHINDRA IPR INC.

Board of Directors

Mr. Lakshmanan Chidambaram - President
Mr. Manish Vyas
Mr. Vivek Kalra

Registered Office

2711 Centerville Road, Suite400,
City of Wilmington,
County of New Castle
19808, State of Delaware

Bankers

HSBC Bank

Auditors

Catrakilis Kraitzick Hrabova, LLC.
CPAs and Advisors

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors present their Report together with the audited accounts of your Company for the year ended March31, 2016.

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

Financial Results:

For the year ended March 31	**2016**	**2016**	2015	2015
	USD	**INR**	USD	INR
Income	**1,543,750**	**102,281,156**	1,906,250	126,298,594
Profit/(Loss) before tax	**(1,843,514)**	**(1,22,142,021)**	(1,127,353)	(74,692,773)
Profit/(Loss) after tax	**(1,216,432)**	**(80,594,703)**	(744,295)	(49,313,265)

Review of operations:

During the fiscal year, the Company achieved income of US$ 1,543,750 (equivalent to INR 102,281,156). The Company continues to invest in strengthening its business in the US which is the largest IT market in the World.

Board:

During the year under review the sole shareholder withdrew the nominations of Mr. L Ravichandran and Mr. Milind Kulkarni & proposed Mr. Manish Vyas and Mr. Lakshmanan Chidambaram as the director's w.e.f. 19th August 2015. The Board places on record its appreciation for the guidance provided by the erstwhile directors.

Outlook for the current year:

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

Acknowledgements:

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

Manish Vyas

Director

Date: April 18, 2016
Place: Plano, Texas, USA

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of Tech Mahindra IPR, Inc. (the "Company") a wholly owned subsidiary of Tech Mahindra Limited, a company incorporated under the laws of India, which comprise the balance sheets as of March 31, 2016 and 2015, and the related statements of operations and accumulated deficit, and cash flows for the periods then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tech Mahindra IPR, Inc., (the "Company") a wholly owned subsidiary of Tech Mahindra Limited as of March 31, 2016 and 2015, the results of its operations and its cash flows for the periods then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

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

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

Catrakilis Kraitzick Hrabova, LLC.
Atlanta, Georgia
April 18, 2016

INDEPENDENT AUDITOR’S REPORT ON SUPPLEMENTAL INFORMATION

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

Our report on our audits of the financial statements of Tech Mahindra IPR Inc., a wholly owned subsidiary of Tech Mahindra Limited, an India corporation, (the “Company”) as of March 31, 2016 and 2015, appears on pages herein. We conducted our audits in accordance with auditing standards generally accepted in the United States of America for the purpose of forming an opinion on the financial statements taken as a whole. The information on pages herein is presented for purpose of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we express no opinion on it.

USD amounts in the supplemental schedules are translated for convenience into Indian Rupees (INR) at the exchange rate of INR 66.255 to 1.00 USD for both 2016 and 2015.

Catrakilis Kraitzick Hrabova, LLC.
Atlanta, Georgia
April 18, 2016

SUPPLEMENTAL BALANCE SHEETS

	Note	March 31, 2016 USD	2016 INR	2015 USD	2015 INR
ASSETS:					
Current Assets:					
Cash		**554,789**	**36,757,545**	1,218,670	80,742,981
Accounts receivable	3	**400,000**	**26,502,000**	781,250	51,761,719
Deferred tax asset	5	**1,010,141**	**66,926,892**	383,058	25,379,508
Total current assets		**1,964,930**	**130,186,437**	2,382,978	157,884,208
Property and equipment, net	4	**556,091**	**36,843,809**	915,813	60,677,190
Total Assets		**2,521,021**	**167,030,246**	3,298,791	218,561,398
LIABILITIES AND STOCKHOLDER'S EQUITY (DEFICIT):					
Liabilities:					
Current liabilities:					
Accrued expenses		**3,400**	**225,268**	1,500	99,382
Due to parent company	6	**3,399,599**	**225,240,432**	2,377,423	157,516,161
Due to affiliated company	6	**978,749**	**64,847,015**	1,564,163	103,633,620
Total current liabilities		**4,381,748**	**290,312,715**	3,943,086	261,249,163
Stockholder's equity(deficit)					
Common stock-no par value, 10,000 shares authorized;					
100 shares issued and outstanding	7	**100,000**	**6,625,500**	100,000	6,625,500
Accumulated deficit		**(1,960,727)**	**(129,907,969)**	(744,295)	(49,313,265)
Total stockholder's equity (deficit)		**(1,860,727)**	**(123,282,469)**	(644,295)	(42,687,765)
Total Liabilities and Stockholder's Equity (Deficit)		**2,521,021**	**167,030,246**	3,298,791	218,561,398

See notes to supplemental financial statements.

SUPPLEMENTAL STATEMENTS OF OPERATIONS AND ACCUMULATED DEFICIT

		Year Ended March 31,			
		2016		2015	
	Schedule	**USD**	**INR**	USD	INR
REVENUE	I	**1,543,750**	**102,281,156**	1,906,250	126,298,594
OPERATING EXPENSES:					
General and administrative	II	**3,027,544**	**200,589,928**	2,870,254	190,168,679
Depreciation	Note 4	**359,720**	**23,833,249**	163,349	10,822,688
Total operating expenses		**3,387,264**	**224,423,177**	3,033,603	200,991,367
Loss before income tax benefit		**(1,843,514)**	**(122,142,021)**	(1,127,353)	(74,692,773)
INCOME TAX BENEFIT	Note 5	**627,082**	**41,547,318**	383,058	25,379,508
NET LOSS		**(1,216,432)**	**(80,594,703)**	(744,295)	(49,313,265)
Accumulated deficit,beginning of period		**(744,295)**	**(49,313,265)**	-	-
Accumulated deficit,end of period		**(1,960,727)**	**(129,907,969)**	(744,295)	(49,313,265)

See notes to supplemental financial statements.

SUPPLEMENTAL STATEMENTS OF CASH FLOWS

	Year Ended March 31,			
	2016		2015	
	USD	**INR**	USD	INR
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net loss	**(1,216,432)**	**(80,594,702)**	(744,295)	(49,313,265)
Adjustments to reconcile net loss to net cash provided by operating activities:				
Depreciation and amortization	**359,720**	**23,833,249**	163,349	10,822,688
Deferred income tax expense	**(627,083)**	**(41,547,384)**	(383,058)	(25,379,508)
Changes in operating assets and liabilities:				
Accounts receivable,net	**381,250**	**25,259,719**	(681,250)	(45,136,219)
Accrued expenses	**1,901**	**125,951**	1,500	99,383
Due to parent company	**1,022,177**	**67,724,337**	2,377,423	157,516,161
Due to affiliated company	**(585,414)**	**(38,786,605)**	1,564,163	103,633,620
Net cash provided by operating activities	**(663,881)**	**(43,985,435)**	2,297,832	152,242,860
CASH FLOWS FROM INVESTING ACTIVITIES:				
Capital expenditures	**-**	**-**	(1,079,162	(71,499,878)
Net cash used in investing activities	**-**	**-**	(1,079,162)	(71,499,878)
Cash,beginning of period	**1,218,670**	**80,742,981**	-	-
Cash,end of period	**554,789**	**36,757,545**	1,218,670	80,742,981
Supplemental disclosure: Cash paid for income taxes	**-**	**-**	-	-

See notes to supplemental financial statements.

NOTES TO SUPPLEMENTAL FINANCIAL STATEMENTS MARCH 31,2016 AND 2015

1. NATURE OF OPERATIONS

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

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

B. USE OF ESTIMATES IN PREPARATION OF FINANCIAL STATEMENTS

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

C. CASH AND CASH EQUIVALENTS

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

D. ACCOUNTS RECEIVABLE

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

E. PROPERTY AND EQUIPMENT

Property and equipment at cost. Depreciation is provided using the straight-line method over the 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.

F. REVENUE RECOGNITION

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

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

G. INCOME TAXES

TMIPR 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. The Company records a valuation allowances for any net deferred tax assets when it is more likely than not that a portion of such net deferred tax assets will not be recovered.

In accordance with FASB ASC 740-10-20, the Company follows there cognition 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.

3. ACCOUNTS RECEIVABLE, NET

The Company has in effect an Asset Transfer Agreement (the"Agreement") with acustomer to provide technical modifications and improvements to certain insurance policy administration software (the"OCNS System") which was being developed by the customer. Per the terms of the Agreement, the customer agreed to pay the Company six annual maintenance payments of $1,525,000 starting on January 31,2014 until January 31, 2019. In addition, the customer will pay the Company five equal annual payments of $530,000 with the first payment due within 30 days of the customer's acceptance of the final OCNS System. As of December 31, 2015 the OCNS System has not been completed. In return, the customer will be granted immediate right and non exclusive license to use the OCNS System and any future upgrades thereon on a Software as a service (SaaS) basis. The customer will also participate in revenue sharing from licensing fees generate on the OCNS System by the Company.

Accounts receivable are as follows at March 31,2016 and 2015:

	March31,			
	2016		2015	
	USD	**INR**	USD	INR
Amounts due for services rendered and billed	**400,000**	**26,502,000**	1,906,250	126,298,594
Amounts due for services rendered,not billed	**-**	**-**	(1,125,000)	(74,536,875)
Accounts receivable,net	**400,000**	**26,502,000**	781,250	51,761,719

4. PROPERTY AND EQUIPMENT, NET

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

	March31,			
	2016		2015	
	USD	**INR**	USD	INR
Computers and software	**1,079,161**	**71,499,812**	1,079,161	71,499,812
Less: accumulated depreciation	**(523,070)**	**(34,656,003)**	(163,348)	(10,822,622)
Property and equipment,net	**556,091**	**36,843,809**	915,813	60,677,19

Depreciation expense for the twelve months ended March 31, 2016 and 2015 was $359,720 (INR23,833,249)and $163,349 (INR10,822,688), respectively.

5. INCOME TAXES

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

	Year ended March 31,			
Deferred income tax benefit consist of the following:	**2016**		2015	
	USD	**INR**	USD	INR
Federal	**(627,082)**	**(41,547,318)**	(383,058)	(25,379,508)
State	**-**	**-**	-	-
Total deferred income tax benefit	**(627,082)**	**(41,547,318)**	(383,058)	(25,379,508)

Deferred tax asset consists of the following:	Year ended March 31,			
	2016		2015	
	USD	**INR**	USD	INR
Federal	**1,010,141**	**66,926,892**	383,058	25,379,508
State	**-**	**-**	-	-
Total deferred tax asset	**1,010,141**	**66,926,892**	383,058	25,379,508

As of March 31, 2016 and 2015, the Company had approximately $3,003,446 (INR 198,993,315) and $1,200,000 (INR 79,506,000), respectively, of estimated federal net operating losses (NOLs) available to be carried forward. The Company expects to be able to utilize the entire deferred tax benefit, therefore,no valuation allowance has been recorded to reduce the asset.

In the ordinary course of business, there are many inter company 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. RELATED PARTY TRANSACTIONS

During the periods ended March 31,2016 and 2015, TechM (parent company) and TMA (an affiliate) provide personnel, facilities and operating advances to the Company for its normal operations. The Company is billed for actual expenses incurred. Transactions with parent and affiliated companies are summarized below.

Transactions with parent company:

	Year ended March 31,			
	2016		2015	
	USD	**INR**	USD	INR
Beginning balance, due to parent company	**(2,377,422)**	**(157,516,095)**	-	-
Cost of services received	**(2,030,962)**	**(134,561,387)**	(2,377,423)	(157,516,161)
Amounts paid to parent company	**1,008,785**	**66,837,050**	-	-
Ending balance,due to parent company	**(3,399,599)**	**(225,240,432)**	(2,377,423)	(157,516,161)
Due (to) from parent company consists of:				
Amounts due to parent company	**(3,399,599)**	**(225,240,432)**	(2,377,423)	(157,516,161)
Amounts due from parent company	**-**	**-**	-	-
	(3,399,599)	**(225,240,432)**	(2,377,423)	(157,516,161)

Transactions with affiliated company:

	Year ended March 31,			
	2016		2015	
	USD	**INR**	USD	INR
Beginning balance, due toTMA	**(1,564,163)**	**(103,633,620)**	-	-
Cost of services received	**(978,749)**	**(64,847,015)**	(485,002)	(32,133,808)
Amounts paid toTMA	**1,564,163**	**103,633,620**	(1,079,161)	(71,499,812)
Ending balance,due toTMA	**(978,749)**	**(64,847,015)**	(1,564,163)	(103,633,620)
Due (to) from affiliated company consists of:				
Amounts due to TMA	**(978,749)**	**(64,847,015)**	(1,564,163)	(103,633,620)
Amounts due from TMA	**-**	**-**	-	-
	(978,749)	**(64,847,015)**	(1,564,163)	(103,633,620)

7. COMMON STOCK

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

8. CONCENTRATION OF CREDIT RISK

The Company places its cash and cash equivalents on deposit with financial institution in the United States of America. The Federal Deposit Insurance Corporation covers $250,000 (INR 16,563,750) for substantially all depository accounts. As of March 31, 2016 and 2015, the Company had $ 304,789 (INR 20,193,795) and $968,670 (INR 64,179,231) with the financial institution that exceed the Federally insured limit.

For the years ended March 31,2016 and 2015,100% of revenue was derived from one customer.

9. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through April 18, 2016, the date the financial statements were available to be issued. No significant events occurred subsequent to the balance sheet date but prior to April 18, 2016, that would have a material impact on the financial statements.

SUPPLEMENTAL SCHEDULES OF REVENUE AND EXPENSES (USD & INR)

	Year ended March 31,			
	2016		2015	
	USD	**INR**	USD	INR
Schedule I				
REVENUE				
Revenue from third parties	**1,543,750**	**102,281,156**	1,906,250	126,298,594
	1,543,750	**102,281,156**	1,906,250	126,298,594
Schedule II				
GENERAL AND ADMINISTRATIVE				
Contracted services	**3,009,711**	**199,408,402**	2,862,424	189,649,902
Professional services	**17,024**	**1,127,925**	6,589	436,554
Taxes and licenses	**300**	**19,877**	711	47,107
Miscellaneous expenses	**509**	**33,724**	530	35,115
	3,027,544	**200,589,928**	2,870,254	190,168,678

See notes to supplemental financial statements.

TECH MAHINDRA GmbH

Supervisory Board
Rajesh Chandiramani
T. S. Narayanan

Managing Directors
Mr. Vikram Nair
Mr. Abhijeet Anant Awekar

Registered Office
Hansastern ‘C’, 1st Floor
Fritz-Vomfelde Strasse 8
40547 Dusseldorf
Germany

Bankers
HSBC Bank

Auditors
Deloitte and Touche GmbH

MANAGEMENT REPORT FOR THE PERIOD ENDED 31 MARCH 2016

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 entity’s business activities are focused on the provision of consultancy technology and outsourcing services to 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. In contrast to prior years, since 2015 we have also concluded a significant number of agreements directly with customers. The parent company also releases us from risks relating to those agreements.

We have a similar service agreement with an affiliated entity for the subcontracting of activities in return for the reimbursement of costs incurred plus a mark-up.

Development of the overall economy and the industry

The periods ended 31 March 2011, 2012, 2013, 2014 and 2015, were affected by the global economic crisis, although there were clear signs of a recovery in the periods ended 31 March 2014 and 2015. However, the economic crisis had less impact on outsourcing services for the telecommunications industry than on the economy as a whole. That is due, on the one hand, to the framework agreements concluded with customers and, on the other, to the higher cost pressure on telecommunications providers, which is forcing them to outsource increasing numbers of services. We were also subject to increasing competitive pressure due to the high pressure on prices in the market relevant to our business. There are additional opportunities for income in the sector resulting from a predicted increase in investment in information and telecommunications infrastructure and technology.

Significant events in the period ended 31 March 2016

There were no significant events in the period ended 31 March 2016. The restructuring measures carried out in the prior period continued internally.

Revenue development

Because the entity’s remuneration system within the scope of the service agreement is based on the reimbursement of costs incurred plus a mark-up (cost plus method), the development of the broader economy and the sector have a limited effect on the economic development of the entity.

Revenue from the service agreement increased from kEUR 31,732 to kEUR 60,901.

With regard to the accounting changes relating to revenue and expenses related to purchased services for business conducted directly with customers, for which TM Ltd. has released us from risks (“business conducted on behalf of a third party”), we refer to the disclosures in the notes under the heading “accounting and valuation methods”.

The takeover of the business activities of TM Ltd.’s German branch, which is based in Wiesbaden/Germany, at the end of the prior reporting period made a particular contribution to the increase in revenue.

Employees

The average number of employees increased from 285 to 426. As of 31 March 2016, the entity had 445 employees.

The nature of our business means that we require highly qualified employees for work on high-tech and telecommunications projects. That makes it necessary to employ staff from the TECH MAHINDRA development centres in India. We also employ qualified staff and subcontractors on location. Our employees are located at client companies throughout Germany, including in Bonn, Munich and Hamburg. Most of our employees have a university degree and a number of them have postgraduate qualifications.

Business development

- **Results of operations**

  Within the scope of its service agreement with the parent company, TECH MAHINDRA GmbH invoices the costs incurred plus a mark-up of 6 %, with the result that TECH MAHINDRA GmbH’s cash inflows and revenue are constantly above the level of its costs. In the period ended 31 March 2016 the entity reported net profit for the period of kEUR 2,287, compared to kEUR 1,596 in the prior year. That equates to 3.8 % (prior year: 3.0 %) of revenue.

In addition to the increase in revenue from the subcontracting agreement described above, the following significant changes to income statement items were recorded:

The cost of materials, which related exclusively to external services, was kEUR 24,686 (prior year: kEUR 11,490). The materials usage ratio (ratio of cost of materials to revenue) increased from 36.2 % to 40.5 % due to the increased use of subcontractors.

The kEUR 10,510 increase in employee benefits expense to kEUR 25,785 is primarily due to the significant increase in employee numbers, which mainly resulted from the takeover of the business activities of TM Ltd.'s German branch. The employee benefits expense ratio (ratio of employee benefits expense to revenue) was 42.3 % and decreased as a result of the disproportionate increase in services provided by subcontractors (prior year: 48.1 %).

Other operating expenses increased from kEUR 3,155 to kEUR 6,613. That development was primarily due to the cost of recruitment (kEUR 2,199, prior year: kEUR 0), leases and office services (kEUR +452), as well as increased marketing activities (kEUR +343).

- **Net assets**

  The equity ratio increased from 37.6 % to 48.5 % as a result of the kEUR 5,822 decrease in the balance sheet total to kEUR 41,387 and net profit for the period.

  Apart from shares in affiliated entities, the asset side is dominated by trade receivables and receivables from affiliated entities.

  The kEUR 11,026 increase in trade receivables to kEUR 14,678 primarily relates to the expansion of direct business with end customers in the entity's own name on behalf of TM Ltd., which resulted from the takeover of its German branch last year and the continuation of the associated business.

  The kEUR 16,063 decrease in receivables from affiliated entities to kEUR 5,304 is primarily due to offsetting against liabilities relating to business conducted with TM Ltd.

  Liquid funds decreased by kEUR 912 compared to the prior year, to kEUR 1,210. That decrease is explained in the following section on the financial position of the entity.

  On the liabilities side of the balance sheet, the change in the balance sheet total was primarily due to the kEUR 3,494 increase in other provisions and the significant decrease in liabilities to affiliated entities of kEUR 14,406.

  The increase in other provisions primarily related to higher provisions for subcontractors, which resulted from the growth in subcontracting.

  The decrease in liabilities to affiliated entities largely corresponded to the decline in receivables from affiliated entities due to the offsetting of receivables and liabilities from business with TM Ltd.

- **Financial position**

  The entity is currently exclusively financed by means of internal financing. As of the balance sheet date, there were no liabilities to banks and the entity did not have any credit lines at banks. The service agreement ensures continuous cash inflow for the financing of current business activities.

  As of 31 March 2016, the entity's cash and bank balances amounted to kEUR 1,210 (prior year: kEUR 2,123). The kEUR 913 decrease was the result of cash outflows from operating activities (kEUR 684) and from investing activities (kEUR 229).

Financial performance indicators

In terms of corporate management the entity 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 entity 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 the entity.

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 that 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 entity has a financial reporting system, which is integrated into the TECH MAHINDRA group reporting structures. That system supports the entity 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 entity has constant cash inflows and revenue above the level of its costs. Thanks to the agreements that are in place, the entity is not subject to significant business risk.

Events after the balance sheet date

There were no events after the balance sheet date that affected the financial statements for the period ended 31 March 2016.

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 period ending 31 March 2017 and the following years. The entity'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 entity has good prospects in the period ending 31 March 2017 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 expect constant growth in the future because the companies we serve are subject to price pressures. We continue to expect demand for outsourcing and offshoring, as well as managed services, 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 revenue and net profit for the period ending 31 March 2017 to be slightly higher their level in the reporting period.

The predicted increase in revenue and profits is based on an increased volume of business, which will result in higher operating costs.

Düsseldorf/Germany

Management

Vikram Nair **Abhijeet Anant Awekar**

INDEPENDENT AUDITORS' REPORT

We have audited the [annual] financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system and the management report of TECH MAHINDRA GmbH, Düsseldorf//Germany, for the period ended 31 March 2016. The maintenance of the books and records and the preparation of the [annual] financial statements and the management report in accordance with German commercial law are the responsibility of the Company's management. Our responsibility is to express an opinion on the [annual] financial statements, together with the bookkeeping system and management report, based on our audit.

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

Our audit has not led to any reservations.

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

Düsseldorf/Germany

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Signed: Herrel   Signed: Liesbrock

[German Public Auditor]   [German Public Auditor]

BALANCE SHEET AS AT 31 MARCH 2016

Assets		31 March 2016 EUR	Prior year kEUR
A.	**Fixed assets**		
I.	**Intangible assets**		
1.	Software acquired for consideration	**1.00**	0
2.	Customer base	**607,015.00**	789
		607,016.00	789
II.	**Property, plant and equipment**		
	Other equipment, factory and office equipment	**317,274.43**	136
III.	**Investments and other financial assets**		
	Shares in affiliated companies	**6,925,259.95**	6,925
		7,849,550.38	7,850
B.	**Current assets**		
I.	**Receivables and other assets**		
1.	Trade receivables	**25,704,316.09**	14,678
2.	Receivables from affiliated companies	**5,304,411.45**	21,367
3.	Other assets	**1,252,369.42**	1,226
		32,261,096.96	37,271
II.	**Cash-in-hand, bank balances**	**1,210,462.95**	2,123
		33,471,559.91	39,394
C.	**Accruals and deferrals**	**66,081.91**	25
		41,387,192.20	47,269

Equity and liabilities		31 March 2016 EUR	Prior year kEUR
A.	**Equity**		
I.	**Subscribed capital**	**601,000.00**	601
II.	**Capital reserves**	**16,995,554.04**	16,996
III.	**Retained profit (prior year: loss carry-forward)**	**189,801.25**	1,406
IV.	**Net profit for the period**	**2,286,571.48**	1,596
		20,072,926.77	17,787
B.	**Provisions**		
1.	Provisions for taxes	**1,193,314.00**	87
2.	Other provisions	**10,552,564.69**	7,059
		11,745,878.69	7,146
C.	**Liabilities**		
1.	Trade payables	**2,001,963.84**	457
2.	Liabilities to affiliated companies	**6,661,522.62**	21,068
3.	Other liabilities of which from taxes: EUR 417,447.02 (prior year: kEUR 471)	**904,900.28**	811
		9,568,386.74	22,336
		41,387,192.20	47,269

INCOME STATEMENT FOR THE PERIOD FROM 1 APRIL 2015 TO 31 MARCH 2016

		2015/2016	Prior year
		EUR	kEUR
1.	Revenue	**60,901,089.26**	31,732
2.	Other operating income of which from foreign currency conversion: EUR 41,427.42 (prior year: kEUR 0)	**139,132.29**	9
3.	Expenses related to purchased services	**24,986,664.16**	11,490
4.	Employee benefits expense		
	a) Salaries	**23,234,696.72**	13,707
	b) Social insurance and employee benefit costs of which post-employment costs: EUR 0.00 (prior year: kEUR 43)	**2,550,289.56**	1,568
5.	Depreciation, amortisation and write-downs of intangible fixed assets and property, plant and equipment	**230,336.80**	139
6.	Other operating expenses of which from foreign currency conversion: EUR 33,282.18 (prior year: kEUR 0)	**6,646,647.73**	3,155
7.	Other interest and similar income	**1,254.90**	1
8.	Result from ordinary business activities	**3,392,841.48**	1,683
9.	Taxes on income	**1,106,270.00**	87
10.	Net profit for the period	**2,286,571.48**	1,596

MOVEMENTS IN FIXED ASSETS IN THE PERIOD ENDED 31 MARCH 2016

		Gross carrying amounts			Cumulated depreciation			Net carrying amounts	
		1 Apr 2015	Additions	**31 March 2016**	1 Apr 2015	Additions	**31 March 2016**	**31 March 2016**	Prior year
		EUR	EUR	**EUR**	EUR	EUR	**EUR**	**EUR**	kEUR
I.	**Intangible assets**								
	1. Software acquired for consideration	10,842.01	0.00	**10,842.01**	10,841.01	0.00	**10,841.01**	**1.00**	0
	2. Customer base	910,518.50	0.00	**910,518.50**	121,403.50	182,100.00	**303,503.50**	**607,015.00**	789
		921,360.51	0.00	**921,360.51**	132,244.51	182,100.00	**314,344.51**	**607,016.00**	789
II.	**Property, plant and equipment**								
	Other equipment, factory and office equipment	177,775.84	229,306.99	**407,082.83**	41,571.60	48,236.80	**89,808.40**	**317,274.43**	136
III.	**Investments and other financial assets**								
	Shares in affiliated companies	6,925,259.95	0.00	**6,925,259.95**	0.00	0.00	**0.00**	**6,925,259.95**	6,925
		8,024,396.30	229,306.99	**8,253,703.29**	173,816.11	230,336.80	**404,152.91**	**7,849,550.38**	7,850

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 APRIL 2015 TO 31 MARCH 2016

A. General information

The annual financial statements for the period ended 31 March 2016 were prepared in accordance with the provisions of the German Commercial Code (HGB) and the German Limited Liability Companies Act (GmbHG).

The entity is a large firm organised in a corporate form within the meaning of Sec. 267 (3) German Commercial Code (HGB).

B. Accounting and valuation rules

Intangible assets are valued at cost less straight-line depreciation.

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

Property, plant and equipment is valued at cost and amortised over the estimated useful life on a straight-line basis. Operating and office equipment is amortised over a useful life of three to ten years.

Low-value assets with costs of up to EUR 410.00 are immediately recognised in expenses. Assets with costs of more than EUR 410.00 are amortised over their individual useful life.

Investments and other financial assets are recognised at cost.

Receivables and other assets and cash and cash equivalents are recognised at nominal value. In order to cover all recognisable risks as at the balance sheet date, specific loan loss provisions were set aside.

Cash-in-hand and **bank balances** are recognised at nominal value.

Prepaid expenses are incurred before the balance sheet date to the extent that these constitute expenditures for a certain time thereafter.

Provisions take into account all contingent liabilities and discernible risks and are recognised at their expected settlement amounts according to sound business judgment.

Liabilities are recognised at their settlement amounts.

The option of recognising a **deferred tax asset surplus** due to resulting tax relief pursuant to Sec. 274 (1) Sentence 2 German Commercial Code (HGB) is not exercised.

Income and expenses are recognised in the income statement on an accrual basis. Revenue is recognised at the time when services are rendered.

Revenue and expenses related to purchased services

Unlike the prior year, revenue from direct sales business with customers where our parent company TECH MAHINDRA Limited, Pune/India (“TM Ltd.”), exempted us from the risks (“transactions for the account of third parties”) was offset with expenses of TM Ltd. in an equal amount which were priorly recognised under expenses for purchased services. The change in recognition was carried out in order to provide a better insight into the results of operations where we act on the account of third parties. To make it comparable with the prior year, the prior year’s disclosure was adjusted accordingly.

In the period ended 31 March 2016, revenue of kEUR 62,615 (prior year: kEUR 19,045) from transactions for the account of TM Ltd. were offset against expenses from the passing on of costs of TM Ltd. in the same amount.

Foreign currency conversion

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 currencies 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 income statement under “Other operating income” and “Other operating expenses”.

C. Notes to the balance sheet

Financial assets

The entity holds all shares in TECH MAHINDRA Business Services GmbH, Hamburg / Germany. As at 31 March 2016, this entity's equity amounted to kEUR 5,235. The entity generated net profit for the period of kEUR 422 in the period from 1 August 2015 to 31 March 2016.

Further, the entity holds all shares in TechM IT-Services GmbH, Vienna / Austria. This entity's equity amounted to kEUR 5 as at 31 March 2016; net profit for the period totalled kEUR 31 for the period ended 31 March 2016.

Receivables and other assets

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

Receivables from affiliated companies relate to trade receivables, as in the prior year.

There are receivables from the shareholder of kEUR 5,304 (prior year: kEUR 20,557).

Subscribed capital

The entity's subscribed capital amounts to kEUR 601 (prior year: kEUR 601) and is fully paid in.

Management is authorised to increase the entity's share capital through the issue of new shares against cash contribution once or several times until 30 September 2019 by a maximum of EUR 300,000.00 (authorised capital).

Provisions

As in the prior year, other provisions largely contain provisions for outstanding invoices for utilised subcontractor services (kEUR 7,580; prior year: kEUR 3,500) and for employee commitments (kEUR 1,772; prior year kEUR 2,476).

Liabilities

As in the prior year, all liabilities are payable within a period of one year.

Liabilities to affiliated companies relate exclusively to trade payables, as in the prior year. Liabilities to the shareholder amount to kEUR 0 (prior year: kEUR 13,829).

D. Notes to the income statement

Revenue

As in the prior year, revenue exclusively relates to income from subcontracting activities relating to the rendering of IT services. They are all generated in Germany.

Other operating income

Other operating income includes income from currency conversion of kEUR 41 (prior year: kEUR 0). As in the prior year, there is no income related to the other periods.

Other operating expenses

Other operating expenses include, in particular, travel and distribution costs (kEUR 1,333; prior year: kEUR 967), legal and consulting costs (kEUR 1,409; prior year: kEUR 1,056), recruitment costs (kEUR 2,199; prior year: kEUR 0) and premises costs (kEUR 918; prior year: kEUR 466). Expenses from currency conversion amount to kEUR 33 (prior year: kEUR 0). As in the prior year, this item does not include any expenses related to other periods.

Taxes on income

Taxes on income mainly result from trade and corporation tax, as in the prior year.

E. Other disclosures

Members of management

The members of management are:

- Mr Vikram Narayanan Nair, Langley / UK, Managing Director for the operating business
- Mr Abhijeeet Anant Awekar, Milton Keynes / UK, Managing Director for finances

Supervisory Board

The entity has a Supervisory Board, which is composed of the following two members:

Ulhas Yargop, Mumbai/India, Member of the Board of Directors of TECH MAHINDRA Ltd.

Vineet Nayyar, New Delhi/India, Chairman, Vice Chairman and Managing Director of TECH MAHINDRA Ltd.

In the reporting year, the members of the Supervisory Board did not receive any remuneration from the entity for their activities.

Employees

The average number of employees in the period ended 31 March 2016 was 426 (prior year: 285). They are all salaried employees.

Other financial liabilities

Other financial liabilities arise from rental agreements; they amount to kEUR 1,172 (prior year: kEUR 1,101),

Group affiliation

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

The entity's annual financial statements are included in the consolidated financial statements of TECH MAHINDRA Limited, Mumbai/India. This entity prepares the consolidated financial statements for the largest and smallest group of entities to be consolidated. The consolidated financial statements are published on the website www.techmahindra.com.

The entity itself prepares consolidated financial statements in which its subsidiaries are fully included. The consolidated financial statements were prepared for the first time for the period ended 31 March 2015.

Düsseldorf/Germany

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

TECH M IT SERVICES GmbH

Directors
Mr. Manoj Cherian

Registered Office
C/o. Oberhammer Rechtsanwalt GmbH
Karlsplatz 3/1 1010 Vienna

Bankers
Erste Bank der Oesterreichischen Sparkassen AG

Auditors
Deloitte Audit Wirtschaftsprüfungs GmbH

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS AS OF 31 MARCH 2016

of TechM IT-Services GmbH, Vienna

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

We have completed our audit of the financial statements for the financial year ended 31 March 2016 of **TechM IT-Services GmbH, Vienna** (hereinafter referred to as the ..Company") and report on the results of our audit as follows:

1. Appointment, terms and execution of our engagement

The Company is small in terms of section 221 subsection 1 of the Austrian Company Code ("UGB"). A statutory requirement to engage a supervisory board does not exist. Hence there is no statutory requirement to have the statutory financial statements of the Company audited. Nevertheless, the Company, represented by its director, ordered us through an audit contract to audit the financial statements for the financial year ended 31 March 2016 and the books of account in accordance with the provisions of the Austrian Company Code governing the audit of statutory financial statements (sections 269 et sqq. UGB).

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

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

We performed the audit in the period from March through June 2016. It was completed in all essential respect on the date of this report.

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

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

2. Explanations and details to the financial statements

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

3. Summary and conclusions

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

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

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

3.2. Explanations and representations provided by the director

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

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

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

4. Auditor’s Report

Report on the Financial Statements

We have audited the books of account and the accompanying financial statements of TechM IT-Services GmbH, Vienna, for the financial year from 1 April 2015 through 31 March 2016. These financial statements comprise the balance sheet as of 31 March 2016 (Appendix 1), the profit and loss account for the financial year then ended (Appendix 2) and the notes to this balance sheet and this profit and loss account (Appendix 3). This audit was not required by statute nevertheless it was performed as contractually agreed upon in accordance with the provisions of the Austrian Company Code governing the audit of statutory financial statements.

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

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

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

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

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

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

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

Opinion

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the financial statements comply with statutory requirements and give a true and fair view of the financial position of TechM IT-Services GmbH as of 31 March 2016 and of its financial performance for the financial year from 1 April 2015 through 31 March 2016 in accordance with Austrian Generally Accepted Accounting Principles.

Vienna

Deloitte Audit Wirtschaftsprufungs GmbH

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

BALANCE SHEET AS OF 31 MARCH 2016

		31 March 2016 EUR	31 March 2015 EUR
Assets			
A.	**Current Assets**		
I.	**Debtors**		
1.	Amounts owed by affiliated undertakings	**8,179.96**	0.00
2.	Other debtors	**14,028.17**	6,903.94
		22,208.13	6,903.94
II.	**Cash at bank**	**136,288.57**	48,835.23
		158,496.70	55,739.17
B.	**Deferred Expenses**		
	Deferred tax asset	**0.00**	576.00
		0.00	576.00
		158,496.70	56,315.17

		31 March 2016 EUR	31 March 2015 EUR
Liabilities and Capital and Reserves			
A.	**Capital and Reserves**		
I.	**Nominal capital**		
1.	Subscribed capital	**10,000.00**	10,000.00
2.	thereof not yet called-up	**(5,000.00)**	(5,000.00)
II.	**Profit available for dividend** thereof brought forward EUR 9.071,56; 31 March 2015 EUR 0,00	**41,743.86**	9,071.56
		46,743.86	14,071.56
B.	**Provisions for liabilities and charges**		
1.	Provisions for severance payments	**4,843.00**	0.00
2.	Provisions for taxation	**13,914.50**	3,600.00
3.	Other provisions	**73,133.40**	31,704.00
		91,890.90	35,304.00
C.	**Creditors**		
1.	Trade creditors	**19,861.91**	298.19
2.	Amounts owed to affiliated undertakings	**0.00**	6,641.42
3.	Other creditors	**0.03**	0.00
		19,861.94	6,939.61
		158,496.70	56,315.17

PROFIT AND LOSS ACCOUNT FOR THE FINANCIAL YEAR FROM 1 APRIL 2015 THROUGH 31 MARCH 2016

		1 Apr 2015- 31 Mar 2016 EUR	8 Aug 2014- 31 Mar 2015 EUR
1.	Revenue from services	**734,209.14**	213,688.21
2.	Other operating income from reversal of excess provisions	**715.80**	0.00
3.	Services provided by subcontractors	**(184,194.50)**	0.00
4.	Expenses for employee benefits		
	a) Salaries	**(358,148.70)**	(136,393.19)
	b) Expenses for severance benefits and contributions to employee severance funds	**(9,021.34)**	(1,442.40)
	c) Expenses for statutory social security contributions and other salary related taxes and contributions	**(90,816.16)**	(40,533.27)
		(457,986.20)	(178,368.86)
5.	Other operating charges	**(50,469.44)**	(23,223.79)
6.	**Subtotal of the lines 1 through 5**	**42,274.80**	12,095.56
7.	Interest receivable	**1,288.00**	0.00
8.	**Profit on ordinary activities**	**43,562.80**	12,095.56
9.	Corporate income tax expense	**(10,890.50)**	(3,024.00)
10.	**Profit for the financial year**	**32,672.30**	9,071.56
11.	Profit brought forward from previous year	**9,071.56**	0.00
12.	**Profit available for dividend**	**41,743.86**	9,071.56

NOTES

The Company was set up by declaration on the foundation of the Company dated 18 July 2014 and was registered in the Companies Register on 8 August 2014. Financial year-end is 31 March. Hence the profit and loss account for the financial year 2015 relates to the period from 8 August 2014, the date of registration of the Company, through 31 March 2015 only is not comparable to the profit and loss account for the financial year 2016, which relates to an entire twelve month period.

General Accounting Policies

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

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

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

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

Presentation

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

Current assets

Debtors

Debtors are carried at their nominal value.

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

Amounts owed by affiliated undertakings result from services provided by the Company

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

Provisions for liabilities and charges

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

Provisions for severance payments were set up for employees, who are entitles to severance benefits after completion of a certain number of years of service. The obligations are unfunded. The defined benefit obligation was derived by applying the projected unit credit method and a discount rate of 2% p.a. The tax base of the provision amounts to EUR 20,930.36.

The provisions for taxation consist of:

	31 March 2016 EUR	31 March 2015 EUR
Provision for current corporate income taxes	**10,904.00**	3,600.00
Provision for deferred taxes	**3.010.50**	0.00
Total	**13,914.50**	3,600.00

Other provisions relate to accrued liabilities for:

	31 March 2016 EUR	31 March 2015 EUR
subcontractor services	**27,940.00**	0.00
employee vacation earned but not yet taken	**25,428.38**	14,485.00
salaries (vacation subsidy and Christmas remuneration)	**13,765**	8,119.00
audit fees	**6,000.00**	9,100.00
Total	**73,133.40**	31,704.00

Creditors

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

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

Consolidated financial statements

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

Disclosures in respect of the directors

In the financial year 2015/16 the sole director of the Company was Mr. Manoj Cherian.

Number of employees

The Company employed 4.25 salaried employees on average in the financial year under report (FY 2015: 3.25 employees).

TECH MAHINDRA BUSINESS SERVICES GmbH

Managing Directors
Mr. Vikram Nair
Mr. Abhijeet Anant Awekar

Registered Office
Geschäftsanschrift:
Christoph-Probst-Weg 3,
20251 Hamburg

Bankers
Deutsche Bank

Auditors
Deloitte and Touche GmbH

MANAGEMENT REPORT

for the abbreviated fiscal year from 1 August 2015 to 31 March 2016

Structure of the entity and business activities

TECH MAHINDRA GmbH is a wholly owned German subsidiary of TECH MAHINDRA Ltd. Pune/India.

We are a service company with a focus on SAP consulting. We provide our services to our parent company as part of a service agreement. Our parent company reaches agreements with the customer regarding these kinds of business activities. We act as a subcontractor to our parent company and are therefore not subject to any risks. The remuneration of our activities is based on the reimbursement of the costs incurred plus a mark-up.

The entity's headquarters are in Hamburg/Germany.

Development of the overall economy and the industry

The periods ended 31 July 2014 and 2015 were affected by the global economic crisis, although there were clear signs of a recovery in 2014 which continued in the period ended 31 March 2016.

However, the economic crisis had less of an impact on outsourcing services for the telecommunications industry than on the economy as a whole. This is due, on the one hand, to the framework agreements and, on the other, to the higher cost pressure on telecommunications providers, which is forcing them to outsource an increasing number of services.

We were also subject to increasing competitive pressure due to the high pressure on prices in the market relevant to our business in Germany.

Additional opportunities for income in the sector resulted from the predicted increase in investment in information and telecommunications infrastructure and technology.

Limited comparability to prior year

As the financial year is an abbreviated reporting period (1 August 2015 to 31 March 2016), the annual financial statements as at 31 March 2016 are only comparable to those of the prior year to a limited degree.

Revenue development

As our remuneration system within the scope of the service agreement is based on the reimbursement of costs incurred plus a mark-up ("cost plus method"), the development of the broader economy and the sector have a limited effect on the economic development of our entity

Revenue from the service agreement declined from kEUR 9,475 to kEUR 5,600. The reason for this is the shorter financial year compared to the prior-year period and the gradual transfer of the business to the parent company TECH MAHINDRA GmbH.

Employees

The average number of employees fell from 60 to 46 in the period ended 31 March 2016. In view of the decision to transfer the business to TECH MAHINDRA in the medium term, employees who have left the entity due to fluctuation will not be replaced.

The nature of our business requires us to employ highly qualified staff for work on consulting projects. This makes it necessary to employ staff from the TECH MAHINDRA development centres in India. We also employ qualified staff and subcontractors on location. Our employees work at customers' places of business throughout Germany. Most of our employees have a university degree and a number of them have postgraduate qualifications.

Business development

- **Results of operations**

  Within the scope of its service agreement with the parent company, TechM invoices the operating expenses incurred plus a mark-up of 6 %, with the result that TechM always has steady cash inflows and its revenue is constantly above the level of its costs. In the abbreviated reporting period ended 31 March 2016, the entity reported net profit for the period of kEUR 422 compared to kEUR 665 in the prior year. This amounts to 7.5% of revenue (prior year: 7.2%).

  In addition to the development in revenue from the subcontracting agreement described above, the following significant changes to income statement items were recorded:

The cost of materials, which related exclusively to external services, was kEUR 1,708 (prior year: kEUR 2,262). The materials usage ratio (ratio of cost of materials to revenue) increased from 23.8 % to 30.5 % as a result of the strong increase in services provided by subcontractors.

The decline in employee benefits expense by kEUR 2,769 to kEUR 2,623 is due to a decline in the number of employees in the period ended 31 March 2016 and to the fact that it is an abbreviated reporting period. The employee benefits expense ratio (employee benefits expense divided by revenue) amount to 46.8 % and is related to the disproportionate increase in subcontractor services (prior year: 72.3 %).

Other operating expenses amount to kEUR 785 (prior year: kEUR 1,095) and relate primarily to vehicle costs, rental expenses and legal and consulting costs, as in the prior year.

Expenses for taxes on income amount to kEUR 201 and relate to expenses for corporation tax and a solidarity surcharge plus trade tax of kEUR 244 and income from the reversal of deferred tax liabilities of kEUR 43.

- **Net assets**

The balance sheet total declined from kEUR 7,671 to kEUR 7,018, and the equity ratio increased from 63 % to 75 %.

With the exception of cash and cash equivalents of mEUR 211 (prior year: mEUR 183), the assets side of the balance sheet is primarily characterised by receivables from affiliated companies amounting to mEUR 6,453 (prior year: mEUR 6,968). They exclusively contain receivables from the settlement of the cost-plus agreement with the parent company.

The decrease in receivables from affiliated companies by kEUR 515 to kEUR 6,453 is largely the result of the decline in the volume of business.

Provisions amount to kEUR 915 (prior year: kEUR 636) and relate to pension obligations (kEUR 300), taxes on income (kEUR 437) an in particular employee obligations (kEUR 178).

Trade payables dropped by kEUR 567 to kEUR 259 due to the balance sheet date.

The liabilities to affiliated companies (kEUR 810) reported in the prior year related to TECH MAHINDRA GmbH. They were fully settled in the abbreviated reporting period ended 31 March 2016.

- **Financial position**

The entity is currently financed exclusively by means of internal financing. As at the balance sheet date, there were no bank loans or overdrafts, and the entity did not have any credit lines at banks. The service agreement ensures continuous cash inflow for the financing of current business activities.

As at 31 March 2016, the entity's cash and bank balances which represent the entity's cash and cash equivalents amounted to kEUR 211 (prior year: kEUR 183).

Cash flow from operating activities amounts to kEUR 28 (prior year: kEUR -3,957).

Cash flow from investing activities totals kEUR 0 (prior year: kEUR -133).

Investments

No investments were made in the period ended 31 March 2016, as the entity invested heavily in IT infrastructure in the form of servers, notebooks and telecommunications in the prior year.

Financial performance indicators

In terms of corporate management, the entity is not a separate unit within the TECH MAHINDRA Group, as it only performs subcontracted services for TECH MAHINDRA GmbH on the basis of cost-plus remuneration. The provision of financial performance indicators regarding the management of the entity is therefore not possible at the level of TECH MAHINDRA GmbH.

Risk management

The entity has a financial reporting system which is integrated into the TECH MAHINDRA group reporting structures. This system supports the entity 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 entity has constant cash inflows and revenue above the level of its costs. Thanks to the agreements that are in place, the entity is not subject to significant business risk.

Outlook, risks and opportunities for future development

Taking into account the gradual transfer of business activities to our parent company TECH MAHINDRA GmbH, we expect a moderate decline in revenue and profit for the period ending 31 March 2017.

The forecast of a decline in revenue and profit is therefore based on a reduction in the volume of business, which will be reflected in lower operating costs.

Based on our service agreements, which form the foundation of our business activities, we expect net profit for the period in the region of kEUR 300 to kEUR 400 for the period ending 31 March 2017.

Hamburg/Germany

Vikram Nair **Abhijeet Awekar**

Subject to the condition that the prior-year financial statements as at 31 July 2015, which serve as the basis for this report, are adopted, we issue the following auditors' report:

INDEPENDENT AUDITORS' REPORT

We have audited the financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system and the management report of TECH MAHINDRA Business Services GmbH, Hamburg/Germany, for the period from 1 August 2015 until 31 March 2016. The maintenance of the books and records and the preparation of the financial statements and the management report in accordance with German commercial law are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements, together with the bookkeeping system and management report, based on our audit.

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

Our audit has not led to any reservations.

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

Düsseldorf/Germany

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

(Herrel)	**(Liesbrock)**
Wirtschaftsprüfer	**Wirtschaftsprüfer**
[German Public Auditor]	**[German Public Auditor]**

BALANCE SHEET FOR THE PERIOD ENDED 31 MARCH 2016

Assets

		31 March 2016 EUR	31 July 2015 kEUR
A.	**Fixed assets**		
I.	**Intangible assets**		
	Concessions, industrial and similar rights and assets acquired for consideration as well as licences to such rights and assets	**3,464.40**	5
II.	**Property, plant and equipment**		
	Other equipment, factory and office equipment	**57,071.17**	93
		60,535.57	98
B.	**Current assets**		
I.	**Receivables and other assets**		
1.	Receivables from affiliated companies	**6,453,537.07**	6,968
2.	Other assets	**271,011.42**	401
		6,724,548.49	7,369
II.	**Cash-in-hand and bank balances**	**211,302.74**	183
		6,935,851.23	7,552
C.	**Prepaid expenses**	**21,456.00**	21
		7,017,842.80	7,671

Equity and liabilities

		31 March 2016 EUR	31 July 2015 kEUR
A.	**Equity**		
I.	**Subscribed capital**	**4,147,615.00**	4,148
II.	**Retained profit**	**664,854.48**	0
III.	**Net profit for the period**	**422,251.82**	665
		5,234,721.30	4,813
B.	**Provisions**		
1.	Provisions for pensions and similar obligations	**300,226.31**	234
2.	Provisions for taxes	**436,479.53**	193
3.	Other provisions	**178,325.52**	209
		915,031.36	636
C.	**Liabilities**		
1.	Trade payables of which with a residual term of up to one year EUR 259,321.53 (prior year: kEUR 826)	**259,321.53**	826
2.	Liabilities to affiliated companies of which with a residual term of up to one year EUR 0.00 (prior year: kEUR 810)	**0.00**	810
3.	Other liabilities of which with a residual term of up to one year EUR 536,498.61 (prior year: kEUR 471) of which from taxes: EUR 63,194.13 (prior year: kEUR 160) of which related to social security: EUR 2,279.38 (prior year: kEUR 85)	**536,498.61**	471
		795,820.14	2,107
D.	**Deferred tax liabilities**	**72,270.00**	115
		7,017,842.80	7,671

INCOME STATEMENT FOR THE ABBREVIATED REPORTING PERIOD FROM 1 AUGUST 2015 TO 31 MARCH 2016

		1 Aug. 2015 - 31 Mar. 2016 EUR	1 Aug. 2014 - 31 July 2015 kEUR
1.	Revenue	**5,599,653.02**	9,475
2.	Other operating income	**190,046.40**	267
3.	Cost of materials		
	Cost of purchased services	**1,707,782.72**	2,262
4.	Employee benefits expense		
	a) Wages and salaries	**2,281,078.02**	4,563
	b) Social insurance contributions and expenses for pension benefits and for support	**341,889.46**	829
5.	Depreciation, amortisation and write-downs of intangible assets and property, plant and equipment	**37,251.76**	45
6.	Other operating expenses	**784,532.26**	1,095
7.	Interest and similar expenses	**7,172.00**	4
8.	Income from ordinary business activities	**629,993.20**	944
9.	Taxes on income of which deferred taxes: EUR -42,891.00 (prior year: kEUR 84)	**200,764.82**	277
10.	Other taxes	**6,976.56**	2
11.	Net profit for the period	**422,251.82**	665

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016

A. General information

The financial statements for the period ended 31 March 2016 have been prepared according to the provisions of the German Commercial Code (HGB) and the supplementary provisions of the German Limited Liability Companies Act (GmbHG).

In some cases, the entity has made use of the relief provisions pertaining to the preparation of the annual financial statements.

The entity is a medium-sized firm organized in a corporate form within the meaning of Sec. 267 (2) German Commercial Code (HGB).

The income statement was prepared in accordance with the nature of expense method.

As the period ended 31 March 2016 is an abbreviated reporting period (1 August 2015 to 31 March 2016), the financial statements for the period ended 31 March 2016 are only comparable to the prior year to a limited degree.

B. Accounting and valuation regulations

The accounting and valuation regulations are the same as in the prior year.

Intangible assets acquired for consideration are recognised at cost less straight-line amortisation.

Property, plant and equipment are recognised at cost and depreciated over their expected useful life on a straight-line basis. Operating and office equipment are depreciated over a useful life of three to ten years.

Low-value assets with a cost of up to EUR 410.00 are immediately recognised through profit or loss. Assets with a cost of more than EUR 410.00 are written off according to their individual useful lives.

Receivables and other assets as well as cash and cash equivalents are recognised at nominal value. Specific allowances were made to cover all risks that were discernible as at the balance sheet date.

Bank balances are recognised at nominal values.

Prepaid expenses are expenses incurred prior to the balance sheet date to the extent that these constitute expenditures for a certain time thereafter.

Subscribed capital is recognised at nominal value and is fully paid up.

Provisions for pensions are calculated in line with actuarial principles according to the projected unit credit method. These obligations are calculated on the basis of Prof. Dr. Klaus Heubeck's 2005 G Standard Tables and in consideration of future salary increases and pension adjustments. Deutsche Bundesbank's (the German central bank) average market interest rate for the past ten fiscal years, assuming a residual term of 15 years, is used to discount the provisions. The discount rate as at 31 March 2016 amounted to 4.27 %.

Other provisions include all uncertain liabilities and discernible risks. They are carried at the expected settlement amount that is required according to sound business judgment.

Liabilities are recognised at their settlement amounts.

Receivables and liabilities denominated in foreign currencies with residual terms of up to one year are converted at the mean spot rate in effect as at the balance sheet date. All other receivables and liabilities denominated in foreign currencies are converted using the exchange rate on the day of the transaction or the higher or lower mean spot rate in effect as at the balance sheet date.

Deferred taxes have been recognised for temporary differences between the values of assets, liabilities and prepaid expenses/ deferred income recognised in the commercial and tax balance sheets. Deferred taxes are determined on the basis of the current combined income tax rate of the fiscal entity of 31.11 %. The combined income tax rate includes corporation tax, business tax and the solidarity surcharge. A deferred tax liability, which is due to differences in the approaches for the commercial balance sheet and the tax balance sheet, was incurred in the reporting period.

C. Notes to the balance sheet

Receivables and other assets

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

As in the prior year, receivables from affiliated companies are the result of trade receivables.

Of the receivables from affiliated companies, kEUR 6,454 (prior year: kEUR 6,968) relate to the shareholder.

A total of kEUR 84 of other assets (prior year: kEUR 84) have a term greater than one year.

Provisions

As in the prior year, other provisions (kEUR 178; prior year: kEUR 209) primarily include provisions for employee commitments and provisions for outstanding invoices.

Liabilities

All liabilities are due within one year, as in the prior year.

In the prior year, liabilities to affiliated companies in the amount of kEUR 0 (prior year: kEUR 810) resulted solely from trade liabilities. These related to liabilities to the shareholder.

D. Notes to the income statement

Revenue

Revenue is generated through the subcontractor agreement concluded with TECH MAHINDRA GmbH, Düsseldorf/Germany, which guarantees TECH MAHINDRA Business Service GmbH the reimbursement of its costs for the services provided plus a standard profit margin.

Other operating income

Other operating income includes income related to other reporting periods of kEUR 25 (prior year: kEUR 0).

Other operating expenses

Other operating expenses include, in particular, travel costs (kEUR 477; prior year: kEUR 260) as well as costs for premises (kEUR 210; prior year: kEUR 364). As in the prior year, the item does not include any expenses related to other periods.

Interest and similar expenses

Interest expense arises exclusively from the compounding of non-current provisions.

Taxes on income

Taxes on income are the result of income from the adjustment of deferred tax liabilities (kEUR 43; prior year: expense of kEUR 84) as well as expenses from trade and corporation taxes plus the solidarity surcharge (kEUR 244; prior year: kEUR 193).

E. Other disclosures

Management members

Vikram Narayanan Nair, Langley/United Kingdom, Managing Director responsible for operating activities

Abhijeet Anant Awekar, Milton Keynes/United Kingdom, Managing Director responsible for financing

The Managing Directors do not receive any remuneration from the entity.

Employees

During the reporting period, the entity’s average number of employees was 46 (prior year: 60), all of whom are salaried employees.

Other financial obligations

Total other financial obligations from rental and vehicle leasing agreements are comprised as follows:

	within 1 year	within 2 to 5 years	Total
	kEUR	kEUR	kEUR
Rental obligations	**324**	**324**	**648**
Lease obligations	**240**	**120**	**360**

Group affiliation

TECH MAHINDRA GmbH, Düsseldorf/Germany, is the sole shareholder of TECH MAHINDRA Business Service GmbH.

The financial statements of the entity are included in the consolidated financial statements of TECH MAHINDRA Limited, Pune/India. This company prepares the consolidated financial statements for both the smallest and the largest group of companies to be consolidated. The consolidated financial statements are published on the website www.techmahindra.com.

Düsseldorf/Germany

Vikram Nair **Abhijeet Awekar**

MOVEMENTS IN FIXED ASSETS IN THE PERIOD ENDED 31 MARCH 2016

	Gross carrying amounts			Cumulated depreciation/amortisation			Net carrying amounts	
	As at 31 July 2015 EUR	Additions EUR	**As at 31 Mar. 2016 EUR**	As at 31 July 2015 EUR	Additions EUR	**As at 31 Mar. 2016 EUR**	**As at 31 Mar. 2016 EUR**	Prior year kEUR
I. Intangible assets								
Concessions, industrial and similar rights and assets acquired for consideration as well as licences to such rights and assets	7,340.45	0.00	**7,340.45**	2,245.65	1,630.40	**3,876.05**	**3,464.40**	5
II. Property, plant and equipment								
Other equipment, factory and office equipment	180,333.72	0.00	**180,333.72**	87,641.19	35,621.36	**123,262.55**	**57,071.17**	93
	187,674.17	0.00	**187,674.17**	89,886.84	37,251.76	**127,138.60**	**60,535.57**	98

TECH MAHINDRA (SINGAPORE) PTE. LIMITED

Board of Directors
Mr. Suresh Bhat
Mr. Manish Goenka
Mr. Anil Khatri
Mr. Lim Tiong Beng

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, 2016.

In the opinion of the directors, the financial statements of the company as set out on pages herein are drawn up so as to give a true and fair view of the financial position of the company as at March 31, 2016 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 report are:

Lim Tiong Beng	
Suresh Bhat Hosdrug	(appointed on 6 October 2015)
Anil Mohanlal Khatri	(appointed on 6 October 2015)
Manish Goenka	(appointed on 10 February 2016)

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:

Name of director and company in which interests are held	Number of Shares	
	At beginning of year	At end of year
	Ordinary shares of Indian Rupees 5 each	
Holding company		
Tech Mahindra Limited		
- Manish Goenka	-	15,000
- Anil Khatri	540	1,700
- Suresh Bhat	16,652	19,988

4 SHARE OPTIONS

(a) *Option to take up unissued shares*

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

(b) *Option 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.

5 AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF DIRECTORS

Date: 18 May 2016
Place : Singapore

Suresh Bhat Hosdrug **Anil Mohanlal Khatri**

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

Report on the Financial Statements

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, 2016, 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, as set out on pages herein.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements of the company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the company as at March 31, 2016 and the financial performance, changes in equity and cash flows of the company for the year ended on that date.

Other Matter

The financial statements of the company for the year ended March 31, 2015 were audited by another firm of auditors who have expressed an unmodified opinion on those financial statements in their report dated April 29, 2015.

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.

Public Accountants and
Chartered Accountants
Singapore

Date: 18 May 2016

STATEMENT OF FINANCIAL POSITION

March 31, 2016

	Note	**2016**	2015
		S $	S $
ASSETS			
Current assets			
Cash and cash equivalents	7	**5,521,589**	1,068,160
Trade receivables	8	**8,099,468**	7,767,669
Other receivables	9	**94,043**	255,838
Tax recoverable		**4,782**	-
Total current assets		**13,719,882**	9,091,667
Non-current assets			
Plant and equipment	10	**2,018**	3,734
Intangible assets	11	**269,980**	-
Deferred tax assets	12	**126,330**	223,683
Total non-current assets		**398,328**	227,417
Total assets		**14,118,210**	9,319,084
LIABILITIES AND EQUITY			
Current liabilities			
Trade payables	13	**9,017,019**	4,866,189
Other payables	14	**810,454**	560,370
Income tax payable		**-**	17,553
Total current liabilities		**9,827,473**	5,444,112
Capital and reserves			
Share capital	15	**50,000**	50,000
Accumulated profits		**4,240,737**	3,824,972
Total equity		**4,290,737**	3,874,972
Total liabilities and equity		**14,118,210**	9,319,084

See accompanying notes to financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended March 31, 2016

	Note	2016	2015
		S $	S $
Revenue	16	**9,255,455**	6,466,669
Other operating income	17	**11,393**	25,856
Employee benefits expense		**(6,311,670)**	(4,512,512)
Depreciation and amortisation expense		**(139,276)**	(117,328)
Other operating expenses	18	**(2,302,784)**	(1,470,792)
Profit before income tax	19	**513,118**	391,893
Income tax (expense) credit	20	**(97,353)**	21,134
Profit for the year, representing total comprehensive income for the year		**415,765**	413,027

See accompanying notes to financial statements.

STATEMENT OF CHANGES IN EQUITY

Year ended March 31, 2016

	Share capital	Accumulated profits	Total
	S $	**S $**	S $
Balance at April 1, 2014	**50,000**	**3,411,945**	3,461,945
Profit for the year, representing total comprehensive income for the year	**-**	**413,027**	413,027
Balance at March 31, 2015	**50,000**	**3,824,972**	3,874,972
Profit for the year, representing total comprehensive income for the year	**-**	**415,765**	415,765
Balance at March 31, 2016	**50,000**	**4,240,737**	4,290,737

See accompanying notes to financial statements.

STATEMENT OF CASH FLOWS

Year ended March 31, 2016

	2016	2015
	S $	S $
Operating activities		
Profit before income tax	**513,118**	391,893
Adjustments for:		
Allowance for doubtful debts	**410,291**	-
Depreciation expense	**4,286**	17,244
Amortisation expense	**134,990**	100,084
Operating cash flows before movements in working capital	**1,062,685**	509,221
Trade receivables	**(696,247)**	(5,141,133)
Other receivables and prepayments	**115,952**	(180,470)
Trade payables	**4,150,830**	3,905,476
Other payables	**250,084**	93,204
Cash generated from operations	**4,883,304**	(813,702)
Income tax paid	**(22,335)**	(61,999)
Net cash from (used in) operating activities	**4,860,969**	(875,701)
Investing activities		
Purchase of plant and equipment	**(2,570)**	-
Addition of intangible assets	**(404,970)**	-
Net cash used in investing activities	**(407,540)**	-
Net increase (decrease) in cash & cash equivalents	**4,453,429**	(875,701)
Cash and cash equivalents at the beginning of the year	**1,068,160**	1,943,861
Cash and cash equivalents at end of the year	**5,521,589**	1,068,160

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

March 31, 2016

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, 2016 were authorised for issue by the Board of Directors on 18 May 2016.

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 provisions of the Singapore Companies Act and Singapore Financial Reporting Standards (“FRS”).

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 these 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, 2015, the company has adopted all the new and revised FRSs, Interpretations of FRS (“INT FRS”) and Amendments to FRSs that are effective from that date and are relevant to its operations.

The adoption of these new/revised FRSs, INT FRSs and Amendments to 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.

At the date of authorisation of these financial statements, the following FRSs and Amendments to FRS that are relevant to the company were issued but not effective:

- FRS 109 *Financial Instruments* (1)
- FRS 115 *Revenue from Contracts with Customers* (1)
- Amendments to FRS 1 *Presentation of Financial Statements: Disclosure Initiative* (2)

(1) Applies to annual periods beginning on or after January 1, 2018, with early application permitted.

(2) Applies to annual periods beginning on or after January 1, 2016, with early application permitted.

Consequential amendments were also made to various standards as a result of these new/revised standards.

Management anticipates that the adoption of the above FRSs and amendments to FRS in future periods will not have a material impact on the financial statements of the company in the period of their initial adoption except for the following:

FRS 109 *Financial Instruments*

FRS 109 was issued in December 2014 to replace FRS 39 Financial Instruments: Recognition and Measurement and introduced new requirements for (i) the classification and measurement of financial assets and financial liabilities (ii) general hedge accounting (iii) impairment requirements for financial assets.

Key requirements of FRS 109:

- All recognised financial assets that are within the scope of FRS 39 are now required to be subsequently measured at amortised cost or fair value through profit or loss (FVTPL). Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at fair value through other comprehensive income (FVTOCI). All other debt investments and equity investments are measured at FVTPL at the end of subsequent accounting periods. In addition, under FRS 109, entities may make an irrevocable election, at initial recognition, to measure an equity investment (that is not held for trading) at FVTOCI, with only dividend income generally recognised in profit or loss.
- With some exceptions, financial liabilities are generally subsequently measured at amortised cost. With regard to the measurement of financial liabilities designated as at FVTPL, FRS 109 requires that the amount of change in fair value of such financial liability that is attributable to changes in the credit risk be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch to profit or loss. Changes in fair value attributable to the financial liability's credit risk are not subsequently reclassified to profit or loss.
- In relation to the 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 an entity 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. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Management is currently evaluating the potential impact of the application of FRS 109 on the financial statements of the company in the period of initial application.

FRS 115 *Revenue from Contracts with Customers*

FRS 115 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. FRS 115 will supersede the current revenue recognition guidance including FRS 18 Revenue, FRS 11 Construction Contracts and the related Interpretations when it becomes effective.

The core principle of FRS 115 is that an entity should recognise 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. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- 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.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under FRS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in FRS 115 to deal with specific scenarios. Furthermore, extensive disclosures are required by FRS 115.

Management is currently assessing the effects of FRS 115 in the period of 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.

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.

Financial liabilities and equity instruments

Classification of 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.

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.

Other financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or they expired.

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.

PLANT AND EQUIPMENT - Plant and equipment are stated at cost, less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost of the plant and equipment over the estimated useful lives, using the straight-line method, on the following bases:

Equipment - 10% to $33^1/_3$%

Renovation - $33^1/_3$%

Fully depreciated assets still in use are retained in the financial statements.

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

The gain or loss arising on disposal or retirement of an item of the plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

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

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

Software - 2 - 3 Years

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.

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

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

DEFERRED REVENUE - Deferred revenue is recorded when payments are received in advance for the company’s services. As related service is rendered, revenue is recognised.

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.

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 AND TRANSLATION - 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 and fixed deposits which are subject to an insignificant risk of changes in value.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, which are described in Note 2 to the financial statements, 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.

Critical judgements in applying the company's accounting policies

The management is of the opinion that there are no instances of application of judgements expected to have a significant effect on the amount recognised in the financial statements.

Key sources of estimation uncertainty

The management is of the opinion that there are no key assumptions concerning the future, and other key sources of estimation uncertainty 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, other than those discussed below.

Allowance for doubtful debts

The company makes allowances for doubtful debts based on an assessment of the recoverability of receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of doubtful debts require the use of judgement and estimates. Where the expectation is different from the original estimate, such differences will impact the carrying amount of receivables and doubtful debts expense in the period in which such estimate have been changed. The carrying amounts of the company's trade and other receivables are disclosed in Notes 8 and 9 to the financial statements respectively.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

(a) Categories of financial instruments

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

	2016	2015
	S $	S $
Financial assets		
Loans and receivables (including cash and cash equivalents)	**13,691,944**	9,078,114
Financial liabilities		
Trade payables	**9,017,019**	4,866,189
Accruals	**545,274**	359,582
Other payables	**251,560**	200,788
	9,813,853	5,426,559

(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, 29% (2014 : 10%) 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.

(ii) Interest rate risk management

The company does not have any interest bearing financial assets and liabilities except for its fixed deposits. Fixed deposits 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 2016 and 2015 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 approximate their fair values due to the relatively short-term maturity of these financial instruments.

(c) Capital risk 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:

	2016	2015
	S $	S $
Rendering of services	**(9,255,455)**	(6,466,669)
Services rendered on behalf of immediate holding company	**11,199,015**	11,704,040
Other reimbursement	**555,636**	395,842
Payment	**(9,498,096)**	(8,328,185)
Receipt	**9,226,654**	6,296,442

The company entered into the following trading transactions with related company:

	2016	2015
	S $	S $
Other reimbursement (net)	**-**	7,924

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

	2016	2015
	S $	S $
Short-term benefits	**322,500**	260,399

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

	2016	2015
	S $	S $
Cash at bank	**1,021,589**	468,160
Fixed deposits	**4,500,000**	600,000
Total	**5,521,589**	1,068,160

Fixed deposits bear interest at 0.43% (2015 : 0.38%) per annum and for a tenure of approximately 7 days (2015 : 7 days). The fixed deposits can be converted into cash balances within a short notice and with minimum charges.

8 TRADE RECEIVABLES

	2016 S $	2015 S $
Outside parties	**6,338,282**	7,224,667
Allowance for doubtful debts	**(603,921)**	(239,473)
	5,734,361	6,985,194
Holding company (Note 5)	**2,365,107**	774,551
Related company	**-**	7,924
	8,099,468	7,767,669

Movements in the allowance for doubtful debts:

	2016	2015
At beginning of the year	**239,473**	239,473
Increase in allowance (Note 18)	**364,448**	-
At end of the year	**603,921**	239,473

The credit period on services rendered ranges from 30 to 90 days (2015 : 30 to 60 days). No interest is charged on the outstanding balance.

The trade receivables that are neither past due nor impaired are with good credit ratings.

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

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

Trade receivables are provided for based on estimated irrecoverable amounts from the service rendered, determined by reference to past default experience. Allowances of $603,921 (2015 : $239,473) 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:

	2016 S $	2015 S $
Not past due and not impaired	**5,069,266**	4,371,100
Past due but not impaired (i)	**665,095**	2,614,094
	5,734,361	6,985,194
Impaired receivables - individually assessed (ii)		
- Past due and no response to repayment demands	**603,921**	239,473
Less: Allowance for impairment	**(603,921)**	(239,473)
Total trade receivables, net	**5,734,361**	6,985,194

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

	2016	2015
< 3 months	**151,557**	240,133
> 3 months	**513,538**	2,373,961
Total	**665,095**	2,614,094

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

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 $665,095 (2015 : $2,614,094) 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

	2016 S $	2015 S $
Advance to employees	**110,792**	242,285
Allowance for doubtful debts on advance to employees	**(45,843)**	-
Advance to suppliers	**5,885**	-
Prepayments	**23,156**	13,553
Other receivables	**53**	-
	94,043	255,838

Movement in the allowance for doubtful debts:

Balance at beginning of the year	**-**	-
Charge to profit or loss (Note 18)	**45,843**	-
Balance at end of the year	**45,843**	-

An allowance has been made for estimated irrecoverable amounts for other receivables of $45,843 (2015 : $NIL). This allowance has been made by reference to past default experience.

10 PLANT AND EQUIPMENT

	Equipment S $	Renovation S $	Total S $
Cost:			
At April 1, 2014, March 31, 2015	419,295	236,032	655,327
Additions	2,570	-	2,570
At March 31, 2016	**421,865**	**236,032**	**657,897**
Accumulated depreciation:			
At April 1, 2014	398,317	236,032	634,349
Depreciation	17,244	-	17,244
At March 31, 2015	415,561	236,032	651,593
Depreciation	4,286	-	4,286
At March 31, 2016	**419,847**	**236,032**	**655,879**
Carrying amount:			
At March 31, 2016	**2,018**	**-**	2,018
At March 31, 2015	3,734	-	3,734

11 INTANGIBLE ASSETS

Software

	S $
Cost:	
At April 1, 2014, March 31, 2015	1,201,008
Additions	404,970
At March 31, 2016	**1,605,978**
Accumulated amortisation:	
At April 1, 2014	1,100,924
Amortisation	100,084
At March 31, 2015	1,201,008
Amortisation	134,990
At March 31, 2016	**1,335,998**
Carrying amount:	
At March 31, 2016	**269,980**
At March 31, 2015	-

12 DEFERRED TAX

	2016	2015
	S $	S $
Deferred tax assets	**126,330**	223,683

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

	Excess of book over tax depreciation S $
At April 1, 2014	183,956
Credit to profit and loss (Note 19)	39,727
At March 31, 2015	223,683
Charge to profit and loss (Note 19)	(97,353)
At March 31, 2016	**126,330**

13 TRADE PAYABLES

	2016	2015
	S $	S $
Outside parties	**489,489**	162,596
Holding company (Note 5)	**8,527,530**	4,703,593
	9,017,019	4,866,189

The average credit period on trade payables is 30 days (2015 : 30 days). No interest is charged on the outstanding balance.

14 OTHER PAYABLES

	2016	2015
	S $	S $
Accruals	**545,274**	359,582
Deferred revenue	**13,620**	-
Other payables	**251,560**	200,788
	810,454	560,370

15 SHARE CAPITAL

	2016	2015	2016	2015
	Number of ordinary shares		S $	S $
Issued and paid up:				
At the beginning and end of year	**5,000**	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.

16 REVENUE

	2016	2015
	S $	S $
Service income – Immediate holding company	**9,255,455**	6,466,669

17 OTHER OPERATING INCOME

	2016	2015
	S $	S $
PIC incentives	**10,393**	17,862
Government grant	**-**	7,981
Miscellaneous income	**1,000**	13
	11,393	25,856

18 OTHER OPERATING EXPENSES

	2016	2015
	S $	S $
Allowance for doubtful debts	**410,291**	-
Conveyance Expenses	**89,103**	82,853
Entertainment Expense	**37,608**	40,289
Insurance	**93,004**	56,689
Promotions and Advertisement	**19,424**	68,139
Professional Fees	**45,714**	51,575
Sub contractors	**92,657**	12,974
Secretarial Fee	**154,581**	153,611
Travelling	**864,583**	406,276
Telecommunication	**273,990**	266,079
Others	**221,829**	332,307
	2,302,784	1,470,792

19 PROFIT BEFORE INCOME TAX

This has been arrived at after charging:

	2016	2015
	S $	S $
Allowance for doubtful debts (Notes 8 and 9)	**410,291**	-
Employee benefits expense	**6,142,044**	4,385,671
Cost of defined contribution plans	**169,626**	126,841

 TECH MAHINDRA (SINGAPORE) PTE. LIMITED

20 INCOME TAX EXPENSE (CREDIT)

	2016	2015
	S $	S $
Tax expense comprises:		
Current tax		
- Current year	**-**	18,593
Deferred tax	**97,353**	(39,727)
	97,353	(21,134)

Domestic income tax is calculated at 17% (2015 : 17%) of the estimated assessable profit for the year.

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

	2016	2015
	S $	S $
Profit before income tax	**513,118**	391,893
Tax at the domestic income tax rate at 17%	**87,230**	66,622
Tax effect of non-deductible items / non-(taxable) income	**10,123**	(41,831)
Tax effect of exempt income	**-**	(45,925)
	97,353	(21,134)

21 RECLASSIFICATIONS AND COMPARATIVE FIGURES

Certain reclassifications have been made to the prior year's financial statements to enhance comparability with the current year's financial statements.

As a result, certain line items have been amended in the statement of financial position and the related notes to the financial statements. Comparative figures have been adjusted to conform to the current year's presentation.

The items were reclassified as follow:

	As reported	**Reclassification**	**As reclassified**
	S $	**S $**	**S $**
Statement of financial position			
For the year ended March 31, 2015			
Trade payables	**5,055,943**	**(189,754)**	**4,866,189**
Other payables	**370,616**	**189,754**	**560,370**

The Company did not present a third statement of Financial position at the beginning of the preceding period as the effects of items reclassifieds are assessed to be insignificant.

TECH MAHINDRA (THAILAND) LIMITED

Board of Directors

Mr. Pranab Choudhury - Chairman
Mr. Amitava Ghosh
Mr. Sanjeev Pinto
Mr. Anil Khatri

Registered Office

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

Bankers

HSBC Limited

Auditors

Deloitte Touche Tohmatsu Jaiyos Co., Ltd.

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors present their Report together with the audited accounts of your Company for the year ended March 31, 2016.

Financial Results

(Thai Baht)

For the year ended March 31	2016	2015
Income	**73,310,521**	94,885,115
Profit/(Loss) before tax	**(443,907)**	3,275,541
Profit/(Loss) after tax	**(340,999)**	2,613,363

Review of Operations:

The income for the year has decreased THB 21,574,594 over previous year. The profit before tax has decreased by THB (3,719,448)

Directors:

During the year under review Mr. Manoj Joshi, Mr. Rohit Gandhi and Mr. Chillara Krishnadas, have resigned from the office of director. The board of directors places on record its sincere appreciation for the meritorious services offered by them to the Company.

Auditors:

During the year M/s. Deloitte Touche Tohmatsu Jaiyos Co., Ltd., Thailand has been appointed as the auditor of the company for the financial year 2015-16.

Outlook for the current year:

Thailand market is growing at a slow pace because of the current political situation & therefore the directors are cautiously optimistic about the future.

Acknowledgements

Your Directors thank the customers, suppliers, bankers, State and Federal Government Authorities and the shareholder/s for the co-operation and assistance received from them.

For Tech Mahindra (Thailand) Limited

Place: Bangkok

Pranab Roy Choudhury

Chairman

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS

TECH MAHINDRA (THAILAND) LIMITED

We have audited the financial statements of Tech Mahindra (Thailand) Limited, which comprise the statement of financial position as at March 31, 2016, and the statement of income and the statement of changes in shareholders' equity for the year then ended, and notes, comprising 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 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.

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 Thai Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the aforementioned financial statements present fairly, in all material respects, the financial position of Tech Mahindra (Thailand) Limited as at March 31, 2016, and its financial performance for the year then ended in accordance with Thai Financial Reporting Standard for Non-Publicly Accountable Entities.

Other Matter

The financial statements of Tech Mahindra (Thailand) Limited for the year ended March 31, 2015 were audited by another auditor who expressed an unqualified opinion on those statements on April 29, 2015.

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO. LTD.

CPA (Thailand)

STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2016

	Notes	2016	2015
		BHAT	BHAT
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	**5,248,620**	3,140,004
Trade and other receivables	6	**17,218,672**	81,299,454
Other current assets	7	**4,188,334**	3,309,029
Total Current Assets		**26,655,626**	87,748,487
NON-CURRENT ASSETS			
Leasehold improvement and equipment	8	**481,182**	570,982
Deferred tax assets	9	**102,908**	-
Non-current assets – deposits		**204,000**	204,000
Total Non-current Assets		**788,090**	774,982
TOTAL ASSETS		**27,443,716**	88,523,469
		-	-
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Trade and other payables	10	**13,935,141**	69,871,020
Other current liabilities	11	**1,723,615**	6,513,980
Total Current Liabilities		**15,658,756**	76,385,000
NON-CURRENT LIABILITIES			
Employee benefit obligations	12	**433,920**	446,430
Total Non-current Liabilities		**433,920**	446,430
TOTAL LIABILITIES		**16,092,676**	76,831,430
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		**5,351,040**	5,692,039
TOTAL SHAREHOLDERS' EQUITY		**11,351,040**	11,692,039
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**27,443,716**	88,523,469

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

STATEMENT OF INCOME
FOR THE YEAR ENDED MARCH 31, 2016

	Notes	**2016 BAHT**	2015 BAHT
REVENUES			
Revenue from rendering services	14	**72,959,903**	94,832,557
Other income		**350,618**	52,558
Total Revenues		**73,310,521**	94,885,115
EXPENSES			
Cost of rendering services		**64,113,881**	83,839,193
Administrative expenses		**9,640,547**	7,770,381
Total Expenses		**73,754,428**	91,609,574
PROFIT (LOSS) BEFORE INCOME TAX EXPENSE (INCOME)		**(443,907)**	3,275,541
INCOME TAX EXPENSE (INCOME)	9	**(102,908)**	662,178
NET PROFIT (LOSS)		**(340,999)**	2,613,363

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED MARCH 31, 2016

UNIT : BAHT

	Paid-up Share Capital BAHT	**Retained Earnings Unappropriated BAHT**	**Total Shareholders' Equity BAHT**
Beginning balance as at April 1, 2014	6,000,000	3,078,676	9,078,676
Net profit		2,613,363	2,613,363
Ending balance as at March 31, 2015	6,000,000	5,692,039	11,692,039
Beginning balance as at April 1, 2015	6,000,000	5,692,039	11,692,039
Net loss		(340,999)	(340,999)
Ending balance as at March 31, 2016	**6,000,000**	**5,351,040**	**11,351,040**

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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, 13rd 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 is majority-owned by 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 conformity 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 (TFRS). However, the Company elected to adopt Thai Accounting Standard No. 12 (Revised 2014) "Income Taxes" in the prepara tion and presentation of the financial statements for the year ended March 31, 2016 (see Note 4).

The Federation of Accounting Professions has issued the Notifications regarding Thai Accounting Standard No. 12 (Revised 2015) "Income T axes" which is effective for the accounting period beginning on or after January 1, 2016. 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 the measurement basis of historical cost except as disclosed in the significant accounting policies.

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, and excluding deposits at banks used as collateral (if any).

3.2 Trade receivables and allowance for doubtful accounts

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 devaluation (if any).

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

Leasehold improvement	Over the term period of lease building rental agreement
Office equipment	2 years
Computer	3 years

3.4 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 as at period-end date and leave carry balance.

3.5 Revenues and expenses

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.

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 receivables 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 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 statement of financial position date 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.

3.7 Income tax expense

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

3.7.1 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.

3.7.2 Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets in the financial statements and the corresponding tax bases used in the computation of taxable profit (tax base). 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 are measured at the tax rates that have been enacted or substantively enacted at the end of reporting period.

3.8 Use of accounting estimates

The preparation of financial statements in conformity with TFRS for NPAEs also requires the 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 end of the reporting period and the reported amounts of revenue and expense in the reporting periods. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

4. CHANGE IN ACCOUNTING POLICIES

For the year ended March 31, 2016, the Company has adopted Thai Accounting Standard No. 12 (Revised 2014), "Income Taxes" for the first -time. The Company's management believes that this change in the accounting policy is appropriate as the Company's result of operations presented is consistent with business aspects and the obligation of income tax payable or refundable in the future can be recognized in the financial statements. The change in the accounting policy for income taxes have not been applied retrospectively as though the financial statements had originally been prepared using the accounting policy for income taxes due to immaterial cumulative effects of the change in such accounting policy.

5. CASH AND CASH EQUIVALENTS

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

	2016 Baht	2015 Baht
Current and savings deposits	**5,248,620**	3,140,004

6. TRADE AND OTHER RECEIVABLES

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

	2016 Baht	2015 Baht
Trade receivables - other parties	**10,377,896**	75,780,196
Less: Allowance for doubtful accounts	**(185,572)**	-
	10,192,324	75,780,196
Trade receivables - related party	**108,416**	3,040,845
Other receivables - other parties	**151,932**	260,152
Unbilled receivables	**6,766,000**	2,218,261
	17,218,672	81,299,454

7. OTHER CURRENT ASSETS

Other current assets as at March 31, consist of the following:

	2016 Baht	2015 Baht
Refundable value-added-tax	**-**	2,984,273
Withholding tax deducted at source	**4,185,751**	322,173
Cash advance	**2,583**	2,583
	4,188,334	3,309,029

8. LEASEHOLD IMPROVEMENT AND EQUIPMENT

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

	Balance as at April 1, 2015 Baht	Additions Baht	Disposals Baht	Balance as at March 31, 2016 Baht
Cost				
Leasehold improvement	1,047,291	51,234	-	**1,098,525**
Office equipment	4,673	-	-	**4,673**
Computer	107,472	534,400	-	**641,872**
Total cost	**1,159,436**	**585,634**	**-**	**1,745,070**
Accumulated depreciation				
Leasehold improvement	(480,008)	(569,187)	-	**(1,049,195)**
Office equipment	(974)	(2,336)	-	**(3,310)**
Computer	(107,472)	(103,911)	-	**(211,383)**
Total accumulated depreciation	(588,454)	(675,434)	-	**(1,263,888)**
Leasehold improvement and equipment	**570,982**			**481,182**

As at March 31, 2016

	Balance as at April 1, 2014 Baht	Additions Baht	Disposals Baht	**Balance as at March 31, 2016 Baht**
Cost				
Leasehold Improvement	-	1,047,291	-	**1,047,291**
Office Equipment	-	4,673	-	**4,673**
Computer	107,472	-	-	**107,472**
Total cost	**107,472**	**1,051,964**	**-**	**1,159,436**
Accumulated depreciation				
Leasehold Improvement	-	(480,008)	-	**(480,008)**
Office Equipment	-	(974)	-	**(974)**
Computer	(107,472)	-	-	**(107,472)**
Total accumulated depreciation	**(107,472)**	**(480,982)**	**-**	**(588,454)**
Leasehold improvement and equipment	**-**			**570,982**
Depreciation expense for the years ended March 31,				
2016			**Baht**	**675,434**
2015			**Baht**	**480,982**

9. DEFERRED INCOME TAX AND INCOME TAX EXPENSE (INCOME)

The movements of deferred tax assets during the years are as follows:

Unit: Baht

	Balance As at April 1, 2015	**Transactions recognized in statement of income**		**Balance As at March 31, 2016**
		Addition	**Utilized**	
Deferred tax assets				
Allowance for doubtful accounts	**-**	**37,114**	**-**	**37,114**
Depreciation	**-**	**80,294**	**-**	**80,294**
Others	**-**	**(14,500)**	**-**	**(14,500)**
Total	**-**	**102,908**	**-**	102,908

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

	2016 Baht	2015 Baht
Current income tax expense for the years	**-**	662,178
Deferred tax income	**(102,908)**	-
Income tax expense (income) in the statements of income	**(102,908)**	662,178

The difference between statutory tax rate and the Company's effective income tax rate based on profit before income tax expense is reconciled as follows:

	2016 Baht	2015 Baht
Profit before income tax expense - Promoted sector (100% tax exemption)	**7,322,256**	-
Profit (loss) before income tax expense - Non-promoted sector	**(7,766,163)**	3,275,541
Total accounting profit before income tax expense	**(443,907)**	3,275,541
Tax at the applicable tax rate of 20%	**(88,781)**	655,108
Tax effect of permanent differences	**(14,127)**	7,070
Income tax expense (income) in the statements of income	**(102,908)**	662,178

According to the Act amending the Revenue Code No. 42 B.E. 2559 effective on March 5, 2016, the tax on net profits of companies and partnerships is 20 percent for accounting periods beginning on or after January 1, 2016, onwards. Therefore, the Company has used tax rate of 20% for the deferred tax calculation as at March 31, 2016.

The effective tax rate of the income tax expense for the year ended March 31, 2015 is lower than the corporate income tax rate per the Revenue Code because the Company has been granted rights and privileges as a promoted industry under the Investment Promotion Act B.E. 2520 (see Notes 13 and 14) and the Company has income tax expense from the net profit of the non-promoted business.

10. TRADE AND OTHER PAYABLES

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

	2016 Baht	2015 Baht
Trade payables - related party	**8,698,055**	9,204,689
Trade payables - other parties	**3,323,706**	39,504,481
Accrued expenses	**1,913,380**	21,161,850
	13,935,141	69,871,020

11. OTHER CURRENT LIABILITIES

Other current liabilities as at March 31, consist of the following:

	2016 Baht	2015 Baht
Value-added-tax payable	**1,587,928**	5,339,214
Withholding tax payable	**135,687**	1,174,766
	1,723,615	6,513,980

12. EMPLOYEE BENEFIT OBLIGATIONS

Employee benefit obligations as at March 31, consist of the following:

	2016 Baht	2015 Baht
Beginning balances as at April 1,	**446,430**	-
Increase (decrease) during the years		
- recognized as expense for the years	**(12,510)**	446,430
Ending balances as at March 31,	**433,920**	446,430

13. 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 and the exemption of corporate income tax for the promoted activities for a period of eight years from the date when income is first derived.

As a promoted company, the Company must comply with certain conditions and restrictions provided in the promotional certificates.

14. 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, 2016 and 2015, all sales were domestic sales and such information is as follows:

	2016 Baht	2015 Baht
Domestic		
Non-promoted business	**63,240,965**	94,832,557
Promoted business	**9,718,938**	-
Total	**72,959,903**	94,832,557

15. SIGNIFICANT AGREEMENTS

15.1 Banking Facility Agreement

On December 18, 2015, the Company entered into banking facility agreement 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. As at March 31, 2016, the Company has not drawn down for this facility. (As at March 31, 2015: None)

15.2 Service greement

On January 27, 2014, the Company had service agreement with a company to provide accounting, taxation and BOI compliance services with annual and monthly fee with 2 years effective period and renewal for a further period of 2 years unless previously revoked.

16. COMMITMENTS

As at March 31, 2016 and 2015, the Company has non-cancellable lease commitments for building rental to be paid in the future as follows:

Periods	**2016**	2015
	Baht	Baht
Not later than 1 year	**994,500**	816,000
Later than 1 year but not later than 5 years	**1,147,500**	102,000
Total	**2,142,000**	918,000

For the years ended March 31, 2016 and 2015, rentals applicable to long-term lease and service agreements have been recorded as expenses in the statements of income of Baht 0.82 million, respectively.

17. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved for issuance by the authorized director of the Company.

PT TECH MAHINDRA INDONESIA

Board of Directors
Mr. Manish Goenka - President
Mr. Suresh Bhat
Mr. Pranab Choudhury

Registered Office
Ariobimo Sentral 4th Flr.
Suite # 403, JI. H. R. Rasuna Said
Kav x-2, No. 5, Jakarta 12950,
Indonesia

Bankers
HSBC Bank Ltd.
Bank Mandiri Indonesia

Auditors
Osman Bing Satrio & Eny

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors present their Report together with the audited accounts of your Company for the year ended March 31, 2016.

Financial Results (US$)

For the year ended March 31	**2016**	**2016**	2015	2015
	US $	**INR**	US $	INR
Income	**20,384,882**	**1,350,600,357**	22,684,380	1,387,743,515
Profit/(Loss) before tax	**(286,749)**	**(18,998,555)**	6,612,616	404,534,528
Profit/(Loss)after tax	**(368,619)**	**(24,422,852)**	4,846,778	296,507,321

Review of Operations:

During the year under review, your company recorded an income of US$ 20,384,882 (equivalent to INR 1,350,600,357) decrease of 10% over the previous year. Loss before tax was US$ 286,749 (equivalent to INR 18,998,555),decrease of 30% over the last year. The Company continues to invest in strengthening its marketing infrastructure in Indonesia.

Directors:

Mr. Manish Goenka, Mr. Suresh Bhat and Mr. Pranab Choudhury are directors on the Board.

Outlook for the current year:

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

Acknowledgements:

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

For PT Tech Mahindra Indonesia

Place : Jakarta, Indonesia
May 18, 2016

Manish Goenka
President, Director

Pranab Choudhury
Director

INDEPENDENT AUDITORS' 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, 2016, 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also 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, 2016, and its financial performance and its cash flows for the year then ended in accordance with Indonesian Financial Accounting Standards.

Emphasis of Matter

The financial statements of the Company for the year ended March 31, 2015, before the reclassifications described in Note 26, have been audited by other independent auditors who has expressed an unmodified opinion on those financial statements on April 24, 2015. As part of our audit of the Company's financial statements as of March 31, 2016 and for the year then ended, we also audited the reclassifications described in Note 26, that were applied to amend the 2015 financial statements. In our opinion, such reclassifications are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the Company's financial statements as of March 31, 2015 and for the year then ended other than with respect to the reclassifications, and accordingly, we do not express an opinion or any other form of assurance on those financial statements taken as a whole. Our opinion is not modified in respect of this matter.

OSMAN BING SATRIO & ENY

Henri Arifian
Public Accountant License No. AP.0561

May 18, 2016

STATEMENT OF FINANCIAL POSITION MARCH 31, 2016

	Notes	March 31, 2016 US$	March 31, 2015 US$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalent	5	**3,655,347**	3,159,631
Trade receivables			
Third parties - net of allowance for impairment losses of US$ 1,082,517 as of March 31, 2016 and US$ 544,641 as of March 31, 2015	6	**10,336,133**	15,898,531
Other accounts receivable - Related Party	22	**2,962,496**	5,256
Prepaid taxes	7	**4,942,277**	659,615
Prepaid expenses and advances	8	**743,101**	588,733
Total Current Assets		**22,639,354**	20,311,766
NON-CURRENT ASSETS			
Deferred tax assets	20	**392,530**	210,076
Estimated claim for tax refund	20	**500,044**	484,440
Fixed assets - net of accumulated depreciation US$ 241,528 in 2016 and US$ 220,693 in 2015	9	**40,539**	58,088
Other assets	10	**53,272**	53,118
Total Non-current Assets		**986,385**	805,722
TOTAL ASSETS		**23,625,739**	21,117,488
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Trade payables			
Third parties		**224,733**	2,811,077
Related parties	22	**1,330,163**	1,769,824
Accrued expenses	12	**4,195,751**	717,304
Taxes payable	13	**3,619,077**	1,420,200
Other payables	14	**108,699**	105,232
Unearned Revenue		**187,835**	-
Total Current Liabilities		**9,666,258**	6,823,637
NON-CURRENT LIABILITIES			
Employment benefits	21	**230,112**	288,389
EQUITY			
Share Capital -			
Authorized 1,000,000 shares with USD 1 par value per share;			
Issued and fully paid - 500,000 shares	15	**500,000**	500,000
Other comprehensive Income	21	**69,395**	-
Retained earnings		**13,159,974**	13,505,462
Total Equity		**13,729,369**	14,005,462
TOTAL LIABILITIES AND EQUITY		**23,625,739**	21,117,488

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, 2016

	Notes	2016 US$	2015 US$
REVENUE	17	**20,384,882**	22,684,380
COST OF REVENUE	18	**12,524,964**	9,999,119
GROSS PROFIT		**7,859,918**	12,685,261
OPERATING EXPENSES	19	**7,045,128**	6,302,988
INCOME FROM OPERATIONS		**814,790**	6,382,273
OTHER INCOME (CHARGES)			
Gain (Loss) on foreign exchange - net		**(1,165,836)**	(293,515)
Interest income		**12,066**	3,883
Other - net		**52,231**	519,975
Other Income (Charges) - Net		**(1,101,539)**	230,343
PROFIT (LOSS) BEFORE TAX		**(286,749)**	6,612,616
TAX EXPENSE	20	**(58,739)**	(1,765,838)
PROFIT (LOSS) FOR THE YEAR		**(345,488)**	4,846,778
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit obligation	21	**92,526**	-
Income tax expense relating to item that will not be reclassified subsequently	20	**(23,131)**	
Total other comprehensive income for the year, net of income tax		**69,395**	-
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		**(276,093)**	4,846,778

See accompanying notes to financial statements which are an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2016

	Notes	Paid-up capital stock US$	Retained Earnings US$	Other Comprehensive Income	Total equity US$
Balance as of April 1, 2014		**500,000**	**11,158,684**	**-**	**11,658,684**
Total comprehensive income		**-**	**4,846,778**	**-**	**4,846,778**
Dividends	16		**(2,500,000)**	**-**	**(2,500,000)**
Balance as of March 31, 2015		**500,000**	**13,505,462**	**-**	**14,005,462**
Loss for the year		**-**	**(345,488)**	**-**	**(345,488)**
Other comprehensive income	21	**-**	**-**	**69,395**	**69,395**
Balance as of March 31, 2016		**500,000**	**13,159,974**	**69,395**	**13,729,369**

See accompanying notes to financial statements which are an integral part of the financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2016

	2016 US$	2015 US$
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	**(286,749)**	6,612,616
Adjustments to reconcile profit before tax to net cash provided by (used in) operating activities:		
Allowance for impairment losses of receivables	**537,876**	-
Depreciation	**20,835**	17,231
Employee benefits	**34,249**	3,067
Interest income	**(12,066)**	(3,883)
Changes in operating assets and liabilities:		
Trade receivables	**2,605,160**	(5,682,117)
Prepaid tax	**(4,580,286)**	496,575
Prepaid expenses and advances	**(154,369)**	23,907
Other asset	**(155)**	19,425
Trade payables	**(3,026,005)**	2,280,814
Other payables	**3,467**	(15,201)
Taxes payable	**3,217,877**	103,589
Trade receivables	**5,024,524**	(5,676,861)
Other receivables	**(2,957,240)**	(5,256)
Accrued expenses	**3,478,447**	946,514
Unearned Revenue	**187,835**	-
Total change operating assets and liabilities	**1,488,240**	4,802,537
Income tax paid	**(1,001,304)**	(1,383,686)
Interest received	**12,066**	3,883
Net Cash Provided by (Used in) Operating Activities	**499,002**	3,422,734
CASH FLOWS FROM INVESTING ACTIVITY		
Acquisitions of fixed assets	**(3,286)**	(44,508)
CASH FLOWS FROM FINANCING ACTIVITY		
Dividends paid	**-**	(2,500,000)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT	**495,716**	878,226
CASH AND CASH EQUIVALENT AT BEGINNING OF YEAR	**3,159,631**	2,281,405
CASH AND CASH EQUIVALENT AT END OF YEAR	**3,655,347**	3,159,631

See accompanying notes to financial statements which are an integral part of the financial statements.

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2016 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.

As at March 31, 2016 and March 31, 2015, the composition of the Company's Board of Directors and Commissioner was as follows:

President Commissioners	:	Mr. C.P. Gurnani
President Directors	:	Mr. Rohit Gandhi
Director	:	Mr. Milind Kulkarni

As of March 31, 2016 and March 31, 2015, the Company had 190 and 186 permanent employees, respectively.

2. ADOPTION OF NEW AND REVISED STATEMENTS OF FINANCIAL ACCOUNTING STANDARDS ("PSAK") AND INTERPRETATIONS OF PSAK ("ISAK")

a. Standards and interpretations effective in the current year

In the current year, the Company adopted the following new and revised standards and interpretations issued by the Financial Accounting Standard Board of the Indonesian Institute of Accountants that are effective beginning on January 1, 2015 and relevant to its operations and effective for accounting period beginning on April 1, 2015.

- PSAK 1 (revised 2013), Presentation of Financial Statements

  The amendments to PSAK 1 introduce new terminology for the statement of comprehensive income. Under the amendments to PSAK 1, the statement of comprehensive income is renamed as a "statement of profit or loss and other comprehensive income". The amendments to PSAK 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to PSAK 1, require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (1) items that will not be reclassified subsequently to profit or loss; and (2) items that may be reclassified subsequently to profit or loss when specific conditions are met.

  The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes.

  Also relevant to the Company is the amendment to PSAK 1 regarding when a statement of financial position as of the beginning of the preceding period (third statement of financial position) and the related notes are required to be presented. The amendments specify that a third statement of financial position is required when a) an entity applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items in its financial statements, and b) the retrospective application, restatement or reclassification has a material effect on the information in the third statement of financial position. The amendments specify that related notes are not required to accompany the third statement of financial position.

The adoption of the new and revised standards and interpretations has no material effect on the prior year financial statements; thus, presentation of third statement of financial position is not required.

- PSAK 24 (revised 2013), Employee Benefits

The amendments to PSAK 24 change the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of PSAK 24 and accelerate the recognition of past service costs. The amendments require all actuarial gains and losses to be recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus. Furthermore, the interest cost and expected return on plan assets used in the previous version of PSAK 24 are replaced with a "net interest" amount under PSAK 24 (revised 2013) which is calculated by applying the discount rate to the net defined benefit liability or asset.

The application of PSAK 24 has had no material impact on the disclosures or on the amounts recognized in the financial statements; hence, the impacts to the prior years' financial statements were adjusted in the current year.

Other standards and interpretations that will not have significant impact on the presentation and amounts reported in financial statements are as follows:

- PSAK 46 (revised 2014), Income Taxes
- PSAK 4 (revised 2013), Separate Financial Statements
- PSAK 15 (revised 2013), Investments in Associates and Joint Ventures
- PSAK 48 (revised 2014), Impairment of Assets
- PSAK 50 (revised 2014), Financial Instruments: Presentation
- PSAK 55 (revised 2014), Financial Instruments: Recognition and Measurement
- PSAK 60 (revised 2014), Financial Instruments: Disclosures
- PSAK 66, Joint Arrangements
- PSAK 67, Disclosures of Interests in Other Entities
- PSAK 68, Fair Value Measurements
- ISAK 26, Reassessment of Embedded Derivatives

b. Standards and interpretations issued not yet adopted

Standard and improvements to standards effective for periods beginning on or after January 1, 2016, with early application permitted as are follows:

Standard

- PSAK 110 (revised 2015): Accounting for Sukuk,

Improvements

- PSAK 5: Operating Segments,
- PSAK 7: Related Party Disclosures,
- PSAK 13: Investments Property,
- PSAK 16: Property, Plant and Equipment,
- PSAK 19: Intangible Assets,
- PSAK 22: Business Combination,
- PSAK 25: Accounting Policies, Changes in Accounting Estimates and Errors,
- PSAK 53: Share-based Payments, and
- PSAK 68: Fair Value Measurement.

Amendments to standards and interpretation which are effective for periods beginning on or after January 1, 2016, with retrospective application are as follows:

- PSAK 4: Separate Financial Statements about Equity Method in Separate Financial Statements,
- PSAK 15 (revised 2013), Investments in Associates and Joint Venture about Investment Entities: Applying the Consolidation Exception
- PSAK 24: Employee Benefits about Defined Benefit Plans: Employee Contributions;
- PSAK 65: Consolidation Financial Statements about Investment Entities: Applying the Consolidation Exception,
- PSAK 67: Disclosures of Interest in Other Entities about Investment Entities: Applying the Consolidation Exception, and
- ISAK 30: Levies.

The amendments to standards effective for periods beginning on or after January 1, 2016, with amendments to be applied prospectively are as follows:

- PSAK 16: Property, Plant and Equipment about Clarification of Acceptable Methods of Depreciation and Amortization,
- PSAK 19: Intangible Asset about Clarification of Acceptable Methods of Depreciation and Amortization, and
- PSAK 66: Joint Arrangements about Accounting for Acquisitions of Interests in Joint Operation.

Amendments to standard and interpretation effective for periods beginning on or after January 1, 2017, with early application permitted are amendments to PSAK 1: Presentation of Financial Statements about Disclosure Initiative and ISAK 31, Scope Interpretation of PSAK 13: Investment property.

Standard and amendment to standard effective for periods beginning on or after January 1, 2018, with early application permitted are PSAK 69: Agriculture and Amendments to PSAK 16: Property, Plant and Equipment about Agriculture: Bearer Plants.

However, the management have not yet performed a detailed analysis of the impact of the application of these standard and hence have not yet quantified the extent of the impact.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of Compliance

The financial statements have been prepared in accordance with Indonesian Financial Accounting Standards and are not intended to present the financial position, financial performance 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 accounts which are measured on the basis described in the related accounting policies below. The presentation currency used in the preparation of the consolidated financial statements is the U.S. Dollar.

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 the asset or a 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, except for share-based payment transactions that are within the scope of PSAK 53, leasing transactions that are within the scope of PSAK 30, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in PSAK 14 or value in use in PSAK 48.

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, which are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

c. Foreign currency translation

The books of accounts of the Company are maintained in U.S. Dollar, the currency of the primary economic environment in which the entity operates (its functional currency). Transactions during the year involving foreign currencies are recorded at the rates of exchange prevailing at the time the transactions are made. At reporting date, monetary assets and liabilities denominated in foreign currencies are adjusted to reflect the rates of exchange 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.

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); and
   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).

   All transactions with related parties, whether or not made at similar terms and conditions as those done with third parties, are disclosed in the financial statements.

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.

<u>Loans and receivables</u>

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.

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 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 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.

Impairment of financial assets

Loans and receivables are assessed for indicators of impairment at each reporting 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 of the investment have been impacted.

Objective evidence of impairment of loans and receivables 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 is becoming probable that the borrower will enter bankruptcy or financial re-organisation.

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.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets 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. 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.

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 continue 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 recognise a collateralised 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

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company is classified according to 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

The Company's financial liabilities are classified as "at amortized cost".

Financial liabilities, which include trade and other payables, initially measured at fair value, net of transaction costs, and subsequently measured at amortized cost using the effective interest method.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations is discharged, cancelled or they expire. 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

The Company only offsets financial assets and liabilities and presents the net amount in the statement of financial position where it:

- currently has a legal enforceable right to set off the recognized amount; and
- intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

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. Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and impairment, if any. Depreciation is computed 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.

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. The carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

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 against earnings.

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. 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 recognised in other comprehensive income in the period in which they occur. Remeasurement recognised 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 recognised 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 categorised 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.
- 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 recognised 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.

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”).

<u>Rendering of Services</u>

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. Income 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 arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary differences arises from the initial recognition of goodwill.

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.

4. CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

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:

■ <u>Impairment Loss on Loans and Receivables</u>

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 loans and receivables are disclosed in Notes 6.

- <u>Estimated Useful Lives of Fixed Assets</u>

The useful life of each item of the Company's fixed assets 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 fixed assets would affect the recorded amortization and depreciation expense and decrease in the carrying values of fixed assets. The carrying amounts of fixed assets are disclosed in Notes 9.

- <u>Employee Benefits</u>

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. Post-employment benefit obligations amounted is disclosed in Note 21.

5. CASH AND CASH EQUIVALENT

Time deposit earned interest at 4.5% and 3.86% per annum in 2016 and 2015, respectively.

	2016	2015
	US$	US$
Cash on hand	**-**	32,305
Cash in banks		
U.S Dollar		
The Hongkong and Shanghai Banking Corporation	**552,634**	878,090
PT Bank Negara Indonesia (Persero) Tbk.	**-**	478
Rupiah		
The Hongkong and Shanghai Banking Corporation	**1,214,329**	182,086
PT Bank Mandiri (Persero) Tbk.	**79,615**	66,329
PT Bank Negara Indonesia (Persero) Tbk.	**-**	343
Sub total	**1,846,578**	1,127,326
Cash equivalent		
Time deposit		
U.S Dollar		
The Hongkong and Shanghai Banking Corporation	**1,808,769**	2,000,000
Total	**3,655,347**	3,159,631

Time deposits earned interest at 4.5% and 3.86% per annum in 2016 and 2015, respectively.

6. TRADE RECEIVABLES

a. By Debtor

	2016	2015
	US$	US$
Third parties:		
PT Hutchinson 3 Indonesia	**6,741,982**	10,033,187
PT. XL Axiata Tbk	**1,701,269**	3,175,949
PT Sophie Paris Indonesia	**1,272,178**	586,687
PT Hutchison CP Telecommunication	**687,324**	1,378,106
PT Asuransi Allianz Life Indonesia	**292,128**	163,328
PT Cisco Systems Indonesia	**224,089**	350,878
PT Cisco Technologies Indonesia	**143,282**	179,298
PT Glaxo Wellcome Indonesia	**121,660**	-
PT Indonesia Media Televisi	**71,080**	-
PT BT Communications Indonesia	**63,206**	147,981
PT AXA Services Indonesia	**45,233**	-
PT Mitra Integrasi	**15,077**	15,077
PT AXIS Telekom Indonesia	**-**	155,417
Others	**40,142**	257,264
Total third parties	**11,418,650**	16,443,172
Allowance for impairment losses	**(1,082,517)**	(544,641)
Net	**10,336,133**	15,898,531
Related parties - Net (Note 22)	**2,962,496**	5,256
Total	**13,298,629**	15,903,787

	2016	2015
	US$	US$
Movement in allowance for impairment:		
Allowance for impairment at beginning of year	**544,641**	544,641
Additional provision made during the year	**537,876**	-
Allowance for impairment at end of year	**1,082,517**	544,641

b. Aging of trade receivables:

	2016	2015
	US$	US$
Overdue:		
1 - 30 days	**12,299,519**	10,997,544
31 - 60 days	**38,659**	1,798,002
61 - 90 days	**186,942**	974,152
Over 90 days	**1,856,026**	2,678,730
Total	**14,381,146**	16,448,428
Allowance for impairment	**(1,082,517)**	(544,641)
Net	**13,298,629**	15,903,787

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

7. PREPAID TAXES

	2016	2015
	US$	US$
Corporate income tax (Note 20)	**1,309,338**	-
VAT receivable	**3,632,939**	659,615
	4,942,277	659,615

8. PREPAID EXPENSES AND ADVANCES

	2016	2015
	US$	US$
Advances to suppliers	**596,770**	241,624
Advances to employees	**134,024**	224,764
Rental software	**2,500**	102,354
Others	**9,807**	19,991
Total	**743,101**	588,733

9. FIXED ASSETS

	April 1, 2015	**Addition**	**Deductions**	**March 31, 2016**
	US$	**US$**	**US$**	**US$**
At cost:				
Computer	**278,781**	**3,286**	-	282,067
Accumulated depreciation:				
Computer	**220,693**	**20,835**	**-**	**241,528**
Net Carrying Amount	**58,088**			**40,539**

	April 1, 2014	Addition	Deductions	March 31, 2015
	US$	US$	US$	US$
At cost:				
Computer	234,274	44,507	-	278,781
Accumulated depreciation:				
Computer	203,462	17,231	-	220,693
Net Carrying Amount	30,812			58,088

In 2016 and 2015, depreciation charged to operating expenses amounted to USD 20,835 and USD 17,231, respectively (Note 19).

The Company's fixed assets were not covered by insurance policy. Based on management's assessment, there are no events or changes in circumstances which would indicate impairment in the carrying value of fixed assets as of March 31, 2016 and 2015.

10. OTHER ASSETS

Other assets consists of rental deposit and other deposits.

11. TRADE PAYABLES

	2016	2015
	US$	US$
PT Niagaprima Paramitra	**62,975**	62,975
PT RECRUITMENT	**47,732**	-
PT Radinka Anugra	**42,739**	172,867
Tectacle Technologies MSC	**12,084**	12,084
PT Iditya Putra	**10,978**	14,468
Nuway CFR Pte Ltd	**10,598**	-
PT Hewlett-Packard Berce Servicindo	**-**	1,280,132
We Do Consulting	**-**	375,130
CSG International Sdn. Bhd.	**-**	240,000
PT Ernst & Young Indonesia	**-**	131,760
PT. Synnex Metrodata Indonesia	**-**	199,892
PT. Multipiranti Mediadata	**-**	104,509
Others	**37,627**	217,260
	224,733	2,811,077
Related parties (Note 22)	**1,330,163**	1,769,824
Total	**1,554,896**	4,580,901

12. ACCRUED EXPENSES

	2016	2015
	US$	US$
Sub-contract expenses	**4,078,614**	34,336
Medical claims	**76,560**	66,937
Payables to employees	**40,577**	39,174
Travel	**-**	568,991
Salaries	**-**	7,866
Total	**4,195,751**	717,304

13. TAXES PAYABLE

	2016	2015
	US$	US$
Income taxes:		
Corporate income tax (Note 20)	**-**	922,827
VAT payable	**3,509,739**	175,117
Article 21	**47,662**	54,017
Article 26	**13,075**	2,379
Article 23	**5,987**	71,030
Article 4(2)	**-**	207
Other taxes payable	**42,614**	194,623
Total	**3,619,077**	**1,420,200**

14. OTHER PAYABLES

This account represents leave encashment liabilities amounting to USD 108,699 and USD 105,232 as of March 31, 2016 and 2015, respectively.

15. CAPITAL STOCK

	March 31, 2016 and 2015		
Name of Stockholder	Number of Shares	Percentage of Ownership %	Total Paid-up Capital US$
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**

16. DIVIDENDS

On September 30, 2014, the Company declared the distribution of an interim dividend for 2014 amounting to USD 2,500,000 or USD 5 per share. The interim dividend was paid on October 28, 2014.

17. REVENUE

	2016 US$	2015 US$
PT Hutchinson CP Telecommunications	**14,811,368**	16,719,044
PT. Astra Graphia Information Technology	**2,018,383**	-
PT Sophie Paris Indonesia	**1,765,694**	1,181,957
PT Asuransi Allianz Life Indonesia	**603,995**	224,933
PT Cisco Systems Indonesia	**358,867**	360,520
PT. Paralel Data Sistem	**285,414**	-
PT Axis Powered by XL	**269,872**	3,451,036
PT Glaxo Wellcome Indonesia	**107,727**	-
PT Indonesia Media Televisi	**65,030**	-
PT AXA Services Indonesia	**45,233**	-
PT BT Communications Indonesia	**41,850**	265,463
PT Hanjaya Mandala Sampoerna Tbk	**-**	171,984
Others	**11,449**	309,443
Total	**20,384,882**	22,684,380

18. 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 2016 and 2015, cost of revenue amounted to USD 12,524,964 and USD 9,999,119, respectively.

19. OPERATING EXPENSES

	2016	2015
	US$	US$
Salaries	**3,467,410**	4,109,200
Other allowance	**935,836**	408,880
Provision for doubtful advance	**795,206**	-
Travel	**667,637**	402,821
Variable performance allowance	**221,136**	165,219
Insurance	**211,461**	237,877
Professional fees	**183,050**	419,091
Telecommunication	**123,495**	34,354
School fees - overseas	**113,190**	96,176
Staff welfare	**66,261**	39,881
Conveyance	**45,202**	31,281
Severance pay	**36,411**	49,524
Printing and stationary	**35,190**	39,812
Employee benefits (Note 21)	**34,249**	3,067
Rental	**22,008**	31,448
Recruitment	**21,998**	23,521
Depreciation (Note 9)	**20,835**	17,231
Rates and taxes	**-**	66,239
Others (each below US$ 10,000)	**44,553**	127,366
Total	**7,045,128**	6,302,988

20. INCOME TAX

Tax expense (benefit) of the Company consists of the following:

	2016	2015
	US$	US$
Current tax	**(230,308)**	(1,762,771)
Deferred tax	**205,585**	(3,067)
Total	**(24,723)**	(1,765,838)
Adjustment recognized in the current year in relation to the current tax of prior years corporate income tax	**(34,016)**	-
Total	**(58,739)**	(1,765,838)

Current Tax

Reconciliation between income before tax per statements of profit or loss and other comprehensive income and taxable income is as follows:

	2016 US$	2015 US$
Income (loss) before tax per statements of profit or loss and other comprehensive income	**(286,749)**	6,612,616
Temporary differences:		
Provision for employment benefit	**34,249**	3,067
Leave enchasment	**(6,775)**	(15,201)
Difference between commercial and fiscal depreciation	**(340)**	(284)
Provision for impairment on trade receivables	**795,206**	-
Total	**822,340**	(12,418)
Permanent differences:		
Insurance	**211,461**	237,877
School fees	**113,190**	96,176
Staff welfare	**66,261**	39,881
Meals	**6,796**	4,296
Interest income subjected to final tax	**(12,066)**	(3,883)
Rate and tax	**-**	66,239
Rent	**-**	5,301
Business promotion	**-**	5,000
Total	**385,642**	**450,887**
Taxable Income	**921,233**	7,051,085

Current tax expense and prepayment are computed as follows:

	2016 US$	2015 US$
Current tax:		
25% x US$ 921,233 in 2016 and US$ 7,051,085 in 2015	**230,308**	1,762,771
Less prepaid income taxes:		
Article 23	**(316,524)**	(342,962)
Article 25	**(1,223,122)**	(496,982)
Total	**(1,539,646)**	(839,944)
Under (over) payment of corporate income tax (Notes 7 and 13)	**(1,309,338)**	922,827

Deferred Tax

The details of the Company's deferred tax assets and liability are as follows:

	March 31, 2014 US$	Credited (charged) to income for the year US$	March 31, 2015 US$	Credited to income for the year US$	Credited (charged) to other comprehensive income US$	March 31, 2016 US$
Provision for employment benefit	71,330	(3,034)	68,296	6,868	(23,131)	**52,033**
Differrence between commercial and fiscal depreciation	5,652	(33)	5,619	(85)	-	**5,534**
Provision for doubtful debts/ provision for doubtful advance	136,160	-	136,160	198,802	-	**334,962**
Deferred tax assets (liabilities) - net	213,142	(3,067)	210,075	205,585	(23,131)	**392,529**

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:

	2016 US$	2015 US$
Laba (rugi) sebelum pajak	**(286,749)**	6,612,616
Tax at applicable rate	**(71,687)**	1,653,154
Tax effect of nondeductible expenses :	**96,410**	112,722
Deferred tax adjustment	**-**	(38)
Total	**24,723**	1,765,838

Claim for tax refund consists of:

	2016 US$	2015 US$
March 31, 2014	**15,604**	-
March 31, 2013	**104,674**	104,674
March 31, 2012	**379,766**	379,766
Total	**500,044**	484,440

On September 19, 2013, Directorate General of Taxation (DGT) issued underpayment tax assessment letter (SKPKB) on the Company's Corporate Income Tax pertaining to fiscal year 2011 amounting to US$ 379,766 compared to overpayment US$ 379,766 recorded and being claimed by the Company. The difference between amount claimed and approved by DGT is still on appeal.

On July 23, 2014, Directorate General of Taxation (DGT) issued underpayment tax assessment letter (SKPKB) on the Company's Corporate Income Tax pertaining to fiscal year 2012 amounting to US$ 32,433 compared to overpayment US$ 104,674 recorded and being claimed by the Company. Payment for such underpayment tax assessment letter was made by the Company on August 22, 2014.

21. EMPLOYEE BENEFITS

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

The defined benefit pension plan typically expose 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 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 11, 2016 for 2016 and April 15, 2015 for 2015.

Amounts recognized in statements of profit or loss and comprehensive income in respect of the benefits are as follows:

	2016	2015
	US$	US$
Current service costs	**24,718**	90,552
Interest costs	**12,907**	12,447
Actuarial gain recognised	**-**	(8,144)
Effect of curtailment/setlement	**-**	(62,252)
Gain on foreign exchange	**(3,376)**	(29,536)
Total	**34,249**	3,067
Remeasurement on net benefit liability:		
Acturial loss from experience adjustment	**14,103**	-
Acturial gain from changes in financial assumptions	**(106,629)**	-
Components of benefit cost recognised in other comprehensive income	**(92,526)**	-
Total	**(58,277)**	3,067

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:

	2016	2015
	US$	US$
Beginning of the year	**288,389**	175,052
Current service costs	**(63,179)**	90,552
Interest costs	**12,907**	12,447
Effect of curtailment and settlements	**(4,629)**	(45,478)
Actuarial losses	**-**	85,352
Foreign exchange gains	**(3,376)**	(29,536)
Total	**230,112**	288,389

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:

	2016	2015
Discount rate	8%	7.5%
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$ 31,995, while decrease by 1% in the discount rate would increase the post-employment benefit obligation by US$ 38,826 million.
- If the expected salary incremental rate is 1% higher, the post-employment benefit obligation would increase by US$ 36,929 million, while decrease by 1% in the salary incremental rate would decrease the post-employment benefit obligation by US$ 31,159 million.

22. 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 the Director of the Company
- Mr. Ramanuj Rao is the Country Head of the Company
- Mr. Shailendra Rane is the Regional Head 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. Trade receivables from a related party is as follows:

	2016	2015
	US$	US$
Tech Mahindra Limited	**2,962,496**	5,256
Percentage to total assets	**12.54%**	0.02%

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

	2016	2015
	US$	US$
Cost of revenue	**1,896,000**	2,134,542
Percentage to cost of revenue	**15.13%**	21.35%
Tech Mahindra Limited (Trade payables)	**1,330,163**	1,736,922
Comviva Technologies Ltd (Trade payables)	**-**	32,902
Tech Mahindra Limited (Accrued expenses)	**86,316**	-
Total	**1,416,479**	1,769,824

c. Total remuneration incurred by the Company for its key management personnel amounted to USD 464,326.54 and Rp 3,012,213,310 in 2016 and USD 454,209 and Rp 1,445,181,429 in 2015.

23. 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 July 01, 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).

24. MONETARY ASSETS AND LIABILITIES DENOMINATED IN CURRENCY OTHER THAN U.S. DOLLAR

As of March 31, 2016 and 2015, the Company had monetary assets and liabilities in currency other than U.S. Dollar as follows:

		2016		2015	
		Foreign currency	**Equivalent in US$**	Foreign currency	Equivalent in US$
Assets					
Cash and cash equivalent	IDR	**17,166,643,818**	**1,293,944**	3,677,427,114	281,063
Trade receivables	IDR	**105,090,361,472**	**7,942,583**	-	-
Liability					
Trade payables	IDR	**2,697,637,698**	**203,336**	4,274,135,379	326,669
Net monetary assets (liability)		**119,559,367,592**	**9,033,191**	(596,708,265)	(45,606)

The conversion rate per US$ 1 used by the Company is Rp 13,276 on March 31, 2016 and Rp 13,084 on March 31, 2015.

25. CATEGORIES AND FAIR VALUE OF FINANCIAL INSTRUMENTS

	March 31, 2016		March 31, 2015	
	Carrying amounts US$	**Fair value US$**	Carrying amounts US$	Fair value US$
Loans and receivables				
Current Financial Assets				
Cash and cash equivalent	**3,655,347**	**3,655,347**	3,159,631	3,159,631
Trade accounts receivable	**13,298,629**	**13,298,629**	15,903,788	15,903,788
Rental deposits	**14,258**	**14,258**	14,258	14,258
Advances to employees	**134,024**	**134,024**	224,764	224,764
Liabilities at amortized cost				
Current Financial Liabilities				
Trade accounts payable				
Third parties	**224,733**	**224,733**	2,811,077	2,811,077
Related parties	**1,330,163**	**1,330,163**	1,769,824	1,769,824
Accrued Payables	**4,195,751**	**4,195,751**	1,261,045	1,261,045
Other accounts payable	**108,699**	**108,699**	105,232	105,232
Total	**22,961,604**	**22,961,604**	25,249,620	25,249,620

The Company has no financial asset categorized as Fair Value. Through Profit or Loss (FVTPL), held to maturity and available-for-sale and financial liability categorized as at FVTPL.

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.

26. FINANCIAL INSTRUMENTS, FINANCIAL RISK AND CAPITAL RISK MANAGEMENT

a. 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 equity shareholders of the holding that consisting of capital stock (Note 12), 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.

b. Financial Risk Management Objectives and Policies

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 denominated in other currency.

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 20. The Company did not enter into any forward foreign exchange contracts.

<u>Foreign currency sensitivity analysis</u>

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 6% against Indonesia Rupiah with all other variables held constant, profit and taxes of the period would have been US$ 3,381 higher/lower while a fluctuation by 2% and 11% between U.S Dollar against Singapore Dollar and Euro respectively will only resulted to profit and taxes of the period to be US$ 840 and US$ 15,359 higher/lower. The percentage used represents management's assessment of the reasonably possible change in foreign exchange rates.

ii. Interest rate risk management

The Company is exposed to interest rate risk because the Company lending fund at floating interest rate. Exposures to interest rate risk relate mainly to the Company's lending to related parties with variable interest rates, which are monitored on an ongoing basis with the primary objective of limiting the extent to which net interest exposure could be affected by an adverse movement in interest rates.

The Company's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

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 accounts receivable and other accounts 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 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 and interest 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 US$	**More than one year and not later than five years US$**	**More than five year US$**	**Total US$**
March 31, 2016				
Financial liabilities				
Trade accounts payable	**1,554,896**	**-**	**-**	**1,554,896**
Accrued expenses	**4,195,751**	**-**	**-**	**4,195,751**
Total	**5,750,647**	**-**	**-**	**5,750,647**

	Less than one year US$	More than one year and not later than five years US$	More than five year US$	Total US$
March 31, 2015				
Financial liabilities				
Trade accounts payable	4,580,901	-	-	4,580,901
Accrued expenses	717,304	-	-	717,304
Total	5,298,205	-	-	5,298,205

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 US$	**1-3 monts US$**	**3 months to 1 year US$**	**1-5 year US$**	**Total US$**
March 31, 2016					
Financial assets:					
Cash in banks	**3,655,347**	**-**	**-**	**-**	**3,655,347**
Trade receivables	**12,299,519**	**922,916**	**76,192**	**1,082,518**	**14,381,145**
Rental deposit	**14,258**	**-**	**-**	**-**	**14,258**
Total	**15,969,124**	**922,916**	**76,192**	**1,082,518**	**18,050,750**

	Less than one month	1-3 monts	3 months to1 year	1-5 year	Total
	US$	US$	US$	US$	US$
March 31, 2015					
Financial assets:					
Cash in banks	1,127,326	-	-	-	1,127,326
Trade receivables	10,997,544	2,772,154	2,134,090	544,641	16,448,429
Rental deposit	14,258	-	-	-	14,258
Total	12,139,128	2,772,154	2,134,090	544,641	17,590,013

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.

27. RECLASSIFICATION OF ACCOUNT

Certain accounts in the financial statements of March 31, 2015 have been reclassified to conform with the presentation of financial statements of March 31, 2016:

	March 31, 2015		
	Before Reclassification	**Reclassification**	**After Reclassification**
	US$	**US$**	**US$**
CURRENT ASSETS			
Prepiad expenses and advance	**937,850**	**(349,117)**	**588,733**
CURRENT LIABILITIES			
Accrued expenses	**1,261,045**	**(543,741)**	**717,304**
Taxes payable	**1,225,576**	**194,624**	**1,420,200**
COST OF REVENUE	**9,932,802**	**66,317**	**9,999,119**
OPERATING EXPENSES	**6,369,305**	**(66,317)**	**6,302,988**

28. MANAGEMENT RESPONSIBILITY AND APPROVAL OF FINANCIAL STATEMENTS

The preparation and fair presentation of the financial statements on pages herein were the responsibilities of the management, and were approved by the Directors and authorized for issue on May 18, 2016.

TECH MAHINDRA (MALAYSIA) SDN. BHD.

Board of Directors
Mr. Manish Goenka
Mr. Suresh Bhat
Mr. Anil Khatri
Ms. Chong Li Khuen
Ms. Sabrina Ong Lee Leigh

Registered Office
35-3, Jalan SS,
15/8A, 47500,
Subang Jaya,
Selangor Darul Ehsan,
Malaysia

Bankers
HSBC Limited

Auditors
Deloitte

DIRECTORS' REPORT

The directors of TECH MAHINDRA (MALAYSIA) SDN. BHD. have pleasure in submitting their report and the audited financial statements of the Company for the financial year ended 31 March 2016.

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.

There have been no significant changes in the nature of these principal activities during the financial year.

RESULTS OF OPERATIONS

The results of operations of the Company for the financial year are as follows:

	RM
Profit for the year	**593,706**

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

An interim single-tier dividend of 900% on ordinary shares amounting to RM2,815,398 in respect of the financial year ended 31 March 2016 was declared on 25 June 2015 and paid on 7 July 2015.

The directors do not recommend the payment of any final dividend 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 has not issued any new shares or 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 no known bad debts need 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 realise their book values in the ordinary course of business had been written down to their estimated realisable values.

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 render the amount of 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.

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 following directors served on the Board of the Company since the date of the last report:

Manish Goenka

Suresh Bhat

Anil Khatri

Chong Li Khuen

Sabrina Ong Lee Leigh

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 of its related companies during and at the end of the financial year. Under the Company's 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 (other than the benefits included in the aggregate amount of emoluments received or due and receivable by directors or the fixed salary of a full time employee of the Company as disclosed in the financial statements) 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.

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.

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, Messrs. Deloitte, have indicated their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 16th May, 2016.

SURESH BHAT	**ANIL KHATRI**
Director	**Director**

16 May 2016, Singapore

STATEMENT BY DIRECTORS

The directors of **TECH MAHINDRA (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, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31 March 2016 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, dated 16th May, 2016.

SURESH BHAT	**ANIL KHATRI**
Director	**Director**

16 May 2016, Singapore

DECLARATION BY THE DIRECTOR PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, **SURESH BHAT**, the director primarily responsible for the financial management of **TECH MAHINDRA (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 oaths and Declarations Act (Cap 211)

SURESH BHAT

Subscribed and solemnly declared by
the abovenamed **SURESH BHAT** at
SINGAPORE this 16 May 2016.

Before me,

COMMISSIONER FOR OATH

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF TECH MAHINDRA (MALAYSIA) SDN. BHD.

(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of TECH MAHINDRA (MALAYSIA) SDN. BHD., which comprise the statement of financial position as at 31 March 2016 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages herein.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform 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' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 March 2016 and of its financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

The financial statements of the Company for the preceding financial year ended 31 March 2015 were audited by another firm of auditors whose report dated 30 April 2015 expressed an unmodified opinion on these financial statements.

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility towards any other person for the contents of this report.

DELOITTE
AF 0080
Chartered Accountants

LAI CAN YIEW
Partner - 2179/11/16 (J)
Chartered Accountant

16 May 2016

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2016

	Note	**2016**	2015
		RM	RM
Revenue	5	**15,180,748**	36,350,047
Cost of services		**(14,013,663)**	(35,798,769)
Gross profit		**1,167,085**	551,278
Other operating income		**631,620**	2,012,436
Administrative expenses		**(787,642)**	(764,746)
Profit before tax	6	**1,011,063**	1,798,968
Tax expense	8	**(417,357)**	(459,004)
Profit for the year		**593,706**	1,339,964
Other comprehensive income, net of tax		**-**	-
Total comprehensive income for the year		**593,706**	1,339,964

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

STATEMENT OF FINANCIAL POSITION

AS OF 31 MARCH 2016

	Note	**2016 RM**	2015 RM
ASSETS			
Non-current Asset			
Property, plant and equipment	9	**1,238**	4,187
Current Assets			
Trade and other receivables	10	**3,031,153**	8,904,522
Amount due from related companies	11	**109,918**	65,925
Cash and bank balances	12	**340,726**	4,597,447
Total Current Assets		**3,481,797**	13,567,894
TOTAL ASSETS		**3,483,035**	13,572,081
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital	13	**312,822**	312,822
Retained earnings		**2,296,353**	4,518,045
TOTAL EQUITY		**2,609,175**	4,830,867
Non-current Liability			
Deferred tax liabilities	16	**-**	180,467
Current Liabilities			
Other payables and accrued expenses	14	**285,303**	4,877,534
Amount due to immediate holding company	15	**113,928**	3,558,411
Tax liabilities		**474,629**	124,802
Total Current Liabilities		**873,860**	8,560,747
TOTAL LIABILITIES		**873,860**	8,741,214
TOTAL EQUITY AND LIABILITIES		**3,483,035**	13,572,081

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2016

	Note	Share capital RM	Distributable- Retained earnings RM	Total RM
At 1 April 2014		**312,822**	**3,178,081**	**3,490,903**
Total comprehensive income for the year		**-**	**1,339,964**	**1,339,964**
At 31 March 2015		**312,822**	**4,518,045**	**4,830,867**
At 1 April 2015		**312,822**	**4,518,045**	**4,830,867**
Total comprehensive income for the year		**-**	**593,706**	**593,706**
Dividend paid for the year	18	**-**	**(2,815,398)**	**(2,815,398)**
At 31 March 2016		**312,822**	**2,296,353**	**2,609,175**

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2016

	Note	**2016** RM	2015 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**1,011,063**	1,798,968
Adjustments for:			
Allowance for doubtful debts		**892,929**	-
Reversal of allowance no longer required		**(944,443)**	-
Depreciation of property, plant and equipment		**2,949**	3,313
Loss/(Gain) on foreign exchange – unrealised		**590,512**	(826,873)
Interest income		**(102,648)**	(105,983)
Operating Profit Before Working Capital Changes		**1,450,362**	869,425
Changes in working capital:			
(Increase)/Decrease in:			
Trade and other receivables		**5,326,813**	(2,443,089)
Amount due from related companies		**(43,993)**	2,434,075
Increase/(Decrease) in:			
Other payables and accrued expenses		**(4,592,231)**	1,894,330
Amount due to immediate holding company		**(3,444,483)**	(3,865,661)
Cash Used In Operation		**(1,303,532)**	(1,110,920)
Tax paid		**(247,997)**	(257,983)
Net Cash Used In Operation Activities		**(1,551,529)**	(1,368,903)
CASH FLOWS FROM AN INVESTING ACTIVITY			
Interest received		**102,648**	105,983
Cash From An Investing Activity		**102,648**	105,983
CASH FLOWS FROM A FINANCING ACTIVITY			
Dividend paid		**(2,815,398)**	-
Cash Used In A Financing Activity		**(2,815,398)**	-
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(4,264,279)**	(1,262,920)
Effect of foreign exchange differences		**7,558**	1,226
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**4,597,447**	5,859,141
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	12	**340,726**	4,597,447

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

NOTES TO THE FINANCIAL STATEMENTS

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.

There have been no significant changes in the nature of these activities during the financial year.

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 16 May 2016.

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, 1965 in Malaysia.

The financial statements are presented in Ringgit Malaysia (RM). The financial statements of the Company have been prepared under historical cost convention except as disclosed in the accounting policies below:

Application of new and revised MFRSs

In the current financial year, the Company has applied a number of new and revised MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatorily effective for accounting period that begins on or after 1 April 2015 as follows:

Amendments to MFRS 132	Financial Instruments: Presentation (Amendments relating to Offsetting Financial Assets and Financial Liabilities)
Amendments to MFRS 136	Impairment of Assets (Amendments relating to Recoverable Amount Disclosures for Non-Financial Assets)
Amendments to MFRS 139	Financial Instruments: Recognition and Measurement (Amendments relating to Novation of Derivatives and Continuation of Hedge Accounting)
Amendments to MFRS 119	Employee Benefits (Amendments relating to Defined Benefit Plans: Employee Contributions)
Amendments to MFRSs contained in the document entitled Annual Improvements to MFRSs 2010 - 2012 Cycle	
Amendments to MFRSs contained in the document entitled Annual Improvements to MFRSs 2011 - 2013 Cycle	

The adoption of the above new and revised Standards has no material impact on the financial statements of the Company during the financial year.

Standards and Amendments in issue but not yet effective

At the date of authorisation for issue of these financial statements, the new and revised Standards which were in issue but not yet effective and not early adopted by the Company are as listed below:

MFRS 9	Financial Instruments[2]
MFRS 14	Regulatory Deferral Accounts[1]
MFRS 15	Revenue from Contracts with Customers[2]
Amendments to MFRS 10, MFRS 12 and MFRS 28	Investment Entities: Applying the Consolidation Exception[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 11	Accounting for Acquisitions of Interests in Joint Operations[1]
Amendments to MFRS 101	Disclosure Initiative[1]
Amendments to MFRS 116	Clarification of Acceptable Methods of Depreciation and MFRS 138 and Amortisation[1]
Amendments to MFRS 116 and MFRS 141	Agriculture: Bearer Plants[1]
Amendments to MFRS 127	Equity Method in Separate Financial Statements[1]
Amendments to MFRSs contained in the document entitled Annual Improvements to MFRSs 2012 - 2014 Cycle1	

[1] Effective for annual periods beginning on or after 1 January 2016

[2] Effective for annual periods beginning on or after 1 January 2018

[3] Effective date deferred to a date to be determined and announced, with earlier application still permitted.

The directors anticipate that the abovementioned Standards and Amendments will be adopted in the annual financial statements of the Company when they become effective and that the adoption of these Standards will have no material impact on the financial statements of the of the Company in the period of initial application.

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.

Revenue

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.

Consultancy services are provided either on a time or on a fixed fee basis. Revenue from time-based contracts is recognised as services are provided. Revenue from fixed-fee projects is recognised by reference to the stage of completion of the transaction at the statement of financial position date determined by costs incurred to date as a percentage of total estimated project costs. Losses on consulting services are recognised during the year in which the loss becomes probable and the amount of loss can be reasonably estimated. Losses are determined to be the amount by which the estimated costs of the project exceed the estimated total revenue that will be generated for the work.

Interest income

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time 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 on initial recognition.

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 is as follows:

Currency	**2016**	2015
	RM	RM
1 United States Dollar (USD)	**3.9084**	3.7035

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. 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 profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or 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 profit 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 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.

Depreciation of property, plant and equipment is computed on the straight-line method at rates based on the estimated useful lives of the various assets. The annual depreciation rates used are as follows:

Computers	25%

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.

The estimated useful lives, residual values and depreciation method are reviewed at each statement of financila position date, with the effect of any changes in estimates accounted for on a prospective basis.

Impairment of Non-Financial Assets

At each reporting 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

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.

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 FVTPL

Financial assets are classified as at FVTPL when the financial asset is designated as at FVTPL.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if it forms part of a contract containing one or more embedded derivatives, and MFRS 139 Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss.

(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.

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 “other financial liabilities”.

(iv) Financial Liabilities at FVTPL

Financial liabilities are classified as at FVTPL where the financial liability is designated as at FVTPL.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if it forms part of a contract containing one or more embedded derivatives, and MFRS 139 Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss.

(v) 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.

(vi) 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 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 (where the effect of 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.

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.

Cash Flow Statement

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 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 instance of application of judgments 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.

- Allowance for doubtful debts

  The Company makes allowance for doubtful debts based on assessment of the recoverability of trade and other receivables. Allowances are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of doubtful debts requires use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed. As at 31 March 2016, the carrying amount of trade receivables was RM2,500,560 (2015:RM7,262,581) and allowance for doubtful debts has been made as stated in Note 10.

5. REVENUE

	2016 **RM**	2015 RM
Rendering of services	**15,180,748**	36,350,047

6. PROFIT BEFORE TAX

The following amounts have been included in arriving at profit before tax:

	2016 RM	2015 RM
After charging:		
Staff costs (Note 7)	**5,098,260**	14,048,944
Allowance of doubtful debts (Note 10)	**892,929**	-
Loss on foreign exchange - unrealised	**590,512**	-
Auditors' remuneration:		
Current year	**20,629**	18,000
Underprovision in prior year	**-**	10,500
Rental of premises	**7,500**	88,000
Directors' fee	**6,000**	6,000
Depreciation of property, plant and equipment	**2,949**	3,313
And crediting:		
Reversal of allowance no longer required (Note 10)	**944,443**	-
Gain on foreign exchange – realised	**151,063**	1,079,580
Gain on foreign exchange – unrealised	**-**	826,873
Interest income	**102,648**	105,983

7. STAFF COSTS

	2016 RM	2015 RM
Salaries and allowances	**4,835,216**	13,280,169
Defined contribution plan	**98,758**	131,811
Other staff related expenses	**164,286**	636,964
	5,098,260	14,048,944

8. TAX EXPENSE

	2016 RM	2015 RM
Current income tax		
Current year	**594,028**	252,876
Under provision in prior years	**3,796**	-
	597,824	252,876
Deferred tax		
Relating to originating temporary differences (Note 16)	**(180,467)**	206,128
	417,357	459,004

A reconciliation of tax expense to profit before tax at the applicable statutory income tax rate to tax expense at the effective income tax rate of the Company is as follows:

	2016 RM	2015 RM
Profit before taxation	**1,011,063**	1,798,968
Tax at Malaysian statutory tax rate of 24% (2015: 25%)	**242,655**	449,742
Tax effects of expenses not deductible for tax purposes	**170,906**	9,262
Under provision of income tax in prior year	**3,796**	-
	417,357	459,004

The Finance (No. 2) Act 2014 gazetted on 30 December 2014 enacts the reduction of corporate income tax rate from 25% to 24% with effect from year of assessment 2016. Accordingly, the applicable tax rates to be used for the measurement of any applicable deferred tax will be the expected rates.

9. PROPERTY, PLANT AND EQUIPMENT

	Computers RM
Carrying amount	
At 1 April 2014	**7,500**
Depreciation charge	**(3,313)**
At 31 March 2015	**4,187**
At 1 April 2015	**4,187**
Depreciation charge	**(2,949)**
At 31 March 2016	**1,238**
At 31 March 2015	
Cost	**34,548**
Accumulated depreciation	**(30,361)**
Carrying amount	**4,187**
At 31 March 2016	
Cost	**34,548**
Accumulated depreciation	**(33,310)**
Carrying amount	**1,238**
Net Book Value	
At 31 March 2015	**4,187**
At 31 March 2016	**1,238**

10. TRADE AND OTHER RECEIVABLES

	2016 RM	2015 RM
Trade receivables	**4,640,030**	9,453,565
Less: Allowance for doubtful debts	**(2,139,470)**	(2,190,984)
	2,500,560	7,262,581
Other receivables	**480,297**	934,198
Accrued income	**50,296**	707,743
	3,031,153	8,904,522

Accrued income represent invoices not issued to customers for which services rendered have been completed and have been included under sales.

The currency profile of trade and other receivables is as follows:

	2016 RM	2015 RM
Ringgit Malaysia	**666,455**	2,508,147
United States Dollar	**2,364,698**	6,396,375
	3,031,153	8,904,522

The ageing analysis of the trade receivables is as follows:

	2016 RM	2015 RM
Neither past due nor impaired	**218,107**	1,712,716
Past due, not impaired		
Past due 1 - 30 days	**173,225**	4,880,544
Past due 31 - 60 days	**-**	58,749
Past due 61 - 90 days	**6,704**	392,546
Past due 91 - 120 days	**224,746**	218,026
Past due 120 days and above	**1,877,778**	-
	2,282,453	5,549,865
Past due and impaired	**2,139,470**	2,190,984
	4,640,030	9,453,565

In determining the recoverability of a trade receivable, the Company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date.

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 impaired

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:

	2016 RM	2015 RM
At beginning of year	**2,190,984**	2,190,984
Allowance during the year (Note 6)	**892,929**	-
Reversal of allowance no longer required (Note 6)	**(944,443)**	-
At end of year	**2,139,470**	2,190,984

The aging analysis of the Company's trade receivables that are impaired is as follows:

	2016 RM	2015 RM
Past due 120 days and above	**2,139,470**	2,190,984

11. AMOUNT DUE FROM RELATED COMPANIES

Related companies in these financial statements refer to members of the holding company's group of companies.

Amount due from related companies is trade in nature, interest free and repayable on demand except for inter corporate deposit granted to a related company in the prior financial year with fixed interest of 4% per annum, which were unsecured and repayable within 6 months. This inter corporate deposit was fully settled during the quarter ended 30 June 2014.

12. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statement of cash flow consist the following amounts in the statement of the financial position:

	2016	2015
	RM	RM
Cash in hand	**-**	2
Cash at bank	**340,726**	4,597,445
	340,726	4,597,447

The foreign currency profile of cash and cash equivalents is as follows:

	2016	2015
	RM	RM
Ringgit Malaysia	**312,998**	4,571,160
United States Dollar	**27,728**	26,287
	340,726	4,597,447

13. SHARE CAPITAL

	2016	2015
	RM	RM
Authorised:		
5,000,000 ordinary shares of RM1 each	**5,000,000**	5,000,000
Issued and fully paid:		
312,822 ordinary shares of RM1 each	**312,822**	312,822

14. OTHER PAYABLES AND ACCRUED EXPENSES

	2016	2015
	RM	RM
Other payables	**77,138**	1,355,684
Advance billings	**-**	2,701,709
Accrued expenses	**208,165**	820,141
	285,303	**4,877,534**

Advance billing represent invoices issued to customers for which services rendered have not been completed and been included under trade receivables.

The currency exposure profile of other payables is as follows:

	2016	2015
	RM	RM
Ringgit Malaysia	**77,138**	1,321,357
United States Dollar	**-**	2,736,036
	77,138	4,057,393

15. AMOUNT DUE TO IMMEDIATE HOLDING COMPANY

The directors regard Tech Mahindra Limited, a company incorporated in India as the immediate and ultimate holding company.

Amount due to immediate holding company which arose mainly from trade transactions is unsecured, interest free and repayable on demand.

The significant account balance with imediate holding company are as follows:

	2016	2015
	RM	RM
Amount due from immediate holding company	**332,226**	823,933
Amount due to immediate holding company	**(446,154)**	(4,382,344)
Net amount due to immediate holding company	**(113,928)**	(3,558,411)

16. DEFERRED TAX LIABILITIES

The following amounts, presented after appropriate offsetting, are shown in the statement of financial position:

	2016	2015
	RM	RM
Deferred tax liabilities	**-**	180,467
	-	180,467

	2016	2015
	RM	RM
At beginning of the year	**180,467**	(25,661)
Recognised in profit or loss (Note 8)	**(180,467)**	206,128
At the end of the year	**-**	**180,467**

The components and movements of deferred tax liabilities and assets during the financial year are as follows:

Deferred tax liabilities

	Property, plant and equipment	**Others**	**Total**
	RM	**RM**	**RM**
At 1 April 2014	**1,612**	**(27,273)**	**(25,661)**
Recognised in profit or loss	**850**	**205,278**	**206,128**
At 31 March 2015	**2,462**	**178,005**	**180,467**
Recognised in profit or loss	**(2,462)**	**(178,005)**	**(180,467)**
At 31 March 2016	**-**	**-**	**-**

The amount of unrealised foreign exchange losses and allowance for doubtful debts for which no deferred tax asset is recognised in the statement of financial position is as follows:

	2016	2015
	RM	RM
Unrealised foreign exchange losses	**590,512**	-
Allowance for doubtful debts	**892,929**	-
	1,483,441	-

17. 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 immediate holding and related companies.

Significant transactions with the immediate holding company and related companies during the year consist of:

	2016 RM	2015 RM
Revenue		
Service income charged to immediate holding company	**6,651,986**	16,277,165
Interest income from related company	**-**	17,500

	2016 RM	2015 RM
Expenses		
Cost of services charged by immediate holding company	**8,528,762**	20,072,882

18. DIVIDEND

	2016 RM	2015 RM
In respect of financial year ended 31 March:		
Single-tier interim dividend of 900% on 312,822 ordinary shares	**2,815,298**	-

An interim single-tier dividend of 900% on ordinary shares amounting to RM2,815,398 in respect of the financial year ended 31 March 2016 was declared on 25 June 2015 and paid on 7 July 2015.

19. FINANCIAL RISK MANAGEMENT POLICIES

The Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Company's businesses whilst managing its risks. The board reviews and agrees policies for managing each of these risks and they are summarised below. It is, and has been throughout the year under review, the Company's policy that no trading in derivative financial instruments shall be undertaken.

The main areas of financial risks faced by the Company and the policy in respect of the major areas of treasury activity are set out as follows:

(a) Credit Risk

The 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 positon.

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.

Ongoing credit evaluation is performed on the financial condition of accounts receivables. Apart from customers as disclosed in Note 10, the Company does not have any significant credit risk exposure to any single counterparty having similar characteristics.

(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 are kept to an acceptable level.

Sensitivity analysis

The following table demonstrates the sensitivity of the Company's profit after tax and equity to a reasonably possible change in the exchange rates against the respective functional currency of the Company, with all other variables held constant.

	2016	2015
	RM	RM
2016		
USD/RM		
- strengthened by 5%	**119,621**	319,410
- weakened by 5%	**(119,621)**	(319,410)

(c) Capital risk

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.

(d) Liquidity risk management

The company practices prudent liquidity risk management to minimize the mismatch of financial assets and financial liabilities and to maintain sufficient credit facilities for contingent funding requirement of working capital.

20. CATEGORIES OF FINANCIAL INSTRUMENTS

The table below provides an analysis of financial instruments categorised as follows:

(a) Loans and receivables ["L&R"]

(b) Other financial liabilities ["OFL"]

	Note	**Carrying amount RM**	**L&R RM**	**OFL RM**
2016				
Financial assets				
Trade and other receivables	10	**3,031,153**	**3,031,153**	**-**
Amount due from related companies	11	**109,918**	**109,918**	
Cash and bank balances	12	**340,726**	**340,726**	**-**
At 31 March 2016		**3,481,797**	**3,481,797**	**-**
Financial liabilities				
Other payables and accrued expenses	14	**285,303**	**-**	**285,303**
Amount due to immediate holding company	15	**113,928**	**-**	**113,928**
At 31 March 2016		**399,231**	**-**	**399,231**
2015				
Financial assets				
Trade and other receivables	10	8,904,522	8,904,522	-
Amount due from related companies	11	65,925	65,925	-
Cash and bank balances	12	4,597,447	4,597,447	-
At 31 March 2015		13,567,894	13,567,894	-
Financial liabilities				
Other payables and accrued expenses	14	4,877,534	-	4,877,534
Amount due to immediate holding company	15	3,558,411	-	3,558,411
At 31 March 2015		8,435,945	-	8,435,945

Fair Values

The carrying amounts of financial assets and financial liabilities approximate their fair values because of the short-term maturity of the instruments.

TECH MAHINDRA (BEIJING) IT SERVICES LIMITED

Board of Directors

Mr. Amitava Ghosh
Mr. Makarand Shete
Mr. Ravikanth Karne

Registered Office

Room 2925 of 29F Block C,
Central International Trade Center,
6A Jian Guo Men Wai Avenue,
Chao Yang District, Beijing

Bankers

HSBC Limited

Auditors

Zhong Sheng Jia Hua
Certified Public Accountant
Beijing

DIRECTORS' REPORT TO THE SHAREHOLDERS

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

Financial Results

For the year ended December 31,	**2015 RMB**	2014 RMB
Income	**974,187**	1,559,361
Profit/(Loss) before tax	**65,405**	78,693
Profit/(Loss) after tax	**65,405**	78,693

Review of Operations:

The Company continued its marketing activities and an income of RMB 974,187 there was a profit of RMB 65,405.

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 getting business in near future.

Acknowledgements:

Your Directors gratefully acknowledge the co-operation and assistance received from the employees, bankers, State and other Government Authorities and support from the shareholder.

For Tech Mahindra (Beijing) IT Services Limited

Amitava Ghosh	**Ravikant Karne**
President and Chairman	Director

Place: Pune
Date: April 1, 2016

REPORT OF THE AUDITORS

Shengjiawaishenzi[20 16]No.008

TO TECH MAHINDRA (BEIJING) IT SERVICES LIMITED:

We have accepted the entrustment from Tech Mahindra (Beijing) IT Services Ltd. and have audited the accompanying balance sheet of the Company as of 31 December 2015 and the related consolidated cash flow statements, profit/loss and profit distribution statements for the year then ended.

Management's Responsibility for the Financial Statements

The Company's management is responsible for the preparation of these financial statements in accordance with the Accounting Standards for Business Enterprises and the Accounting Regulations for Business Enterprises issued by the Ministry of Finance of the People 's Republic of China. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with China's Auditing Standards for the Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment , including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements of the Company comply with the requirements of the Accounting Standards for Business Enterprises and the Accounting Regulations for Business Enterprises issued by the Ministry of Finance of the People's Republic of China and present fairly, in all material respects, the financial position of the Company as at 31 December 2015, and the results of operations and cash flows of the Company for the year ended 31 December 2015.

This report is only used as the correrponding part of the chinese part of this year, but not for other usage.

Beijing Zhong Sheng Jia Hua Certified	Name of CPA: Wo Bo
Public Accountants Co. Ltd.	Name of CPA: Cao Feng

Beijing China

April 1, 2016

BALANCE SHEET (AS OF 31 DECEMBER 2015)

Prepared by Tech Mah indra (Beijing) IT Services Ltd							**RMB Yuan**
	No.	Beginning of period	**End of peiiod**		No .	Beginning of peiiod	**End of period**
Assets				**Liabi lities and Shareholders Equity**			
Current assets				**Current liabilities:**			
Cash and bank	I	1,427,188.11	**496,037.43**	Short-term loans	68		
Short-term investment	2			Bills payable	69		
Bills receivable	3			Accounts payable	70	540,041.25	**540,041.25**
Dividend receivable	4			Advances on sales	71		
Interest receivable	5			Wages and salaries unpaid	72		
Accounts receivable	6	695,400. 16	**1,695,680.18**	Staff welfare fund unpaid	73		
Other receivables	7	3,405.76	**3,405.76**	Dividend unpaid	74		
Prepayments	8	13,550.00	**13,610.00**	Tax unpaid	75	18,164.04	**2,772.57**
Subsidy receivable	9			Other outstanding payments	80	16,000.00	**35,175.40**
Inventories	10			Other expenses	81		
Deferred expenses	11			Contingent liabilities	82		
Long-term investment in bonds to be expired within one year	21				83		
Other current assets	24			Long-term liabilities to be expired within one year	86		
Total current assets	31	2,139,544.03	**2,208,733.37**	**Other current liabilities**	90		
Long-term investment:							
Long-term investment in stocks	32			Total current liabilities	100	574,205.29	**577,989.22**
Long-term investment in bonds to be	34			Long-term liabilities:			
Total long-term investment	38			**Long-term loans**	101		
Fixed assets				**Bonds payable**	102		
Fixed assets,at cost	39	25,319.20	**25,319.20**	Long-term accounts payable	103		
Less:Accumulated depreciation	40	25,319.20	**25,319.20**	Specific payable	106		
Fixed assets, net value	41	0.00	**0.00**	Other long-term liabilities	108		
Less:Provision for deva luation of fixed assets	42			Total long-term liabilities	110		
Fixed assets, net amount	43	0.00	**0.00**	Deferred taxation:			
Construction materials	44			Deferred tax, credit	111		
Construction in progress	45			Total liabilities	114	574,205.29	**577,989.22**
Disposal of fixed assets	46						
Total fixed assets	50	0.00	**0.00**	**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	3,44 1,546.02	**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	-1,888,846.96	**-1,823,44 1.55**
Deferred taxation, debit	61			Shareholders' Equity:	122	1,565,338.74	**1,630,744.15**
Total Assets	67	2,139,544.03	**2,208,733.37**	**Total Liabilities and Shareholders' Equity**	135	2,139,544.03	**2,208,733.37**

INCOME STATEMENT(FOR THE YEAR 2015)

Prepared by Tech Mahindra (Beijing) IT Services Ltd					**RMB Yuan**
Item			No.	Last year cumulative	**Current year cumulative**
!.	Principal operating revenues		1	1,559,361.08	**974,187.35**
	Less:operating cost		4	22,640.78	
	operating tax and subsidies		5	5,613.73	**3,103.54**
2.	Principal operating profit		10	1,531,106.57	**971,083.8 1**
	Add:Other operating profit		11		
	Less:Operating expense		14	979,718.66	**87,608.69**
	Administration expense		15	479,997.09	**824,035.48**
	Financial expense		16	-9,969.09	**-3,018.84**
3.	0perating profit		18	81,359.91	**62,458.48**
	Add:Investment income		19		
	Subsidy income		22		
	Non-operating income		23		**2,953.20**
	Less:Non-operating expense		25	2,666.67	**6.27**
4.	Total profit		27	78,693.24	**65,405.41**
	Less:Income tax payable		28		
5.	Net profit		30	78,693.24	**65,405.4 1**
6.	Net profit		48	78,693.24	**65,405.41**
	plus: i)	Beginning balance of Retained Earnings	49	-1,967,540.20	**- 1,888,846.96**
	ii)	Surplus to compensate for loss	50		
	iii)	Other adjustment factor	51		
7.	Profit available for distribution		52	-1,888,846.96	**- 1,823,44 1.55**
	Less: i)	statutory surplus reserve	53		
	ii)	The statutory public welfare fund	54		
	iii)	Staff bonus and welfare fund	55		
	iv)	Withdrawal reserve fund	56		
	v)	Appropriation of Enterprise Expansion Fund	57		
	vi)	Profi t capitalized on return of investment	58		
	vii)	Supplementary current capital	59		
	viii)	Single retained profit	60		
	ix)	Other	61		

Prepared by Tech Mahindra (Beijing) IT Services Ltd					**RMB Yuan**
Item			No.	Last year cumulative	**Current year cumulative**
8.	Distributable profit for investors		62	-1,888,846.96	**- 1,823,441.55**
	Less: i)	Dividend payable on preferred stock	63		
	ii)	Discretionary surplus reserve	64		
	iii)	Common stock dividends payable (profits payable)	65		
	iv)	Transferred to capital (capital stock) common stock dividend	66		
	v)	Other	67		
9.	Undistributed profits		68	-1,888,846.96	**- 1,823,441.55**
	Aong which: Annual pre-tax profits after irreparable loss.		69		
	Supplementary information		70		
	i)	sale, disposal or investment sector units proceeds	71		
	ii)	the loss of natural disasters (loss to"+" to fill a column)	72		
	iii)	changes in accounting policies influence the profit total amount	73		
	iv)	change in accounting estimate affects the profit total amount	74		
	v)	debt recombination losses (loss to "+" to fill a column) l	75		
	vi)	other non-recurring gains and losses (gains with "+" to fill a column)	76		

CASH FLOW STATEMENT (FOR THE YEAR ENDED DECEMBER 31,2015)

Prepared by Tech Mahindra (Beijing) IT Services Ltd			**RMB Yuan**
Items		**No.**	**Amount**
I.	**Cash flows from operating activities**		
	Cash inflow from sale of goods and provision of services	1	**1,000,280.02**
	Repayment of tax received	3	**0.00**
	Other cash inflow relating to operating activities	8	**2,953.20**
	Total cash inflow	9	**1,003,233.22**
	Payments for purchase of goods and receipt of services	10	
	Payments to and for staff	12	**147,660.00**
	Taxation paid	13	**25,5 11.16**
	Other Payment s relating to operating activities	18	**1,76 1,2 12.74**
	Total cash outflow	20	**1,934,383.90**
	Net cash inflow/outflow generated from operations	21	**-931,150.68**
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	3 1	
	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	**-931,150.68**

CASH FLOW STATEMENT (FOR THE YEAR ENDED DECEMBER 31,2015)

Prepared by Tech Mahindra (Beijing) IT Services Ltd

Supplementary information	**No.**	**Amount**
1. Adjustment of net profit to cash flows generated from operations:		
Net profit	57	**65,405.41**
Add:Provision for devaluation of assets	58	
Depreciation of fixed assets	59	
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	
Financia l 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	**-1,000,340.02**
Increase of payab les in operations (less: decrease)	73	**3,783.93**
Others	74	**-**
Net cash inflow/outflow generated from operations	75	**-931,150.68**
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	**496,037.43**
Less: Cash and bank balances at beginning of period	80	**1,427,188.11**
Cash equivalent at end of period	81	**-**
Less: Cash equivalent at beginning of period	82	**-**
Net increase in cash and cash equivalents	83	**-931'150.68**

NOTES TO FINANCIAL STATEMENTS 31 DEC. 2015

(The currency are presented in RMB except otherwise stated)

I. The Company's General Profile

As a wholly foreign-owned enterprises, Tech Mahidra (Beijing) IT Services Limited was invested and established by Tech Mahindra. The Company was approved to be established by Beijing Municipal Government according to policy document SWZJZZ[2007]No.05422, obtained Enterprise's Legal Person Registration in the Industry and Commerce Administration Bureau of Beijing on Sep.24, 2007 with the Business License QDJZZ No.0535505.The registered capital of the company is US$500,000.00. The Company's registered address is C-2925,29th Floor, ZhongHuanShiMao Building,No.A6 JianGuoMenWai Street, Chaoyang District, Beijing. Legal representative : Mr. Jagdish Mitra .

Scope of Business: Technical services, technical advice, design, development, production and computer networking, telecommunications and electronic technology-related applications; product sales of assets.

II. Basis of Preparation

According to ASBE (Accounting Standards for Business Enterprise) and Enterprise Accounting System issued by the Ministry of Finance of PRC, make confirmation and measurement and formulate financial statement on this basis .

III. Compliance of Accounting Standards of Business Enterprises

The financial statements prepared by the Company are subject to requirements from the Accounting Standards and present fairly the Company's financial position, operation results, cash flow and other related information.

IV. Significant Accounting Policies and Accounting Estimates

1. Accounting period

The accounting period of the Company is from 1 January to 31 December.

2. Book-keeping Currency

The company 's financial records and the financial statements are stated in Renminbi.

3. Principles of accounting and measurement (Measurement attribute)

The Company uses the accrual method as its basis of accounting. All assets are measured at history cost, except for financial assets for trading and financial assets available-for-sale which are measured at fair value.

4. Foreign exchange translation

The foreign currency running business involved in the accounting year of this company shall be converted into RMB for bookkeeping in accordance with the market exchange rate (middle rate) of actual occurring date of business. The ending balance of foreign currency of the account of all foreign currencies shall be adjusted by converting as standard money as per the year-ending market exchange rate. The balance occurred shall be counted as exchange gain or loss.

As for the subcompanies taking foreign currency as bookkeeping recording base money, the All the assets and items of liabilities when formulating the current-year RMB financial statements shall be converted as the bookkeeping standard money of the parent company in line with the 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

i) The debtor has been dead. After the heritage is paid off, the debt can still be taken back.

ii) The debtor goes bankruptcy. After the bankruptcy property is paid off, the debt can still be taken back.

iii) The debtor has not fulfilled the liabilities payment in a long period and there is enough evidence to prove it impossible or very little possibility to take back.

7.2 The accounting methods of this company's bad debt adopt allowance method. The counting and drawing method of bad debt preparation adopts single-item specific identification method. Confirm the bad debt preparation for counting and drawing as per customers respectively.

8. Inventory Accounting Method

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 wrappage, 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 oflow priced and easily worn articles and wrappage: low priced and easily worn articles shall be amortized through once write-off method according to the actual conditions when receiving.

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

i. Investment of stocks

The actually paid total amount shall be calculated into the cost for what purchases stocks in monetary capital in this company. If the actually-paid amount includes the declared issued dividend, then take the net amount deducting the declared issued dividend from actually paid amount as the initial investment cost. In case of converting into shares in the form of material object and intangible assets take the value of agreed agreement and contract and confirmed value after assets appraisal as the cost.

ii. Other equity investment

The part investing in the form of monetary capital shall be converted into the cost as per the actually paid amount. The investment cost of long-term equity got by deserting non-cash assets shall be determined by the book value of deserted non-cash assets adding related payable taxes and fees.

iii. Determining method of income

If adopting cost method accounting, determine the investment income when the invested unit declares issuing cash dividends; if adopting equity method, determine the investment income in accordance with the shared invested unit's realized net profits or incurred net losses at every accounting period end. Adjust the book value of long-term equity investment.

As for the stock investment or other equity investment, if parent company holds the capital sum of the invested unit with voting right less than 20%, or though holding the capital sum of the invested unit with voting right more than 20% and without significant impact, account as per the cost method.

If parent company holds the capital sum of the invested unit with voting right more than 20%, or less than 20% but with significant impact, count as per the equity method.

If parent company holds the capital sum of the invested unit with voting right more than 50%, or less than 50% but with actually-controlled subcompanies, count as per the equity method and combined financial statements.

9.2 Long-term equity investment

i. Confirming method of cost

Take the balance after deducting the paid taxes, commission charge and other additional expenses, and paid counted interests from issuance to purchase in line with the actually paid amount as the actual cost. Take the balance of actual cost and securities book value as the premium or discounted amount. The premium or discounted amount of securities shall be amortized when confirming the income of the related securities interest during the securities continual period. The method of amortization is straight line method.

ii) Confirming method of income

Equity investment shall be collected interests counting as per period. The counted equity investment interest income after adjusting the premium of equity investment and amortization of discounted price shall be confirmed as the current period investment income. Other receivable interests of other equity investment counted as period shall be confirmed as the investment income of the current period .

(1) Confirming standards and counting and drawing methods of the depreciation preparation of long-term investment Count and draw the depreciation preparation for the long-term investment with market value in case of the following conditions .

i. Market price has been lower than the account value for consecutive two years;

ii. The investment has been suspended for transaction over 1 year.

iii. The invested unit is under heavy loss in that year;

iv. The invested unit has been under heavy loss for consecutive two years;

v, The invested unit has been liquidated, rectified and cleared. Or unsustainable running conditions occur.

(2) Confirming standards and counting and drawing methods of the depreciation preparation of long-term investment

i. Political and legal environmental change affecting the management of invested unit

ii. The market requirement changes due to the outmoded products or changed consumer's preference of the provided goods or service of the invested unit so that the financial status of the invested unit aggravates heavily.

iii. The producing technology of the invested unit's industry changes so greatly that the invested unit loses its competitiveness and its financial status aggravates heavily.

iv. Evidence indicates that there are other cases in which this item of investment cannot bring forth economic interest for the enterprise virtually.

If the above-mentioned conditions cause the recoverable amount of long-term investment is lower than the book value and the lowered value cannot be restored within the foreseeable future period, count and draw the depreciation reserves of long-term investment in line with the balance of the recoverable amount lower than the book value of long-term investment. First, offset the capital reserve item of the investment. The balance which cannot be offsetted shall be confirmed as the current profits and losses. What the value with long-term investment with confirmed loss can be recovered shall be transferred back within the amount of originally confirmed investment loss.

10. Evaluation of entrusted loan, interests confirming methods and confirming standards and accrual methods of depreciation reserves of entrusted loans

10.1 Evaluation of entrusted loan

The entrusted loan of this company shall be recorded into the account as per the amount of the actual entrusted loan initially and count and draw interests in each period, counting into profits and losses. That is to say, at each counting period end, count and draw the receivable interests as per the regulated interest rate to increase the book value of entrusted loan corresponding!y.

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	Usefule lives (year)
Electronic equipment	5

12. Projects under construction

12.1 The projects under construction of this company shall be counted respectively according to the project items, including advance-phrase preparation before construction, architectural engineering under construction, erecting engineering, technological transformation engineering and overhaul engineering. Determine the engineering cost according to the actually incurred payment.

12.2 Standards of projects under construction transferring as fixed assets

Starting from the date the projects under construction reach the usable state, transfer as fixed assets according to the engineering budget, cost of construction or engineering actual cost. The estimated part which has not been transacted final settlement of works completion transfers as the fixed assets. Count and draw the depreciation of fixed assets in accordance with the regulations of accrual fixed assets depreciation and stop capitalization of interest.

12.3 Confirming methods and accrual methods of the depreciation reserves of the project under construction

Thoroughly check the projects under construction of the company at the period end. In the case of the one or variant conditions as follows, count and draw the project under construction deprecation reserves as per the balance of recoverable amount less than the book value.

(1) The project is suspended for a long time and will not restart within the coming three years;

(2) The building project is backward in terms of performance and technology. It will cause substantial uncertainty to the economic interest for the enterprise.

(3) Other cases proving that the project under construction decreases in value.

13. Intangible Assets

13.1 Definition and recognition of intangible assets

The intangible assets of the Company including purchased software etc. Intangible asset is recorded ·at its original actual cost at acquisition. The cost of purchased intangible assets includes the actual purchase price and other necessary expenditures for purchase. The cost of intangible assets invested by investors is measured at the contract or agreement, except for those with unfair value in the contract or agreement.

13.2 Amortisation of intangible asset

Intangible assets are amortized on the basis of shorter of estimated useful life, stipulated beneficial year by contract, and legal available year. The amortization amount is accounted into the cost of related assets or current profit and loss according to the beneficial items.

The Company makes the assessment on the estimated useful life and amortization method of intangible assets with limited useful life at the end of each year and makes adjustment if needed. The Company assesses the estimated useful life of intangible assets with uncertain useful life during each accounting period. If there are evidences to prove the useful life of intangible assets is limited, the Company will estimate their useful life and amortize the intangible assets within the estimated lifetime.

14. Long-term deferred expenses

Long-term deferred expenses are general expenses which are paid by the amortization period is over 1 year (excluding 1year).

Except purchasing and building fixed assets, the cost occurring in the preparing period, shall be transferred into the profits and losses of the current month of starting production and operation since that month. If some long-term deferred expense item of book value can't gain profits in the future accounting period, the rest value of unamortized value shall be transferred into the current profits and losses.

15. Borrowing costs

15.1 Confirming principles of borrowing costs

Where the borrowing costs meet the following conditions, capitalization can start.

(1) Assets payment has occurred

(2) Borrowing costs have been produced

(3) Necessary purchasing and constructing activities have started to make assets be the expected usable and sellable state.

15.2 Capitalization period of borrowing cots

Capitalization period refers to the period from the time point of starting capitalization of borrowing costs to the time point of stopping capitalization, excluding the period suspending the capitalization of borrowing costs. Other borrowing interest, the amortization and exchange balance of value discounting and premium shall be counted into the current profits and losses.

15.3 The counting method of the capitalization amount of borrowing costs.

The interest capitalization amount during every accounting peri9d shall be determined by the accumulated payment weighted average and capitalization rate of structuring fixed assets at the current period end, but the amortized capitalization amount of interest, value discounting and premium shall not exceed the interest actually occurring at the current special borrowings and the amortized amount of value discounting and premium.

16. Estimated liabilities

16.1 Confirming principles of estimated liabilities If the obligations related to contingency meet the following conditions at the same time, this company will confirm it as liabilities.

(1) The obligation is the current obligation shouldered by the enterprise;

(2) The obligation fulfillment may cause economic interest outflowing the enterprise.

(3) The amount of the obligations can be reliably counted.

16.2 Counting method of estimated liabilities

Confirming the estimated liabilities amount is the best estimate of payment requiring paying off to liabilities. If the required payment has a scope of amount, then the best estimate shall be confirmed by the average number of the upper and floor amount. If the required payment has a scope of amount, then the best estimate can be determined by the following methods.

(1) When contingency involves a single item, the best estimate shall be determined by the amount the most likely to occur;

(2) When contingency involves several single items, the best estimate shall be determined by the amount incurred possibly and the probability of occurrence.

The required payment of confirmed liabilities shall be completely or partially offsetted by the third party or other parties. When the offset amount is basically confirmed to be received, it can be confirmed separately as assets. The confirmed offset amount shall not exceed the book value of confirmed liabilities.

17. Income

The company confirms the realization of the business revenue as per the following regulations, keeps accounts as per the realized income and records into the current profits and losses.

17.1 Confirming principles and methods of goods sales income

This company has transferred the major risks and remuneration of the property in the goods to the goods purchasing party. The company shall not continue to adopt management right and actual control right to the goods again. The related revenue has received or got the evidence of collection. When it can be reliably counted with the cost related to sell the goods, confirm the realization of the business revenue.

17.2 Confirming principles and methods of providing service revenue

Providing services is to confirm the related service revenue as per the Percentage-of-completion Method. When confirming the service revenue, take the premises of reliably confirming the total income of services contract and completion degree of services, smooth inflow of the price and amount related to transactions and reliably counting the occurred cost and required cost to complete the services.

17.3 Provide the receivable using fees income for others to use the intangible assets of this enterprise. Confirm the realization of business revenue according to the charging time and methods regulated by the related contracts and agreements.

18. Revenue of construction contract

18.1 Confirming principles of construction contract revenue

(1) Adopt once settlement for completion to confirm the income for the projects starting and ending within a same year. And the following conditions must be met simultaneously.

i. Sign the project award contract and definitely regulate the settlement way and price amount of project price;

ii. This Company has got the confirmation report related to the project progress time point issued by the project contracting party or supervising department.

iii. The income (project final payment like project quality margin) which cannot be confirmed for realization shall not be confirmed at the current period. It can be confirmed after actually receiving it.

iv. The income exceeding the contract settlement price must be granted the certificate signing materials signed and sealed by the contract awarding units.

(2) Cross-year construction items shall be generally confirmed the income separately as per the project image progress and meet the following conditions simultaneously.

i. Sign a project contracting agreement. Where the contract agreement has regulated the project price settlement method and price amount, it shall be confirmed the income as per the project progress percentage. Where the contract does not regulate the total project price amount and settles the income as per the construction quota, the enterprise must formulate the construction drawing budget as per the project settlement progress. Formulate the project pre-settlement statement accordingly and make it as the basis of confirming income.

ii. This Company has got the confirmation report about the project progress related the project settlement time point issued by the project contract awarding unit or the supervising unit.

iii. The income (project final payment like project quality margin) which cannot be confirmed for realization shall not be confirmed at the current period. It can be confirmed after actually receiving it.

19. Accounting Disposal Method of Income Tax

Accounting disposal method of the company's income tax adopts taxes payable method . Confirm the method of current income taxes and fees according to the payable income tax counted at the current period.

The income tax of this company shall be prepaid by season and paid off at the end of year.

V. Accounting policies, changes in accounting estimates, a major early correction of errors and other matters adjustment is described

VI. Taxation

1. The company mainly taxes and tax rates

Principal Taxation	The statutory tax rate	Preferential tax policy
Business Tax	5%	-
Urban construction and maintenance tax	7%	-
Corporate Income Tax	25%	-
education fee	3%	
Local education fee	2%	-

VII. Main Notes to the Financial Statements

1. Monetary funds

Item	Ending balance	Beginning balance
Cash on hand	**0.00**	0.00
In which : RMB	**0.00**	0.00
Cash in bank	**496,037,43**	1,427,188.00
In which: RMB	**496,026.79**	1,427,177.47
Dollar	**10.64**	10.64
Other monetary funds		
Total	**496,037.43**	1,427,188.11

2. Accounts receivable

Item	Ending balance		Beginning balance	
	Book balance	**Bad debt provision**	Book balance	Bad debt Provision
In 1 years (Included 1 years)	**1,695,680.18**	**-**	695,400.16	-
1-2 years (Included 2 years)		**-**		-
2-3 years (Included 3 years)		**-**		-
More than 3 years		**-**		-
Total	**1,695,680.18**	**-**	695,400.16	-

3. Other receivable

Item	Ending balance		Beginning balance	
	Book balance	**Bad debt provision**	Book balance	Bad debt Provision
In 1 years (Included 1 years)	**3,405.76**	**-**	3,405.76	-
1-2 years (Included 2 years)	**-**	**-**	-	-
2-3 years (Included 3 years)	**-**	**-**	-	-
More than 3 years	**-**	**-**	-	-
Total	**3,405.76**	**-**	3,405.76	-

4. Prepayments

Item	Ending balance	Beginning balance
In 1 years (Included 1 years)	**13,550.00**	13,550.00
1-2 years (Included 2 years)		
2-3 years (Included 3 years)		
More than 3 years		
Total	**13,550.00**	13,550.00

5. Fixed Assets

Item	Beginning balance	Current period Increases	Current period Decreases	Ending balance
1. Original cost	25,319.20	-		**25,319.20**
Electronic equipment	25,319.20	-		**25,319.20**
2. Accumulated amortisation	25,319.20		**-**	**25,319.20**
Electronic equipment	25,319.20		**-**	**25,319.20**
3. Impairment provision		-	**-**	
Electronic equipment		-	**-**	
4. Net book value	0.00	-	**-**	**0.00**
Electronic equipment	0.00	-	**-**	**0.00**

6. Accounts Payable

Item	Ending balance	Beginning balance
In 1 years (Included 1 years)	**540,041.25**	540,041.25
1-2 years (Included 2 years)		
2-3 years (Included 3 years)		
More than 3 years		
Total	**540,041.25**	540,041.25

7. Wages and salaries unpaid

Item	Beginning balance	Current period Increases	Current period Decreases	Ending balance
1. Wages, bonuses, allowances and subsidies		213,475.00	**213,475.00**	**-**
2. Employee benefit expenses	-		**-**	**-**
Tota;		213,475.00	**213,475.00**	**-**

8. Tax unpaid

Item	Beginning balance	This year should pay	This year has been submitted	Ending balance
Business Tax	-			
Value added tax	5,231.28	26,092.67	**28,848.45**	**2,475.50**
Personal income tax	12,305.00	73,830.00	**86,135.00**	**0.00**
Urban construction and maintenance tax	519.80	1,656.79	**2,003.30**	**173.29**
Education surcharge	107.96	1,446.75	**1,430.93**	**123.78**
Tota;	18,164.04	103,026.21	**118,417.68**	**2,772.57**

9. Other outstanding payments

Item	**Ending balance**		Beginning balance	
	Amount	**Proportion (%)**	Amount	Provision (%)
In 1 years (1 years)	**35,175.40**		16,000.00	100.00
1-2 years (2 years)				
2-3 years (3 years)				
More than 3 years				
Total	**35,175.40**		16,000.00	100.00

10. Paid-in capital

Item	Beginning balance		**Current period Increases**	**Current period Decreases**	**Ending balance**	
	Amount of investment	Proportion (%)			**Amount of investment**	**Proportion (%)**
Total	3,441,546.02	100.00		**-**	**3,441,546.02**	**100.00**
India horse hengda technology Co., LTD	3,441,546.02	100.00		**-**	**3,441,546.02**	**100.00**

11. Capital reserve fund

	Beginning balance	Current period Increases	**Current period Decreases**	**Ending balance**
Share premium	12,639.68		**-**	**12,639.68**
Other Capital reserve	-	-	**-**	**-**
fund				
Total	12,639.68			**12,639.68**

12. Undistributed profit

	Amount of this year	Amount of last year
Opening balance	**-1,888,846.96**	-1,967,540.20
Current period Additions	**65,405.41**	78,693.24
Including: Transfer of net profits of this year	**65,405.41**	78,693.24
Other adjusting factors		12,639.68
Current period Disposals		
Including: accrued surplus reserved of this year		
Accrued general risks reserve of this year		
Distribted cash dividend of this year		
Transfer increased capital		
OTher decreased items		
Closing balance	**-1,823,441.55**	-1,888,846.96

13. operating revenues and operating cost

Item	**Current year cumulative**		Last year cumulative	
	Operating Revenues	**Operating Cost**	Operating Revenues	Operating Cost
1. Subtotal of main business	**974,187.35**	**0.00**	1,559,361.08	22,640.78
Income of Main businesses	**974,187.35**	**0.00**	1,559,361.08	22,640.78
2. Subtotal of other businses				
Income of other businesses				
Total	**974,187.35**	**0.00**	1,559,361.08	22,640.78

14. Prepayments

Item	**Current year cumulative**	Last year cumulative
Fines spending	**6.27**	0.37
donation outlay		2,666.30
Total	**6.27**	2,666.67

VIII. Contingent Events

Without the contingent event this year.

IX. Events after the balance sheet date

Without the need for disclosure of events after the balance sheet date this year.

X. Related Party and Transactions

Without the related party and transactions this year.

XI. The transfer and sale of important assets

The year without the significant transfers of assets and sell.

XII. Enterprise merger, spin-off items

Without a merger, division and other matters this year.

XIII. Exchange of non-monetary assets and debt restructuring

This year only monetary assets exchange and debt restructuring.

XIV. Other significant matters

No other significant matters required to explain this year.

XV. Financial statements for approval

The annual financial statements have been approved by the board of directors of the company.

XVI. Other contents to be disclosed as per the related financial accounting and system

Other contents requiring no disclosure this year.

TECH MAHINDRA (BEIJING) IT SERVICES LIMITED

April 1, 2016

Beijing Zhong Sheng Jia Hua Certified Public Accountants Co.,Ltd

Foreign Rights and Interests of Foreign-Invested Enterprises Confirmation Form Audit Report

TECH MAHINDRA (BEIJING) IT SERVICES LIMITED:

We have audited the accompanying Tech Mabindra (Beijing) IT Services Ltd (hereinafter referred to as the Company) 2015 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 continuation form is the responsibility of the Company's management. While our responsibili ty is to perform the audit work on the basis of the foreign interests of foreign-invested enterprises confirmation fonn 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-inves ted 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	Chinese Institute of Certified Public Accountant : Wo Bo
Accounts Co., Ltd.	Chinese Institute of Certified Public Accountant : Cao Feng

Beijing China
April 1, 2016

Foreign Rights and Interests of Foreign-invested Enterprises Confirmation Form

Prepared by: TECH MAHINDRA (BEIJING) IT SERVICES LIMITED **Fill time: April 1, 2016**

Organization Code: 66690378-3	Unit : RMB Yuan	
Indicators	Beginning	**Ending**
1. The actual investment of the foreign investor	3,441,546.02	**3,441,546.02**
of which: foreign real to the registered capital	3,441,546.02	**3,441,546.02**
2. Amount of reserve and retained earnings of foreign enjoyed	-1,876,207.28	**-1,810,801.87**
2.1 Capital reserve	12,639.68	**12,639.68**
2.2 Surplus reserve		
2.3 Undistributed profit	-1,888,846.96	**-1 ,823,441.55**
3, Foreign dividend that allocated but not yet exported outside		
4. Foreign currency account balances (Including regular items and capital items)	10.64	**10.64**

Note:

1. This year has been to export the amount of foreign profits is: 0.00 Yuan.
2. The external guarantees new adding amount is 0.00 U.S.dollars this year, reducing amount of the guarantee is 0.00 U.S. dollars, year-end balance is$ 0.00.

TECH MAHINDRA (BAHRAIN) LTD S.P.C.

Board of Directors

Mr. Girish Bhat (Effective March 3, 2016)
Mr. Makarand Shete (Effective March 3, 2016)
Mr. Anil Mohanlal Khatri
Mr. Milind Vasant Kulkarni (Up to March 3, 2016)

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

DIRECTORS' REPORT

The Directors present their Annual Report and financial statements for the year ended March 31, 2016.

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 pages herein of the financial statements.

CHANGE IN DIRECTORS

On March 3, 2016, Mr. Girish Bhat and Mr. Makarand Shete were appointed as Directors of the Company and Mr. Milind Vasant Kulkarni resigned as a Director of the Company.

AUDITORS

A resolution proposing the reappointment of Deloitte & Touche – Middle East as auditors of the Company for the year ending March 31, 2017 and authorising the Directors to fix their remuneration will be put to the Annual General Meeting.

On behalf of the Directors

Date: May 18, 2016	**Girish Bhat**	**Makarand Shete**
Place : Pune	Director	Director

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDER

TECH MAHINDRA (BAHRAIN) LTD S.P.C.
KINGDOM OF BAHRAIN

Report on the Financial Statements

We have audited the accompanying financial statements of Tech Mahindra (Bahrain) LTD S.P.C., (the "Company"), which comprise the statement of financial position as at March 31, 2016 and the statement of profit or loss and 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 notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Tech Mahindra (Bahrain) LTD S.P.C., as of March 31, 2016 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Other Matter

The financial statements of Tech Mahindra (Bahrain) LTD S.P.C. for the year ended March 31, 2015 were audited by another auditor who expressed an unmodified opinion on those statements on April 22, 2015.

Report on Other Legal and Regulatory Requirements

In our opinion, 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, 2016 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

May 18 2016
Manama, Kingdom of Bahrain

STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2016

	Notes	2016 BD	2015 BD
ASSETS			
Current assets:			
Accounts receivable and other assets	5	**49,593**	244,644
Amounts due from a related party	6	**5,343**	39,979
Cash and bank balances	7	**425,368**	862,099
Total assets		**480,304**	1,146,722
EQUITY AND LIABILITIES			
Equity:			
Share capital	8	**50,000**	50,000
Statutory reserve	9	**25,000**	25,000
Retained earnings		**355,834**	910,140
Total equity		**430,834**	985,140
Non-current liabilities:			
Employees' end-of service benefits	10	**3,485**	12,248
Current liabilities:			
Accounts payable and other liabilities	11	**45,985**	149,334
Total current liabilities		**45,985**	149,334
Total liabilities		**49,470**	161,582
Total equity and liabilities		**480,304**	1,146,722

The financial statements from pages herein were approved and authorised for issue on May 18, 2016 and signed by

Mr. Girish Bhat
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 THE YEAR ENDED MARCH 31, 2016

	Notes	2016 BD	2015 BD
Net service revenue to Parent Company	6 & 12	**225,098**	373,328
Cost of revenue	13	**(125,274)**	(203,373)
Gross profit		**99,824**	169,955
Other income	14	**100,065**	-
General and administrative expenses	15	**(40,086)**	(49,155)
Allowance for impairment of receivables	5	**(152,265)**	(108,173)
Direct write off on advance payments	5	**(61,844)**	-
(Loss)/ profit for the year		**(54,306)**	12,627
Total comprehensive (loss) / income for the year		**(54,306)**	12,627

Mr. Girish Bhat
Director

Mr. Makarand Shete
Director

The attached notes from an integral part of these financial statements

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2016

	Share Capital BD	Statutory Reserve BD	Retained Earnings BD	Total BD
Balance at April 1, 2014	50,000	25,000	897,513	972,513
Total comprehensive income for the year	-	-	12,627	12,627
Balance at March 31, 2015	50,000	25,000	910,140	985,140
Total comprehensive loss for the year	-	-	(54,306)	(54,306)
Dividend paid	-	-	(500,000)	(500,000)
Balance at March 31, 2016	**50,000**	**25,000**	**355,834**	**430,834**

The attached notes from an integral part of these financial statements

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2016

	2016 BD	2015 BD
Cash flows from operating activities:	**(54,306)**	12,627
(Loss) / profit for the year		
Adjustments for:		
Allowance for impairment of receivables	**152,265**	108,173
Advance payments and other assets written-off	**61,844**	-
Credit balance written-off	**(100,031)**	-
Provision for employees' end-of-service benefits	**5,924**	(14,149)
Changes in operating assets and liabilities:	**65,696**	106,651
(Increase) / decrease in accounts receivable and other assets	**(19,058)**	521,450
Decrease / (increase) in amounts due from a related party	**34,636**	(39,979)
Decrease in accounts payable and other liabilities	**(3,318)**	(38,225)
Decrease in change in amount due to a related party	**-**	(128,747)
Cash from operating activities	**77,956**	549,897
Settlement of employee's end-of-service benefits	**(14,687)**	-
Net cash generated from operating activities	**63,269**	421,150
Cash flow from financing activity		
Dividend paid	**(500,000)**	-
Net cash used in financing activity	**(500,000)**	-
Net (decrease)/increase in cash and cash equivalents	**(436,731)**	421,150
Cash and cash equivalents beginning of year	**862,099**	440,949
Cash and cash equivalents at the end of year	**425,368**	862,009
Comprising of:		
Bank balance	**143,394**	371,946
Short term deposit	**281,974**	490,153
	425,368	862,099

The attached notes from an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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 and Commerce 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 adopted the new and revised Standards and Interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for annual reporting periods beginning on April 1, 2015. This adoption did not result in any significant impact on the Company’s financial statements or changes to the Company’s accounting policies.

Moreover, and at the date of authorization of these financial statements, new standards and interpretations were in issue but not yet effective. The Company anticipates that the adoption of these standards and interpretations in future periods (where applicable) will have no material impact on the financial statements of the Company.

3. SIGNIFICANT ACCOUNTING POLICIES:

Statement of Compliance

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:

3.1 Receivables

Receivables are measured at amortised cost, less any impairment.

3.2 Impairment of Financial Assets

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

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- organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

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 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.

3.3 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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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.

The difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

3.4 Financial Liabilities

Financial liabilities, are initially measured at fair value, net of transaction costs. Financial liabilities are subsequently measured at amortised cost.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

3.5 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.

3.6 Revenue Recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably.

3.7 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.

3.8 Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents comprise bank balances and short term deposits with contractual maturity period of three months or less.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY:

In the application of the entity'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.

4.1 Critical judgements in applying the entity's accounting policies

In the process of applying the entity's accounting policies, which are described in Note 3, and due to the nature of operation, the management did not have to make judgements that may have significant effect on the amounts recognised in the financial statements.

4.2 Key sources of estimation uncertainty

The following are 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

4.2.1 Impairment of financial assets

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 calculated the provision on a collective basis as detailed under Note 5.

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).

	2016 BD	2015 BD
Accounts receivable	**115,403**	115,817
Allowance for impairment of receivables	**(108,173)**	(108,173)
Advances and other receivables	**194,628**	237,000
Allowance for impairment of advances and other assets	**(152,265)**	
	49,593	244,644

Ageing of gross receivables as at March 31, is as follows:

	2016 BD	**2015** BD
Less than 30 days	**13,806**	3,697
31 – 60 days	**-**	13,306
61- 90 days	**3,084**	-
181 – 365 days	**32,722**	8,042
	49,612	25,045
Above 365 days	**260,419**	327,772
	310,031	352,817

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:

	2016 BD	2015 BD
Balance beginning of year	**108,173**	-
Additions	**152,265**	108,173
Balance end of year	**260,438**	108,173

During the current year direct written-off on advances and other receivables amounted to BD 61,844 (2015: Nil).

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 5%. Total billings made to the Parent Company amounted to BD 225,098 (2015: BD 373,328).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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 59,469 for the current year.

Balance in current account due from the Parent Company amounted to BD 5,343 (2015: BD 39,979).

The movement of the Parent Company account is as follows:

	2016 BD	2015 BD
Opening balance	**39,979**	(128,747)
Billing to Parent	**225,098**	373,328
Pass through billing to customers	**(59,469)**	2,928
Other asset movement	**49,098**	156,673
Payments received	**(249,363)**	(364,203)
Ending balance	**5,343**	39,979

7. CASH AND BANK BALANCES:

	2016 BD	2015 BD
Current account with bank	**143,394**	371,946
Short term deposit	**281,974**	490,153
	425,368	862,099

Short term deposit outstanding at year end, earns interest at a rate of 0.55% to 0.19% (2015 - 0.01%) 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:

	2016 BD	2015 BD
Balance beginning of year	**12,248**	26,397
Amount reversed during the year (net)	**-**	(14,149)
Additions	**5,924**	-
Payments made during the year	**(14,687)**	-
Balance end of year	**3,485**	12,248

11. ACCOUNTS PAYABLE AND OTHER LIABILITIES:

	2016 BD	2015 BD
Due to suppliers	**42,158**	116,591
Accrued expenses	**252**	25,380
Accrued employees' benefits	**3,575**	7,363
	45,985	149,334

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

12. REVENUE:

	2016 BD	2015 BD
Pass through billings to customers (Note 6)	**59,469**	(2,928)
Less: Payable to Parent company on pass through billings	**(59,469)**	2,928
Service revenue to Parent Company (Note 6) (costs plus)	**225,098**	373,328
	225,098	373,328

13. COST OF REVENUE:

	2016 BD	2015 BD
Staff costs	**103,497**	180,770
Travel expenses	**21,777**	21,415
Subcontractor charges	**-**	1,188
	125,274	203,373

14. OTHER INCOME:

	2016 BD	2015 BD
Credit balance written off	**100,031**	**-**
Interest income	**34**	**-**
	100,065	-

15. GENERAL AND ADMINISTRATIVE EXPENSES:

	2016 BD	2015 BD
Professional fees	**26,566**	38,001
Rent	**6,360**	6,360
Telephone and mobile charges	**1,646**	2,022
Foreign exchange loss	**3,214**	254
Miscellaneous expenses	**2,300**	2,518
	40,086	49,155

16. FINANCIAL INSTRUMENTS:

Categories of financial instruments

The summary of financial assets and liabilities are follows:

	2016 BD	2015 BD
Financial assets		
At amortised cost (including cash and bank balances)	**437,941**	909,722
Financial liabilities		
At amortised cost	**45,985**	149,334

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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:

DIRECTORS:

Mr. Milind Kulkarni	Director (Indian)	Resigned w.e.f 26.08.2015
Mr. Atanu Sarkar	Director (Indian)	Resigned w.e.f 18.05.2015
Chief (Mrs.) Faidat Oreagba	Director (Nigerian)	
Mr. Baksi Sujit	Director (Indian)	
Mr. Khatri Anil	Director (Indian)	Resigned w.e.f 26.08.2015
Mr. Sriram Veeravalli Sevellimedu	Director (Indian)	Appointed w.e.f 26.08.2015
Mr. Ayan Chatterjee	Director (Indian)	Appointed w.e.f 26.08.2015

OFFICE ADDRESS:
3rd Floor
68A Coscharis Plaza
Adeola Odeku Street
Victoria Island, Lagos.

BANKER:
Citibank Nigeria Limited

AUDITORS:
Grant Thornton Nigeria
(Chartered Accountants)

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2016

The directors submit their report together with the audited financial statements for the year ended 31 March 2016, which disclose the state of affairs of the company.

Legal Form

The company was incorporated in Nigeria under the Companies and Allied Matters Act 2004 as a Private Limited Liability Company on August 18, 2009. It commenced full operation in January 2011.

Principal Activity

The principal activity of the company is to provide global solution on information technology to various sector of the economy. It is engaged in directing, operating, managing, investing in or provide telecommunication, networking, communication, internet information and other information technology related services.

Directors

The directors who held office during the year and to the date of this report were:

Mr. Milind Kulkarni	Director (Indian)	Resigned w.e.f 26.08.2015
Mr. Atanu Sarkar	Director (Indian)	Resigned w.e.f 18.05.2015
Chief (Mrs.) Faidat Oreagba	Director (Nigerian)	
Mr. Baksi Sujit	Director (Indian)	
Mr. Khatri Anil	Director (Indian)	Resigned w.e.f 26.08.2015
Mr. Sriram Veeravalli Sevellimedu	Director (Indian)	Appointed w.e.f 26.08.2015
Mr. Ayan Chatterjee	Director (Indian)	Appointed w.e.f 26.08.2015

Directors interests in contracts

For the purpose of section 277 of the Companies and Allied Matters Act, CAP C20 LFN 2004, none of the directors has notified the company of any direct or indirect interest in contracts or proposed contracts with the company during the year.

Donations and Charitable Gifts

There were no donations made during the year.

Human Resources

Employment of Disabled Persons

The company continues to maintain a policy of giving fair consideration to the application for employment made by disabled persons with due regard to their abilities and aptitudes. The company's policy prohibits discrimination of disabled person in the recruitment, training and career development of its employees. In the event of members of staff becoming disabled, efforts will be made to ensure that their employment with the company continues and appropriate training arranged to ensure that they fit into the company's working environment.

Health, Safety and welfare at Work

The company enforces strict health and safety rules and practices at work environment, which are reviewed and tested regularly. The company retains top-class private hospitals where medical facilities are provided for staff at the company's expense.

Fire prevention and fire-fighting equipment are installed in strategic locations within the company's premises.

The company operates both Group Personal Accident and contributing to the Nigeria Social Insurance Trust Fund in compliance with the requirements of Employees Compensation Act (ECA), 2010. It also operates a contributory pension plan in line with the Pension Reform Act, 2004.

Employee Involvement and Training

The company ensures, through various form, that employees are informed on matters concerning them. Formal and informal channels are also employed in communication with employees with an appropriate two-way feedback mechanism.

In accordance with the company's policy of continuous development, training facilities are provided in the company's Training School. In addition, employees of the company are nominated to attend both locally and internationally organized courses. These are complemented by on-the job training.

AUDITORS

In accordance with Section 357(2) of the Companies and Allied Matters Act (CAP C20) 2004, Messrs. Grant Thornton (Chartered Accountants) will be reappointed to continue in office as Auditors to the Company having indicated their willingness to do so.

LAGOS, NIGERIA. **BY ORDER OF THE BOARD**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2016

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	**Mr. Ayan Chatterjee**
Director	Director

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF TECH MAHINDRA (NIGERIA)LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Tech Mahindra (Nigeria) Limited, for the year ended 31March 2016,set out on pages herein, which have been prepared on the basis of the significant accounting policies set out on pages herein.

Directors' Responsibility for the Financial Statements

The Directors are responsible fort he preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS) and with requirements of the Companies and Allied Matters Act, CAP C20 LFN,2004. This responsibility includes: designing, implementing and maintaining internal control relevant tot he preparation and fair presentation oft he financial statements that are free from material misstatements,whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls 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 1s sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion,Company's books of accounts have been properly kept. The financial statements referred to above, which are in agreement in the books of accounts, give at rue and fair view oft hest ate of affairs of the company as at 31 March 2016, and of the performance and for the year ended on that date. The financial statements have been properly prepared in accordance with the provisions of the Companies and Allied Matters Act,(Ci\P 20) of 2004 and relevant International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB)and the Financial Reporting Council Act. No.6, 2011.

Report on Other Legal Requirements

The Companies and Allied Matters Act,CAPC20,LFN2004 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 fort he purpose of our audit.

ii) in our opinion, proper books of account have been kept by the company;and

iii) The company’s Statement of Financial Position and Statement of Comprehensive Income are in agreement with the books of account.

Victor Osifo, FCA
FRC / 2013 / ICAN / 00000003612
For Grant Thorton, Nigeria
Chartered Accountants
Lagos, Nigeria

INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016 ₦	2015 ₦
Revenue from Services	5	**3,215,286,268**	2,479,869,824
Subcontracting Expenses	6	**(1,411,700,904)**	(362,455,351)
Gross profit		**1,803,585,364**	2,117,414,474
Finance Cost	7	**(7,757,143)**	(13,993,568)
Less Expsenses:			
Personnel Cost	8	**(1,222,251,268)**	(1,075,351,895)
Administrative Expenses	9	**(1,188,726,753)**	(703,330,850)
Depreciation Expenses	10	**(7,105,471)**	(10,582,229)
		(622,255,270)	314,155,931
Other Income	11	**106,918,316**	17,571,165
Profit/(Loss) Before Taxation		**(515,336,954)**	331,727,096
Taxation	12	**143,674,066**	(89,156,839)
Profit/(Loss) After Taxation		**(371,662,888)**	242,570,257
Retained Profit for the Year		**(371,662,888)**	242,570,257
Per Share Data:			
Earnings/(Loss) per share (Kobo)		**(2)**	2
Earnings per share from continuing operations attributable to owners during the year: (expressed in naira per share)			
Basic and diluted earnings/(loss) per share		**(2)**	2

The statement of accounting policies and notes on pages herein form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2016

	Notes	**2016** ₦	2015 ₦
ASSETS			
NON CURRENT ASSETS			
Property, Plant & Equipment	13	**11,416,384**	14,821,855
Deferred Income Tax	12	**154,601,085**	10,927,019
		166,017,470	25,748,874
CURRENT ASSETS			
Receivable and Prepayments	14	**3,452,919,195**	1,716,573,116
Cash and Cash Equivalent	15	**1,010,165,836**	1,388,395,392
		4,463,085,031	3,104,968,508
TOTAL ASSETS		**4,629,102,501**	3,130,717,382
EQUITY AND LIABILITIES			
Equity Attributable to Owners			
Share Capital	19	**153,040,026**	153,040,026
General Reserve		**490,523,835**	862,186,723
		643,563,861	1,015,226,749
NON CURRENT LIABILITIES			
Deferred Tax Liabilities	12	**-**	-
Unsecured Loan from Tech Mahindra Limited	19	**196,547,000**	196,863,000
CURRENT LIABILITIES			
Trade Payables	16	**283,821,965**	162,425,044
Other Payables	17	**3,505,107,145**	1,634,861,256
Income Tax Liabilities	12	**62,529**	121,341,333
		3,985,538,640	2,115,490,633
TOTAL EQUITY AND LIABILITIES		**4,629,102,501**	3,130,717,382

These accounts were approved by the Board of Directors and signed on its behalf by:

Chief (Mrs.) Faidat Oreagba
Director

Ayan Chatterjee
Director

The statement of accounting policies and notes on pages herein form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2016

	Equity Share ₦	General Reserve ₦	Total ₦
Year Ended 31 March 2015			
Balance at 1 April 2014	153,040,026	619,616,466	772,656,492
Profit for the year		242,570,257	242,570,257
Balance as at 31 March 2015	153,040,026	862,186,723	1,015,226,749
Year Ended 31 March 2016			
Balance at 1 April 2015	**153,040,026**	**862,186,723**	**1,015,226,749**
Profit/(Loss) for the year		**(371,662,888)**	**(371,662,888)**
Balance as at 31 March 2016	**153,040,026**	**490,523,835**	**643,563,861**

The statement of accounting policies and notes on pages herein form an integral part of these financial statements.

STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 31 MARCH 2016

	2016	2015
	₦	₦
Cash flows from operating activities		
Profit/(Loss) Before Tax	**(515,336,954)**	331,727,096
Adjustments:		
Depreciation	**7,105,471**	10,582,229
Operating Profit Before Working Capital Changes	**(508,231,483)**	342,309,325
(Increase)/Decrease in Debtors and Prepayment	**(1,736,346,080)**	1,142,854,838
Increase/(Decrease) in Trade Payables	**121,396,921**	15,091,213
Increase/(Decrease) in Other Payables	**1,870,245,890**	(183,295,307)
	255,296,731	974,650,744
Tax Paid	**(121,278,804)**	(203,195,231)
Net Cash Flow from Operating Activities		
	(374,213,557)	1,113,764,838
Cash flow from Investing Activities:		
Purchase of Property, Plant and Equipment	**(3,700,000)**	(8,203,000)
Net Cash flow from Investing Activities	**(3,700,000)**	(8,203,000)
Cash Flow from Financing Activities:		
Unsecured Loan from Tech Mahindra Limited	**(316,000)**	(125,037,000)
Net Cash Flow from Financing Activities	**(316,000)**	(125,037,000)
Net Cash Flow for the year	**(378,229,557)**	980,524,838
Cash and Cash Equivalents at 1 April 2015	**1,388,395,392**	407,870,554
Cash and Cash Equivalents at 31 March 2016	**1,010,165,836**	1,388,395,392
Cash and Cash Equivalent Consist of :		
Bank	**1,010,165,836**	1,388,395,392

The statement of accounting policies and notes on pages herein form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1 Reporting Entity

The company was incorporated in Nigeria under the Companies and Allied Matters Act 2004 as a Private Limited Liability Company on 18 August 2009. It commenced full operation in January 2011. Its initial Authorised share capital was 153,790,000 ordinary shares of N1.00. The company is wholly owned by Tech Mahindra India .

2 Basis of Preparation

(a) Statement of Compliance

The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB").

The Financial Statements were authorized for issue by the Board of Directors of Tech Mahindra (Nigeria) Limited on

(b) Basis of Measurement

The Financial Statements have been prepared on the historical cost basis.

(c) Functional and Presentation currency

These Financial Statements are presented in Nigeria Naira which is the company's functional currency.

(d) Significant management judgement in applying accounting policies and estimation uncertainty

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

The following are significant management judgements in applying the accounting policies of the entity that have the most significant effect on the financial statements.

i. Capitalisation of internally developed software

Distinguishing the research and development phases of a new customised software project and determining whether the recognition requirements for the capitalisation of development costs are met requires judgement. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired.

ii. Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the company's future taxable income against which the deferred tax assets can be utilised. In addition,significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

iii. Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

iv. Impairment

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

v. Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

vi. Inventories

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by market-driven or regulatory changes that may reduce future selling prices.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company

At the date of authorisation of these financial statements, certain new IFRS standards, amendments and interpretations to existing standards have been published by the IASB but are not yet effective, and have not been adopted early by the company. Management anticipates that all of the relevant pronouncements will be adopted in the company's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the company's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the company's financial statements.

New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2015 and not early adopted

A number of new standards and amendments to standards and interpretations that are effective for annual periods beginning after 1 January 2015, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the company, except the following set out below:

IFRS 14, 'Regulatory Deferral Accounts', issued in January 2014 (effective 1 January 2016)

The Standard was issued in January 2014 and is effective from 1 January 2016, with earlier application permitted. Many governments regulate the supply and pricing of particular types of activity by private entities, including utilities such as gas, electricity and water. These regulations are often designed to allow the suppliers to recover specified costs and other amounts through the prices they charge to customers. However, rate regulation is also designed to protect the interests of customers. Consequently, the rate regulation may defer the recovery of these amounts in order to reduce price volatility. The suppliers usually keep track of these deferred amounts in separate regulatory deferral accounts until they are recovered through future sales of the regulated goods or services.

In some jurisdictions, national accounting standard setting bodies permit or require entities that are subject to particular types of rate regulation to recognise these deferred amounts as part of assets (such as the related property, plant and equipment) or as separate receivables or payables. This changes the timing of when these amounts are recognised in profit or loss. IFRS does not have requirements specific to rate regulation. The IFRS Interpretations Committee has previously concluded that simply applying the specific requirements of another jurisdiction, such as US generally accepted accounting principles (US GAAP), might lead to the recognition of some items in the statement of financial position that would potentially conflict with the requirements of other Standards. The established practice of most entities that currently apply IFRS is not to recognise these regulatory deferral account balances but to allow them, instead, to flow through profit or loss as they arise.

IFRS 15, 'Revenue from Contracts with Customers', Issued: May 2014 (effective 1 January 2018)

IFRS 15 specifies how and when an IFRS reporter will recognise revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard provides a single, principle based five-step model to be applied to all contracts with customers. IFRS 15 was issued in May 2014 and applies to an annual reporting period beginning on or after 1 January 2018.

IFRS 16, 'Leases', Issued: January 2016 (effective 1 January 2019)

IFRS 16, which was issued January 2016, treats all leases as finance leases and so will ensure that for the first time a large part of the estimated $2.8trn (£2trn) worth of lease commitments that are currently off balance sheet will be included in to the balance sheets of the world's listed companies as assets and liabilities. Under the old lease accounting standard, IAS 17, leases were categorised either as finance leases, in which case they were included in the balance sheet, or operating leases which were disclosed in the notes to the financial statements. This made it difficult for investors to compare companies and to work out the effects of a company's off balance sheet lease obligations. Under IFRS 16, only short-term leases (12 months or less) and leases of low-value assets (such as a personal computer) will not need to be recognised.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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

Sales represents invoiced value, excluding value added tax.

Interest and Dividends

Basic earnings per share are calculated by dividing net earnings for the year by the weighted average number of ordinary shares in issue during the year.

3.2 Administrative expenses

Administrative expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin. Expenditure for warranties is recognised and charged against the associated provision when the related revenue is recognised.

3.3 Employee Benefits

(i) Pension fund obligations

A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity - Pension Fund Administrators (PFA) and has no legal or constructive obligations to pay further contributions. Obligations for contribution plans are recognised as personnel expenses in profit or loss in the periods during which related expenses are rendered. Contributions to a defined contribution plan that are due for more than 12 months after the end of the reporting period in which the employees render the service are discounted to their present value.

For defined contribution plans, the company pays contributions to an administered pension plans on a rule basis. However, additional voluntary contributions are allowed. The company has no further payment obligations once the contributions have been paid. The contributions are recognised as personnel expense when they are due.

(ii) Short-term employee benefits

The cost of short-term employee benefits (those payable within 12 months after service is rendered) such as paid vacation, leave pay, sick leave and bonuses are recognised in the period in which the service is rendered and is not discounted. The expected cost of short-term accumulating compensated absences is recognised as an expense as the employees render service that increases their entitlement or, in the case of non-accumulating absences, when the absences occur. The expected cost of bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Provisions for leave pay and bonuses are recognised as a liability in the financial statements.

3.4 Tax Expense

The tax expense represents the sum of the current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised directly in equity or in other comprehensive income.

(i) Current Tax

The current tax is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting year, and any adjustment to tax payable in respect of the previous years.

(ii) Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the company expects, at the end of the reporting year, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which it can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(iii) Tax Exposure

In determining the amount of current and deferred tax, the company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that caused the company to change its judgement regarding the adequancy of existing tax liabilites; such changes to tax liabilities will impact tax expense in the year that such a determination is made.

3.5 Cash and Cash Equivalents

Cash and Cash Equivalents comprise of notes and coins on hand, demand deposits and other short term, highly liquid financial assets with original maturities of three months or less that are convertible to a known amount of cash which are subject to insignificant risk of changes in value, all of which are available for use by the company unless otherwise stated. In the statement of financial position, company overdrafts are included in current liabilities.

3.6 Trade Receivables

Trade receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the company does not intend to sell immediately or in the near term.

3.7 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

3.8 Property, Plant and Equipment

Land

Land held for use in production or administration is stated at cost amounts. As no finite useful life for land can be determined, related carrying amounts are not depreciated.

Buildings, IT equipment and other equipment

(i) Recognition and Measurement

Items of property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

- The cost of material and direct labour;
- Any other costs directly attributable to bringing the assets to a working condition for their intended use;
- When the company has an obligation to remove the asset or restore the site, an estimate of the cost of dismantling and removing the items and restoring the site on which they are located; and
- Capitalised borrowing cost.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

Any gain or loss on disposal of an item of property and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised within other income in profit or loss.

When parts of an item of property have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised within other income in profit or loss.

(ii) Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits of the expenditure will flow to the company. On-going repairs and maintenance are expensed as incurred.

(iii) Depreciation

Items of property and equipment are depreciated from the date they are available for use or, in respect of self-constructed assets, from the date that the assets are completed and ready for use. Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight line basis over their estimated useful lives. Depreciation is recognised in profit or loss. Leased assets under finance leases are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated.

The estimated useful life for the current and comparative years of significant items of property, plant and equipment are as follows:

Motor Vehicles	3-5 years
Computer Equipment	3 years
Furniture and Fittings	5-10 years
Plant and Machinery	5-10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.9 Share Capital

Ordinary Shares

Ordinary shares are classified as equity and (share capital) are recorded at the proceeds received net of incremental external costs directly attributable to the issue.

3.10 Financial Instruments

(i) Recognition and Measurement

Financial assets and financial liabilities are recognised in the statement of financial position when the company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially recognised at their fair value plus in the case of all financial assets not carried at fair value through profit or loss, transaction costs that are directly attributable to their acquisition. Purchases and sales of financial instruments are measured on a trade-date basis.

Financial liabilities and equity instruments, issued by the company, are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Financial assets are derecognised when and only when:

- The contractual rights to the cash flows from the financial assets expire; or
- The company transfers the financial asset, including substantially all the risks and rewards of ownership of the asset.

A financial liability is derecognised when and only when the liability is extinguished, that is, when the obligation specified in the contract is discharged, cancelled or has expired. The difference between the carrying amount of a financial liability (or part thereof) extinguished or transferred to another party and consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

Investments made by company which are classified as either held at fair value through profit or loss or available-for-sale, and are measured at subsequent reporting dates at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair values of quoted investments and unit trusts in active markets are based on current market prices. Since actual market prices are available in determining fair values, no significant estimates or valuation models are applied in determining the fair value of quoted financial instruments.

(ii) Fair Value Hierarchy

Fair values are determined according to the following hierarchy based on the requirements in IFRS 7 'Financial Instruments: Disclosures':

Level 1: Quoted market prices: financial assets and liabilities with quoted prices for identical instruments in active markets.

Level 2: Valuation techniques using observable inputs: quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial assets and liabilities valued using models where all significant inputs are observable.

Level 3: Valuation techniques using significant unobservable inputs: financial assets and liabilities valued using valuation techniques where one or more significant inputs are unobservable.

The best evidence of fair value is a quoted price in an active market. In the event that the market for a financial asset or liability is not active, a valuation technique is used.

(iii) De-recognition of Financial Instruments

Financial assets are derecognised when the contractual rights to receive cash flows from the investments have expired or on trade date when they have been transferred and the company has also transferred substantially all risks and rewards of ownership. Non-cash financial assets pledged, where the counterparty has the right to sell or re-pledge the assets to a third party, are classified as pledged assets.

Financial liabilities are derecognised when they are extinguished, that is when the obligation is discharged, cancelled or expires.

(iv) Financial Assets

Management determines the classification of financial assets at initial recognition; this classification depends on the nature and purpose of the financial asset. Financial assets are classified into the following categories:

- financial assets at fair value through profit or loss;
- trade receivables
- held-to-maturity and
- available-for-sale financial assets.

Financial Assets at fair value through profit or loss

This category has two components: those held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of generating a profit from short-term fluctuation in price or a security is included in a portfolio in which a pattern of short-term profit taking exists or if so designated by management at inception as held at fair value through profit or loss.

Financial assets designated at fair value through profit or loss at inception are those that are:

- Held to match liabilities that are linked to changes in fair value of these assets. The designation of these assets at fair value through profit or loss eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as 'an accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising gains and losses on them on different bases; or
- Managed and whose performance is evaluated on a fair value basis. Information about these financial assets is provided internally on a fair value basis to the company's key management personnel.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

Trade Receivables

Trade receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These arise when the company provides money, goods or services directly to a customer with no intention of trading the receivable. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment losses. The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured on initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reductions for impairment of financial assets. The carrying amount represents its fair value.

Available-for-sale

Available-for-sale instruments are those intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices. Subsequent to initial recognition, financial assets classified as available -for -sale are measured at fair value on the statement of financial position.

Held - to - Maturity

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that management has both the positive intent and ability to hold to maturity. Held-to-maturity investments are carried at amortised cost, using the effective interest method, less any impairment losses.

(v) Financial Liabilities

Financial liabilities are recognised initially at fair value, generally being their issue poceeds net of transaction costs incurred. Financial liabilities are subsequently stated at amortised cost and interest is recognised over the period of the borrowing using the effective interest method.

The company classifies certain liabilities at fair value through profit or loss, mainly to match the accounting classification of assets with similar risks. Such liabilities are accounted for at fair value with changes in fair value recognised in profit or loss.

(vi) Gains and Losses

Gains and losses arising from changes in the fair value of the ‘financial assets at fair value through profit or loss’ category are included in profit or loss in the period in which they arise. Gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised in comprehensive income, until the financial asset is derecognised or impaired at which time the cumulative gain or loss previously recognised in comprehensive income is recognised in profit or loss. Interest income, calculated using the effective interest method, is recognised in profit or loss except for short term receivables where the recognition of interest would be immaterial. Dividends on available -for-sale equity instruments are recognised in the profit or loss when the company’s right to receive payment is established.

(vii) Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

(viii) Offsetting of Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or, realise the asset and settle the liability simultanenously.

(ix) Impairment of Financial Assets

(i) Assets Carried at Amortised Cost

At each reporting date, the company assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are recognised if, and only if, there is objective evidence of impairment as a result of one or more events that occured after

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

the initial recognition of the asset (a 'loss event') and that loss event(s) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The company first assesses whether objective evidence of impairment exists individually for financial asset that are individually significant, and individually or collectively for financial assets that are not individually significant. If the company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it then includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment.

Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in the collective assessment of impairment. If there is objective evidence that an impairment loss on loans and receivables has been incurred, the amount of the loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows discounted at the financial assets' original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in profit or loss. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

When a trade receivable is uncollectible, it is written off against the related provision for loan impairment. Such receivables are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off decrease the amount of the provision for receivables allowance in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occuring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The reverse shall not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

(ii) Asset Carried at Fair Value

At each reporting date, the company assesses whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of investments classified as available-for-sale, a significant or prolonged decine in the fair value of the security below its cost is considered in determing 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 recognised in profit or loss - is removed from comprehensive income and recognised in profit or loss.

Impairment losses recognised in profit or loss on equity instruments classified as available-for-sale are not subsequently reversed through profit or loss, any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income. However, if in a subsequent period the fair value of a debt instrument classified as available -for-sale increase and the increase can be objectively related to an event occuring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss.

3.11 Provisions

Provisions are liabilities of uncertain timing or amount, and are recongnised when the company has a present obligation as a result of a past event, and it is probable that the company will be required to settle that obligation. Provisions are measured at the director's estimate of the expenditure required to settle that obligation at the end of each reporting period, and are discounted (at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability) to present value where the effect is material.

Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determind by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect of any item included in the same class of obligations may be small.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

3.12 Foreign Currency Transactions and Balances

Foreign Currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. The functional currency is the currency of the primary economic environment in which the entity operates, which is the Nigerian Naira.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end closing exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

At the end of each reporting year, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items of historical cost in a foreign currency are not retranslated.

4 Financial Risk Management

(a) Introduction

The company uses its financial skills to provide competitive product pricing and delivery to a broad range of customers.

Risk Management is essential to help ensure business sustainablility 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 procssess;
- Ensuring significant and relevant skills and services are available consistently to the company;
- Influencing the business and environment by being active participants in the relevant regulatory and business forums; and
- Keeping abreast of technology and consumer trends and investing capital and resources where required.

The overall company focus within an appropriate risk framework is to give value to the customers through effective and efficient execution of transactions.

The board of directors acknowledges its responsibility for establishing, monitoring and communicating appropriate risk and control policies.

(b) Significant Risks

The company has exposure to Significant Risks which are categorised as follows:

(i) Regulatory (captial adequacy, legal, accounting and taxation);
(ii) Business environment (reputation and strategic);
(iii) Operational (people, information technology and internal control processes);
(iv) Market (equity prices, interest rate and currency); and
(v) Liquidity

(c) Detailed Discussion of Significant Risks

(i) Regulatory Risk

Regulatory risk is the risk arising from a change in regulations in any legal, taxation and accounting pronouncements or specific industry that pertain to the business of the Company. In order to manage this risk, the Company is an active participant in the IT industry and engages in discussions with policy makers and regulators.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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 2016, the directors are not aware of any significant obligation not provided for.

Taxation Risk

Taxation risk is the risk of suffering a loss, financial or otherwise, as a result of an incorrect interpretation and application of taxation legislation or due to the impact of new taxation legislation on existing products.

Taxation risk occurs in the following key areas:

- Transactional risk;
- Operational risk;
- Compliance risk; and
- Financial accounting risk.

  - **Transactional Risk**

    The risk which concerns specific transactions entered into by the company, including restructuring projects and reorgnizations.

  - **Operational Risk**

    The underlying risks of applying tax laws, regulations and decisions to the day-to-day business operations of the company.

  - **Compliance Risk**

    The risk associated with meeting the company's statutory obligations.

  - **Financial Accounting Risk**

    The risk relates to the inadequacy of proper internal controls over financial reporting, including tax provisioning.

    In managing the company's taxation risk, the company tax policy is as follows:

    The company will fulfil its responsibilities under tax law in each of the jurisdictions in which it operates, whether in relation to compliance, planning or client service matters. Tax law includes all responsibilities which the company may have in relation to company taxes, personal taxes, capital gains taxes, indirect taxes and tax administration.

    Compliance with this policy is aimed at ensuring that:

    - All taxes due by the company are correctly identified, calculated, paid and accounted for in accordance with the relevant tax legislation;
    - The company continually reviews its existing operations and planned operations in this context; and
    - The company ensures that, where clients participate in company products, these clients are either aware of the probably tax consequences, or are advised to consult with independent professionals to assess these consquences, or both.

    The identification and management of tax risk is the primary objective of the company tax function, and this objective is achieved through the application of a formulated tax risk approach, which measures the fulfilment of tax responsibilities against the specific requirements of each category of tax to which the company is exposed, in the context of the various types of activities the company conducts.

Accounting Risk

Accounting Risk is the risk that the company fails to explain the current events of the business in the financial statements.

Accounting risk can arise from the failure of mangement to:

- Maintain proper books and records, accounting system and to have proper accounting policies;
- Establish proper internal accounting controls;

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

- 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.

(ii) Business Environment

Reputational Risk

Reputational risk is the risk of loss caused by a decline in the reputation of the company or any of its specific business units from the perspective of its stakeholders, shareholders, customers, staff, business partners or the general public.

Reputational risk can both cause and result from losses in all risk categories such as market or credit risk.

- **Strategic Risk**

  Strategic Risk is the risk of an unexpected negative change in the company value, arising from the adverse effect of executive decisions on both business strategies and their implementation.

  This risk is a function of the compatibility between strategic goals, the business strategies developed to achieve those goals and the resources deployed to achieve those goals. Strategic risk also includes the ability of management to effectively analyse and react to external factors, which could impact the future direction of the relevant business units.

  Company risk identifies and assesses both those risks qualitatively as part of a quartely evaluation. On the basis of this evaluation, company risk creates an overview of local and global risks which also includes reputational risks, analyses the risk profile of the company and regularly informs directors and management.

(iii) Operational Risk

Operational Risk is the risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems or from external events.

The initiation of all transactions and their administration is conducted on the foundation of segregation of duties that has been designed to ensure materially the completeness, accuracy and validity of all transactions. These controls are augmented by management and executive review of control accounts and systems, electronic and manual checks and controls, back-up facilities and contingency planning. The internal control systems and procedures are also subjected to regular internal audit reviews.

(iv) Market Risk

Market risk includes asset liability matching risk, currency risk, interest rate risk and equity price risk.

The company is exposed to market risk through its financial assets and financial liabilities. The most important components of this risk are interest rate risk and market price risk. These risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements.

Interest Rate and Market Price Risk

These risks have very different impacts on the various categories of business used in the company's Assets and Liabilities Management framework. Interest rate and market price risk have been discussed together since they interact on certain types of liabilities.

Interest Rate Risk

Interest rate risk is the risk that the value and cash flow of a financial instrument will fluctuate due to changes in market interest rates.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

Equity Price Risk

Equity price risk is the risk that the value of a financial instrument will fluctute as a result of changes in market prices.

Foreign Currency Risk

In respect of other monetary assets and liabilities held in currencies other than the Naira, the company ensures that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot rates, where necessary, to address short-term balances.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a loss to the other party by failing to discharge an obligation.

Key areas where the company is exposed to credit risk are:

- Certain classes of financial assets such as bonds, term deposits, cash and cash equivalent; and
- Crtain accounts within trade and other receivables.

Financial Assets

Various debt instruments are entered into by the company in order to invest surplus shareholders funds. The company is exposed to the issuer's credit standing on these instuments.

The following policy and procedure is in place to mitigate the company's exposure to this credit risk:

- Exposure to outside financial institutions concerning financial instrument is monitored in accordance with parameters which have been approved by the company's audit committee and the company's board.

Other Receivables

Investment sale debtors are protected by the security of the underlying investment not being transferred to the purchaser prior to payment.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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.

		2016 ₦	2015 ₦
5	**REVENUE FROM SERVICES**		
	Onsite and Offshore Revenue	**2,397,668,652**	2,479,869,824
	Hardware and Software System Revenue	**817,617,616**	-
		3,215,286,268	2,479,869,824

Revenues are recognized at the fair value of consideration received, after deducting sales taxes, excise duties and similar levies, when the significant risks and rewards of ownership have been transferred.

		2016 ₦	2015 ₦
6	**SUBCONTRACTING EXPENSES**		
	Subcontracting Expenses - Onsite and Offshore	**404,314,702**	362,455,351
	Subcontracting Expenses - Hardware and Software System	**1,007,386,202**	-
		1,411,700,904	362,455,351

Subcontracting expenses relates the costs that are incured while bringing the goods to its point of sales and all the associated cost.

		2016 ₦	2015 ₦
7	**FINANCE COST**		
	Bank Charges	**7,757,143**	13,993,568
		7,757,143	13,993,568

The finance cost relates to bank, interest and similar charges from the bank.

		2016 ₦	2015 ₦
8	**PERSONNEL COST**		
	Salaries and Wages	**1,187,603,610**	1,042,535,052
	Staff Welfare	**25,190,335**	15,787,615
	Staff Recruitment	**9,457,322**	17,029,228
		1,222,251,268	1,075,351,895

Personnel cost relates to cost incured in retaining the existing personnel as well as hiring the new once.

		2016 ₦	2015 ₦
9	**ADMINISTRATIVE EXPENSES**		
	Other operating expenses consist of the expenses listed below:		
	Guest House Expenses	**53,675,047**	44,464,952
	Telephone, Internet and Postage	**13,161,039**	20,158,195
	Rent	**275,318,027**	332,133,342
	Motor Running Expenses	**30,251,411**	19,038,939
	Audit Fees	**7,800,000**	10,000,000
	Office Running Expenses	**40,212,491**	13,945,703
	Business Promotion Expenses	**30,896,256**	4,699,125
	Insurance	**89,922,440**	89,273,502
	Legal Expenses and Professional Fees	**44,659,760**	34,279,199
	Travelling and Conveyance	**117,387,157**	75,093,903
	Miscellaneous Expenses	**165,248,850**	23,298,872
	Exchange Loss	**319,835,429**	36,209,259
	Printing and Stationeries	**358,845**	735,858
		1,188,726,753	703,330,850

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

10	**DEPRECIATION EXPENSES**	**7,105,471**	10,582,229

Depreciation expenses represents a portion of the cost of plant and equipment that is matched in consideration to the useful life of the assets during the year.

		2016	2015
		₦	₦
11	**Other Income**		
	Interest Received	**27,656,358**	17,571,164
	Exchange Gain - Unrealized/Realized	**7,921**	-
	Provision No Longer Required	**79,254,037**	1
		106,918,316	17,571,165

Other operating income relates to income earned from other activities other than the company principal activities. Interest received relates to income earned on placement with banks. The provision no longer required represents provision in respect of MRS now treated as no longer required.

12	**Taxation**		
i	**Current Tax (Statement of Financial Position)**		
	Balance as 1 April	**121,341,333**	203,195,231
	Charge for the year	**-**	121,278,804
		121,341,333	324,474,035
	Under Provision in Prior Year	**-**	-
	Paid During the Year	**(121,278,804)**	(203,195,231)
	Balance as at reporting year	**62,529**	121,341,333
ii	**Income Tax Expense**		
	Company Income Tax	**-**	110,445,148
	Education Tax	**-**	7,516,385
	Information Technology Levy	**-**	3,317,271
		-	121,278,804
	Deferred Tax Expense Recognised in the current year	**(143,674,066)**	(32,121,965)
	Charge to Income Statement	**(143,674,066)**	89,156,839

The tax rate used for the 2015 tax computation is 30% payable by Corporate Entities in Nigeria, 2% for Education Tax and 1% of profit before tax for information technology levy.

iii	Deferred Tax Assets	**154,601,085**	10,927,019
iv	Deferred Tax Liabilities	**-**	-

13 Property, Plant & Equipment

	MOTOR VEHICLE ₦	PLANT & MACHINERY ₦	COMPUTER ₦	FURNITURE & FITTINGS ₦	OFFICE EQUIPMENT ₦	TOTAL ₦
COST						
As At 1 April 2015	**37,080,825**	**4,193,223**	**3,682,541**	**8,055,000**	**422,000**	**53,433,589**
Additions during the year	**3,700,000**	**-**	**-**	**-**	**-**	**3,700,000**
As At 31 March 2016	**40,780,825**	**4,193,223**	**3,682,541**	**8,055,000**	**422,000**	**57,133,589**
DEPRECIATION						
As At 1 April 2015	**27,871,218**	**3,089,305**	**3,344,072**	**4,096,147**	**210,991**	**38,611,734**
Charge for the year	**4,622,776**	**525,557**	**263,468**	**1,609,273**	**84,396**	**7,105,471**
As At 31 March 2016	**32,493,994**	**3,614,862**	**3,607,540**	**5,705,420**	**295,388**	**45,717,205**
NET BOOK VALUE						
As At 31 March 2016	**8,286,831**	**578,361**	**75,001**	**2,349,580**	**126,612**	**11,416,384**
As At 31 March 2015	**9,209,607**	**1,103,918**	**338,469**	**3,958,853**	**211,009**	**14,821,855**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

		2016 ₦	2015 ₦
14	**RECEIVABLE AND PREPAYMENTS**		
	Accounts Receivable	**2,200,729,718**	749,218,686
	Provision for Doubtful Receivables	**(14,754,888)**	(14,754,888)
	Accounts Receivable - Net	**2,185,974,830**	734,463,798
	Withholding Tax Receivable	**733,094,384**	675,471,297
	Advance Payment to Suppliers	**285,711,896**	31,246,436
	Staff Debtors	**12,935,488**	5,311,674
	Prepaid Expenses	**235,202,598**	270,079,910
		3,452,919,195	1,716,573,116

All amounts are short-term. The net carrying value of trade receivables is considered to be at fair value.

		2016 ₦	2015 ₦
15	**CASH AND CASH EQUIVALENT**		
	Cash and cash equivalents consist of the following:		
	Bank Balances	**1,010,165,836**	1,388,395,392

These comprise of balances in foreign currencies that are translated at the period end, using the interbank rate as at 31 March 2016.

		2016 ₦	2015 ₦
16	**TRADE PAYABLES**		
	Trade and other payables consist of the following:		
	Advances From Customers	**283,821,965**	162,425,044
	Receivable- Mahindra Satyam	**-**	-
		283,821,965	162,425,044

The carrying amount of trade and other payables are consindered to be at their fair values.

		2016 ₦	2015 ₦
17	**OTHER PAYABLES**		
	Accrued Expenses	**3,464,167,608**	1,649,393,825
	VAT Payable	**39,252,818**	(19,429,789)
	Withholding Tax Payable	**1,686,719**	4,897,219
		3,505,107,145	1,634,861,256
18	**Unsecured Loan from Tech Mahindra Limited India**	**196,547,000**	196,863,000
		196,547,000	196,863,000

All provisions are considered current.

		2016 ₦	2015 ₦
19	**SHARE CAPITAL**		
	Authorised		
	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 norminal value of ₦ 1 each.

		2016 ₦	2015 ₦
20	**PROFIT AND LOSS ACCOUNT**		
	The profit for the year is arrived at after charging the following:-		
	Depreciation	**7,105,471**	10,582,229
	Auditors Remuneration	**7,800,000**	10,000,000

21 EMPLOYEES

The number of persons employed by the company during the year were 950.

		2016 ₦	2015 ₦
22	**SUBSTANTIAL INTEREST IN SHARES**		
	TECH MAHINDRA LIMITED INDIA	**153,040,025**	153,040,025
	MILIND KULKARNI	**1**	1
		153,040,026	153,040,026
23	**RELATED PARTY TRANSACTIONS**		
	Parent Company - Tech Mahindra Limited India		
	Beginning Balance Due to Parent Company on 1/4/2015	**1,938,359,058**	1,462,192,618
	Subcontractors for Subs cost to Parent Company	**44,110,354**	48,342,178
	Subcontractors for Subs cos to Parent company unbilled	**559,510,093**	159,654,110
	Reimbursement of Expenses receivable from Parent	**(27,793,580)**	(91,025,753)
	Interest on Loan taken from Parent Company	**3,392,252**	3,691,442
	Management fee to parent	**-**	4,103,410
	Advance from customer regrouped	**-**	11,365,809
	Payments received from parents	**29,910,793**	97,260,988
	Payment to parent	**3,067,122**	242,774,258
	Closing Balance as at 31 March 2016	**2,550,556,094**	1,938,359,058
	Comviva Software fees payable	**(68,805,112)**	-
	Amount Payable to Associate Company - V Customer Care	**-**	-
	Loan from Tech Mahindra Limited India	**196,547,000**	196,863,000

24 Authorization of Financial Statements

The financial statements for the year 31 March 2016 (including comparatives) were approved by the board of directors.

TECH MAHINDRA SOUTH AFRICA (PTY) LTD

Board of Directors

Mr. Girish Bhat
Mr. Lakshminarayanan Ravichandran
Mr. Abdul Ismail
Mr. Rikash Hurdeen
Mr. Farhadh Dildar

Registered Office

56 Karee Drive,
Walton Road,
Carlswald,
Gauteng
1685

Bankers

HSBC Bank

Auditors

Deloitte &Touche

DIRECTORS' REPORT

for the year ended 31 March 2016

The directors have pleasure in presenting their report for the year ended 31 March 2016.

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 herein adequately reflect the state of affairs and the results of the business operations of the company for the year ended 31 March 2016.

Share capital

There was no change to authorised or issued share capital of the company during the current year (2015: 100 ordinary nos. par value R1 shares were issued on 05 December, 2012).

Dividends

No dividends were paid during the year (2015 - 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. Girish Bhat	*
B	Mr. Lakshminarayanan Ravichandran	*
C	Mr. Abdul Ismail	
D	Mr Rikash Hurdeen	
E	Mr. Farhadh Dildar	

* 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	**Postal Address**
24A – 18th Street, Menlo Park,	PO Box 35686, Menlo Park
Pretoria, 0081	Pretoria, 0102

Auditors

Deloitte & Touche are the appointed auditors for the company.

Business Address	**Postal Address**
Deloitte & Touche	Private Bag X6
The Woodlands	Gallo Manor
20 Woodlands Drive	2052
Woodmead	

Holding company

The holding 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	Postal Address
56 Karee Drive, Walton Road,	PO Box 2184, Brooklyn Square,
Carlswald, Gauteng, 1685	Pretoria, Gauteng , 0075

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 2016, 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 as well as the preparation of the supplementary schedules included in these financial statements.

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 herein, were approved by the board of directors on 20 May, 2016 and signed on its behalf by:

Mr. Girish Bhat	**Mr Rikash Hurdeen**
Director	**Director**

Place : Johannesburg

Date: 20th May, 2016

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF TECH MAHINDRA SOUTH AFRICA PROPRIETARY LIMITED

We have audited the annual financial statements of Tech Mahindra South Africa Proprietary Limited set out on pages herein which comprise the statement of financial position as at 31 March 2016 the statement of comprehensive income the statement of changes in equity the statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards for Small and Medium sized Entities 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.

Auditor's responsibility

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

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

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

Opinion

In our opinion the financial statements present fairly in all material respects the financial position of Tech Mahindra South Africa Proprietary Limited as at 31 March 2016 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 and the requirements of the Companies Act of South Africa.

Other reports required by the Companies Act

As part of our audit of the financial statements for the year ended 31 March 2016 we have read the Directors' Report for the purpose of identifying whether there are material inconsistencies between this report and the audited financial statements. The report is the responsibility of the preparer. Based on reading the report we have not identified material inconsistencies between the report and the audited financial statements. However we have not audited the report and accordingly do not express an opinion on it.

Deloitte & Touche
Registered Auditor
Per: Thega Marriday
Partner

Place : Johannesburg

Date : 20th May 2016

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016

	Note(s)	**2016 Rand**	2015 Rand
Assets	3	**7,210,027**	2,590,400
Current Assets			
Work in progress			
Trade and other receivables	4	**12,414,519**	6,651,185
Rental deposit		**232,015**	232,015
Cash and cash equivalents	5	**19,029,532**	330,122
Total Assets		**38,886,093**	9,803,722
		38,886,093	9,803,722
Equity and Liabilities			
Equity			
Share capital	6	**100**	100
Accumulated loss		**(3,646,677)**	(3,894,637)
		(3,646,577)	(3,894,537)
Liabilities			
Non-current liability			
Loans from shareholders	2	**10,844,528**	9,555,066
Current Liabilities			
Trade and other payables	7	**31,688,142**	4,143,193
Total Liabilities		**42,532,670**	13,698,259
Total equity and liabilities		**38,886,093**	9,803,722

These financial statements were approved and signed by the Directors on 20 May 2016.

STATEMENT OF COMPREHENSIVE INCOME

	Note(s)	2016 Rand	2015 Rand
Revenue	8	**29,993,219**	7,485,355
Cost of sales			
Cost of services rendered		**(26,701,368)**	(3,438,525)
Work in progress	3	**7,210,027**	2,590,400
		(19,491,341)	(848,125)
Gross profit		**10,501,878**	6,637,230
Operating expenses	8.1	**(9,957,891)**	(7,919,482)
Operating profit (loss)		**543,987**	(1,282,252)
Finance Costs	10	**(405,203)**	(401,529)
Interest Received	9	**109,176**	3,965
Profit (loss) before taxation		**247,960**	(1,679,816)
Taxation	11	**-**	-
Profit (loss) after taxation		**247,960**	(1,679,816)
Total comprehensive income (loss) for the year		**247,960**	(1,679,816)

STATEMENT OF CHANGES IN EQUITY

	Share Capital Rand	Accumulated loss Rand	Total equity Rand
Balance at 1 April 2014	100	(2,214,821)	(2,214,721)
Loss for the year	-	(1,679,816)	(1,679,816)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	-	(1,679,816)	(1,679,816)
Balance at 31 March 2015	100	(3,894,637)	(3,894,537)
Profit for the year	-	247,960	247,960
Other comprehensive income	**-**	**-**	**-**
Total comprehensive profit for the year	**-**	**247,960**	**247,960**
Balance at 31 March 2016	**100**	**(3,646,677)**	**(3,646,577)**

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016
STATEMENT OF CASH FLOWS

Particulars	Note(s)	**2016** **Rand**	2015 Rand
Cash flows from operating activities			
Cash generated from/(used) in operations	12	**17,705,975**	(6,338,989)
Interest income		**109,176**	3,965
Finance costs		**(405,203)**	(401,529)
Net cash generated from/(used in) operating activities		**17,409,948**	(6,736,553)
Cash flows from investing activities			
Rental deposit		**-**	(232,015)
Cash flows from financing activities			
Increase in shareholders loan		**1,289,462**	4,167,913
Net cash from financing activities		**1,289,462**	4,167,913
Total cash movement for the year		**18,699,410**	(2,800,655)
Cash at the beginning of the year		**330,122**	3,130,777
Total cash at end of the year	5	**19,029,532**	330,122

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.

Deferred tax asset balances are reviewed at every reporting date to ensure that any deferred tax asset balance carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tax expenses

Tax expense is recognised in the same component of total comprehensive income (i.e. continuing operations, discontinued operations, or other comprehensive income) or equity as the transaction or other event that resulted in the tax expense.

1.2 Work in progress

Where the outcome of work in progress can be estimated reliably, contract costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period measured on the first in first out method. (FIFO)

1.3 Revenue

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Interest is recognised, in profit or loss, using the effective interest rate method.

Note	Particulars

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.

1A New Standards and Interpretation

1A.1 Standards and Interpretations effective and adopted in current year

In the current year, the Company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Offsetting Financial Assets and Financials Liabilities (Amendments to IAS 32)

Clarification on certain aspects concerning the requirements for offsetting financial assets and financial liabilities.The effective date of amendment is for years beginning on or after 01 January 2014. The Company has adopted the amendment for the first time in the 2015 annual statements. The impact of the amendment is not material.

IAS 36- Recoverable Amount Disclosures for Non-Financial Assets

The amendment brings the disclosures for impaired assets whose recoverable amount is fair value less costs to sell in line with the disclosure requirements of IFRS 13 Fair Value Measurements.The effective date of amendment is for years beginning on or after 01 January 2014.The Company has adopted the amendment for the first time in the 2015 annual statements.The impact of the amendment is not material.

1A.2 Standards and Interpretations not yet effective:

The Company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Company’s accounting periods beginning on or after 01 July 2015 or later periods:

Standards/ Interpretation	**Effective Date Years beginning on or after**
IFRS 9 Financial Instruments	01-Jan-15
IFRS 7 Financial Instruments: Disclosures- Deferral of mandatory effective date of IFRS 9 and amendments to transition disclosures	01-Jan-15
IFRS 7 Financial Instruments: Disclosures – Amendments resulting from September 14 Annual Improvements to IFRSs	01-Jan-16
IFRS 9 Financial Instruments- Reissue of complete standard with all chapters incorporated	01-Jan-16
IFRS 15 Revenue from contracts with customers	01-Jan-17
IAS 16 Property, Plant and Equipment- Amendments resulting from clarification of acceptable method of depreciation and amortization	01-Jan-16
IAS 16 Property, Plant and Equipment- Amendments to include ‘bearer plants’ within scope of IAS 16 rather than IAS 41	01-Jan-16
IAS 19 Employee Benefits- Amendments resulting from 2012-14 Annual Improvements Cycle	01-Jan-16
IFRS 7 Financial Instrument: Disclosures- Deferral of mandatory effective date of IFRS 9 and amendments to transition disclosures	01-Jan-15

2. Loans from shareholders

Particulars	2016 Total Rand	2015 Total Rand
Tech Mahindra Limited Incorporated in India ($ 510,999)	**7,527,958**	6,238,496
Interest of R 136,655 ($ 9,276 at a rate R14.732) {2015: R 134,276 ($ 10,999 at a rate R12.21)} was charged for the year at 1,85% p.a.		
Falcorp Technologies (Pty) Ltd	**3,316,570**	3,316,570
Interest of R 251,541 was charged for the year at 7,5% p.a.		
	10,844,528	9,555,066

The above loans are unsecured and have been subordinated in favour of third party creditors until the solvency of the company has been restored, as per the signed subordinated loan agreements.

3. Work in progress

Particulars	2016 Rand	2015 Rand
Contracts in progress at the reporting period:		
Contracts in progress	**7,210,027**	2,590,400
	7,210,027	2,590,400

4. Trade and other receivables

Particulars	2016 Rand	2015 Rand
Trade receivables	**12,485,950**	6,318,513
Provision for doubtful debts	**(273,076)**	-
	12,212,874	6,318,513
VAT	**-**	32,472
Staff advance for travelling	**201,645**	300,200
	201,645	332,672
	12,414,519	6,651,185

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:		
Balance at the beginning of the year	**-**	-
Net provision raised during the year	**273,076**	-
Amounts written off during the year, net of recoveries	**-**	-
Closing balance	**273,076**	-
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		
60 days	**479,216**	-
90 days	**2,828,928**	261,305
120 days	**385,776**	-
More than 120 days	**1,300,968**	837,376

Ageing of trade receivables past due and impaired

All impaired receivables are aged greater than 120 days

5. Cash and Cash Equivalents

Particulars	2016 Rand	2015 Rand
Cash and cash equivalents consist of:		
Bank balance - foreign $12,968 at a rate of R14.73 (2015: $23,411 at a rate of R12.21)	**191,049**	285,808
Bank balances - local	**18,838,483**	44,314
	19,029,532	330,122

6. Share capital

The authorized share capital of the Company consists of 1000 shares of R1 each, issued and fully paid up.

Particulars	2016 Rand	2015 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.		
Issued		
100 Ordinary shares of R1 each	**100**	100

7. Trade and other payables

Particulars	2016 Rand	2015 Rand
Trade payables	**1,077,197**	257,990
Falcorp Technologies (Pty) Ltd	**2,832,040**	1,723,543
Tech Mahindra Limited Incorporated In India	**27,778,905**	2,161,660
	31,688,142	4,143,193

8. Revenue

Particulars	2016 Rand	2015 Rand
Services rendered	**29,993,219**	7,485,355

8.1 Operating expense

Particulars	2016 Rand	2015 Rand
Accounting fees	-	37,400
Administration and management fees	-	48,600
Advertising	218,632	87,165
Auditors remuneration	33,471	41,000
Bank charges	23,705	12,771
Consulting services	3,054,166	4,106,518
Donations	78,328	-
Employee costs	2,794,298	2,152,552
Lease rentals on operating lease	681,814	396,438
Legal expenses	-	900
Printing and stationery	1,220	16,699
Loss on foreign exchange differences	1,140,720	716,084
Staff training	-	50,740
Subscriptions	84,468	10,300
Telephone and fax	390,295	167,768
Provision for doubtful debts	273,076	-
Director Fees (Sitting fees paid to Mr. Abdul Ismail)	200,000	-
Travel - Other	146,060	-
Travel - overseas	827,833	74,547
Miscellaneous expenses	9,805	-
	9,957,891	7,919,482

9. Investment revenue

Particulars	2016 Rand	2015 Rand
Interest revenue		
Bank	109,176	3,965
	109,176	3,965

10. Finance costs

Particulars	2016 Rand	2015 Rand
Non-current borrowings (refer to note 2)	378,698	367,689
Interest and penalties paid	26,505	33,840
	405,203	401,529

11. Taxation

Major components of the tax expense

No provision has been made for 2016 tax as the company has no taxable income. The estimated tax loss available for set off against future taxable income is R 3,614,654 (2015: R 3,889,119).

12. Cash generated from/(used) in operations

Particulars	2016 Rand	2015 Rand
Profit/(Loss) before taxation	247,960	(1,679,816)
Adjustments for:		
Interest received - investment	(109,176)	(3,965)
Finance costs	405,203	401,529
Changes in working capital:		
Trade and other receivables	(5,763,334)	(6,586,146)
Construction contracts and receivables	(4,619,627)	(2,590,400)
Trade and other payables	27,544,949	4,119,809
	17,705,975	(6,338,989)

13. 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	**2016**	2015
	Rand	Rand
Tech Mahindra Limited Incorporated in India	**34,742,863**	8,400,156
Falcorp Technologies (Pty) Limited	**6,148,610**	5,040,113
	40,891,474	13,440,269

Tech Mahindra Limited Incorporated in India	**2016**	2015
	Rand	Rand
Balance at beginning of the year	**8,400,156**	5,295,000
Loan received / paid (incl. revaluations) during the year	**1,289,462**	943,496
Debit notes received during the year	**25,053,245**	2,161,660
Balance at end of the year	**34,742,863**	8,400,156

Falcorp Technologies (Pty) Limited	**2016**	2015
	Rand	Rand
Balance at beginning of the year	**5,040,113**	92,153
Loans received during the year (net of payments)	**-**	3,224,417
Debit notes received during the year (net of payments)	**1,108,497**	1,723,543
Balance at end of the year	**6,148,610**	5,040,113

Tax Computation

	2016	2015
	Rand	Rand
Net profit/(loss) per income statement	**247,960**	(1,679,816)
Permanent differences (Non-deductable/Non taxable items)	**26,505**	33,840
Interest, penalties paid in respect of taxes (us 23(d))		
Calculated tax profit/(loss) for the year	**274,465**	(1,645,976)
Assessed loss brought forward	**(3,889,119)**	(2,243,143)
Assessed loss for 2016/2015 - carried forward	**(3,614,654)**	(3,889,119)
Tax thereon @ 28% in the Rand	**Nil**	Nil
Reconciliation of tax balance		
Tax owing/(prepaid) for the current year:		

14 Post reporting date events

No adjusting or signifcant non adjusting events have occurred between the reporting date and the date of authorization.

15 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.

COMVIVA TECHNOLOGIES LIMITED

Board of Directors

Mr. Vineet Nayyar
Mr. C. P. Gurnani
Mr. Ulhas N. Yargop
Mr. Jagdish Mitra
Mr. Manoranjan Mohapatra
Mr. Rahul Bhatnagar
Mr. Devendra Khanna
Mr. Rajat Mukherjee
Ms. Sunita Umesh

Registered Office

A-26, Info City, Sector - 34,
Gurgaon, Haryana - 122001

Bankers

IDBI Bank Ltd.
Standard Chartered Bank
BNP Paribas

Auditors

Deloitte Haskins & Sells LLP

DIRECTORS' REPORT

Dear Members,

Your Directors take pleasure in presenting the Seventeenth Annual Report together with Audited Balance Sheet and Statement of Profit & Loss for the year ended on March 31, 2016.

The major Financial Highlights are as under:

FINANCIAL RESULTS	**2015-16 (₹ in Mn except EPS)**	2014-15 (₹ in Mn except EPS)
Total Income	**6,485**	6,381
Profit (Loss) before Depreciation & Taxation	**1,260**	1,403
(-) Depreciation	**(149)**	(212)
Profit (Loss) before Taxation	**1,111**	1,191
(-) Provision for Income Tax	**(381)**	(392)
(-) Provision for Wealth Tax	**-**	-
(-) Deferred Tax charge	**(22)**	(48)
(+) MAT Credit Adjustment/Entitlement	**-**	-
Profit (Loss) for the period	**708**	751
EPS Basic (INR)	**32.36**	34.35
EPS Diluted (INR)	**32.36**	34.35

BRIEF DESCRIPTION OF THE COMPANY'S WORKING DURING THE YEAR/STATE OF COMPANY'S AFFAIRS

Total Revenue for the year 2015-16 is INR 6,485 Mn as against INR 6,381 Mn in previous year.

In the concluded financial year, the Company had witnessed continued strong performance in the order book with strong performance in the Africa and Asia regions. The Company has made new inroads into Latin America through its acquisition of ATS – Advanced Technology Solutions in Argentina and Brazil. This has resulted in renewed Customer interest in the Company's products and solutions and the Company is being perceived as a serious player in the Latin America market. The Company expects that Latin America region will contribute significantly to the order book and revenues of the Company in the coming years and shall be the next driver of growth for the Company along with the Africa region.

The Company continued its strong engagement with its Key Customers. With increasing focus on Latin America, we expect that the Company shall acquire additional key account relationships in Latin America over the next year. Order book of our traditional products like Lifestyle, PreTUPS and mobiquity® continues to be strong, with recent traction towards the new products of commerce portfolio- Wallet & PayPlus as well as other products such as IRIS & End of Call Notification.. The Company's strategy of focusing on key accounts for cross-sell / up-sell of new products continues to produce good results.

The Company continues to retain focus on the developing markets and is leveraging its existing customer relationships as well as the Tech Mahindra sales channel for opening doors in the developed markets of US, Europe and parts of Asia Pacific. The Company shall be investing in sales efforts and personnel in order to ensure increased focus on Tech Mahindra as a sales channel.

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, D2C business in Mobile Commerce.

In the space of technology and innovation, 15 new Patents were filed in FY 16. Some of them include Credit Card Token Security, Flash Card Design in mLearning, D2C Video RBT, Dynamic Selection of Service Providers etc.

The Company also won many significant awards and mentions over the last year. These include the Kalahari Awards 2016 for EcoCash Savings Club in Zimbabwe, M2Payments Latam Awards 2015, Juniper Future Digital Awards 2015 amongst 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. There is increasing emphasis to grow the existing business by improving the performance of these long term engagements.

DIVIDEND

The Directors believe that there are tremendous growth opportunities for the Company and therefore the Company must invest in further expanding and strengthening its business operations. With a view to conserve cash to fund the growth, the Directors do not recommend any dividend on Equity Shares for the year ended March 31, 2016. The Directors believe that this will increase shareholder value in the long term.

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES- (Name of Companies Who have become or ceased to be its Subsidiary/ JV or Associate)

During the year following subsidiaries have been incorporated:

1. Terra Payments Services (Netherlands) B.V. Date of Incorporation is 30th April, 2015

2. Comviva Technologies B.V. Date of Incorporation is 3rd July, 2015

DEPOSITS

The Company has not accepted any deposits from the public and is therefore not required to furnish information in respect of outstanding deposits under Chapter V of the Companies Act, 2013.

STATUTORY AUDITORS AND THEIR REPORT

The Statutory Auditors of the Company, M/s Deloitte Haskins and Sells LLP, (Firm registration no. 117366W/W-100018), Chartered Accountants, Pune, shall retire at the conclusion of the ensuing Annual General Meeting and have confirmed their willingness and eligibility for re-appointment and have also confirmed that the re-appointment, if made, would be in compliance of Section 139 and 141 of the Companies Act, 2013.

The Board has duly examined the Statutory Auditors Report to Accounts and clarifications, wherever necessary, have been included in the Financial Statement.

SECRETARIAL AUDITOR'S REPORT

Secretarial Audit Report given by M/s Harish Khurana & Associates, a company secretary in practice, has been annexed as **Annexure 1** with this report.

There is no qualification, reservation or adverse remark or disclaimer made by the company secretary in practice in the secretarial audit report.

EMPLOYEES STOCK OPTION PLANS

The Company has seven ESOP Schemes implemented for the employees of the Company. In FY 2012-13, company offered cash in lieu of swap of share. Most of the employees opted for the scheme. There were a few employees who did not opt for the swap and continue to hold the vested options. The details of Stock Options under the Schemes are provided in Notes to accounts (No.26) along with the financial statements. The Shareholders may refer to the same.

EXTRACT OF THE ANNUAL RETURN

The extract of the annual return in Form No. MGT – 9 has been annexed as Annexure 2 with this report.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

The Board of directors met 5 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	20-05-2015, 23-07-2015, 30-10-2015, 06-01-2016 & 27-01-2016.

Further, Four meetings each of Audit Committee; Nomination and Remuneration Committee and CSR Committee and one meeting of the Independent Directors were held during the financial year 2015-16.

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 utilise alternate sources of energy:

As Company has taken all their premises on lease, alternate source of energy could not installed.

c) The capital investment on energy conservation equipment:

There is no capital investment on energy conservation equipment.

(B) TECHNOLOGY ABSORPTION

(i) The efforts made towards technology absorption

The Company is continuously making efforts for induction of innovative technologies and techniques required for the business activities.

Details of Technology Absorption are given as follows

- **Research and Development (R&D)**

(a) Specific area in which R and D carried out by the Company

Research & Development of new features, designs, frameworks and methodologies continue to be of importance to the Company. It not only allows enhancing quality of products and customer satisfaction but also enhances the revenues of customer satisfaction but also enhances the revenues of customer through robust and innovative products.

The Company continues to do R&D in the areas of Data, mCommerce including mBanking, WEBAxn thus improving service capabilities having field some patents in the field.

R&D primarily consists of (1) New product development (2) creating new features and upgrades / version of existing product as per either internal product roadmap, or customer requirement and (3) development work by the Core Engineering Team on the common components that are utilized as part / addition to products developed by the various PU's.

The 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 'Date, Content and Commerce' and adjunct focus areas are Customer Value Solutions and Managed Services.

(b) The benefits derived like product improvement, cost reduction, product development or import substitution;

Continuous R&D is instrumental in building expertise and increasing revenues through enhancement in functionalities and introduction of new products. The organization is receiving significant client traction for new market capabilities including WEBAxn, Mobiquity and Data Platforms. Continuous R&D is helping us and our customers in following ways:

- New features to attract additional customers.
- Introduction of new products.
- Better system / product stability
- System / resource optimization-more transaction using same hardware infrastructure
- Reduction in cost of ownership
- Simplicity and user convenience for managing his mobile related services

Our focused R &D efforts has helped us win various Innovation awards and helped us achieve leadership in the area of Mobile Finance in our chosen markets.

(C) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

(i) Company has not Imported Technology during the last three years

(ii) The expenditure incurred on Research and Development.

Figures in Mn INR

Sl. No.	Particulars	Current year	Previous year
1	Capital	**14.83**	11.20
2	Recurring	**492.30**	311.70
3	Total	**507.13**	322.80
4	Total R&D expenditure as a percentage of total turnover	**7.82%**	5%

C. FOREIGN EXCHANGE EARNINGS & OUTFLOWS

The Company is making continuous efforts to increase its sales in overseas markets and to explore new export markets. During the year under review, the Company has ventured into new markets . As a result, during the year under review, the Company's exports have increased substantially as compared to the last year.

(Amount in Mn INR)

Details of Foreign Exchange Earnings & Outflows	Financial Year Ended 31st March, 2016	Financial Year Ended 31st March, 2015
Foreign Exchange Earnings	**4,508**	4,491
Foreign Exchange Outflows	**1,743**	1,870

DIRECTORS

A. Changes in Directors and Key Managerial Personnel

In accordance with the provisions of the Companies Act, 2013, Mr. Manoranjan Mohapatra (DIN-00043930),) and Mr. Ulhas Narayan Yargop (DIN-00054530) Directors, retire by rotation and being eligible, offer themselves for re-appointment in the forthcoming Annual General Meeting. They have also given confirmation to the Company that they are not disqualified to be re-appointed as Director as per Section 152 of the Companies Act, 2013.

During the year Mr. Rahul Bhatnagar has been appointed as Additional Director and Mr. Manoj Kohli has resigned from the board. Board has given a vote of thanks to Mr. Manoj for his outstanding contribution.

B. Declaration by an Independent Director(s)

Declaration from Independent Directors that they meet the criteria of independence as provided in sub section (6) of Section 149 of the Companies Act, 2013 has been annexed as per **Annexure 3**.

C. Commission paid to Managing or Whole-time director of the Company

Provisions of Section 197(14) of the Act are not applicable in case of Managing Director of the Company.

D. Formal Annual Evaluation

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.

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. However, pursuant to first proviso to Section 136(1) of the Act, this Report is being sent to the Shareholders excluding the above said information. Any shareholder interested in obtaining this Report, may write to the Company Secretary at the Registered Office / Corporate Office of the Company

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. Rajat Mukherjee

(ii) Ms. Sunita Umesh

(iii) Mr. Rahul Bhatnagar

(iv) Mr. Chander Prakash Gurnani

Mr. C. P. Gurnani is Chairman of the said Committee.

CSR (Corporate Social Responsibility) Committee

A. The CSR Committee consists of the following Directors:

 (i) Ms. Sunita Umesh

 (ii) Mr. Rajat Mukherjee

 (iii) Ms. Ulhas Narayan Yargop

 (iv) Mr. Manoranjan Mohapatra

 Mr. Rajat Mukherjee is Chairman of the said Committee.

B. Contents of the CSR Policy and initiatives taken as detailed are in **Annexure 5** to this report.

c. The company spent 2% of Net Profits for approved CSR activities as prescribed under the Companies Act, 2013.

POLICY TO PREVENT AND DEAL WITH SEXUAL HARASSMENT

The Policy to Prevent & Deal with Sexual Harassment at Work place was announced during the last financial year as per the “sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013”.

The Internal Complaint Committee was formed (see below) and the details were shared with all employees. Advocate Aparna GV is the external member in this Committee.

Gurgaon	**Bangalore**	**Mumbai**
Poonam Tharad	Poonam Tharad	Poonam Tharad
Shubhangini Rohatgi	Ashwath Subramanya	Shubhangini Rohatgi
Ajay Gurnani	Lata Rishi	Lianne Rodrigues
Ramutar Goel	Nitin Jain	Tanveer Mahmood M
Aparna GV	Aparna GV	Aparna GV

DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

The Company has adopted the whistle blower policy which is available on the Company website. 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

Name of Body Corporate	Nature of transaction (whether Loan/ Guarantee/ Security/ Acquisition)	Amount of Loan/ Security/ Acquisition/ Guarantee (in ₹)	Purpose of Loan/Acquisition/ Guarantee/ Security
Comviva Technologies Singapore Pte Ltd	Loan and interest on loan	32,704,629	Towards the Objectives of MOA and AOA and ongoing funding Requirements as per Business Plan
Comviva Technologies Singapore Pte Ltd	Investment in shares	2,840,560	Investment in Subsidiaries
Comviva Technologies FZ-LLC	Investment in shares	767,800	Investment in Subsidiaries
Comviva Technologies Inc	Investment in shares	4,939,520	Investment in Subsidiaries
Comviva Technologies Nigeria Limited	Investment in shares	2,946,203	Investment in Subsidiaries
Comviva Technologies B.V.	Investment in shares	715,572	Investment in Subsidiaries
Terra Payment Services (Netherlands) B.V.	Investment in shares	29,199,072	Investment in Subsidiaries
	Total (₹)	**74,113,356**	

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 has been annexed in AOC-2 as **Annexure 6**.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There is no significant and material 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

(f) 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 Director

Place: New Delhi	**Manoranjan Mohapatra**	**Vineet Nayyar**
Date: May 12, 2016	Managing Director	Director
	DIN: 00043930	DIN: 00018243

ANNEXURE 1

HARISH KHURANA & ASSOCIATES
Company Secretaries

G -1/208-209, IInd Floor, Sector- 16
Rohini, Delhi - 110085
Cell : 98111 02068
Land line: 011 – 27894114 / 4194
E-mail : Khurana.harish@gmail.com
office@roseconsultants.in

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 2015 – 16

To,
The Members,
Comviva Technologies Limited
A-26, Info City, Sector - 34,
Gurgaon (Haryana)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Comviva Technologies Limited, **(hereinafter called "the Company").** Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, e-Forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit. We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 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, 2016 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
- ► 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.

Necessary compliances have been made during the financial year 2015-16.

7) Secretarial Standards I & II as issued by The Institute of Company Secretaries of India.

8) Since the Company is closely held public limited company, provisions of the Listing Agreements are not applicable to the Company, hence we have not examined these.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, subject to the followings:

few e-Forms were filed beyond the stipulate time period of 30 days and in one case e-Form MGT – 14 it is still pending for filing due to technical issue.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Company Secretary of the Company is holding dual position as CFO also under the provisions of section 203 of the Act.

Adequate notice is given to all directors to schedule the Board Meetings at least seven days in advance along with agenda and detailed notes on agenda, except in one case where meeting was held on shorter notice with the consent of majority of the Directors including Independent Director and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Acts, rules and regulations stated above at para no. 2, 5 & 8 are not applicable to the Company. Compliance relating of Overseas Direct Investment (ODI) under FEMA have been properly made, however there was no matter of Foreign Direct Investment under FEMA, during the year under report.

Signature:
Harish Khurana & Associates
Company Secretaries

Place : New Delhi — **FCS No. 4835**
Date : May 12, 2016 — **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 as assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Signature:
Harish Khurana & Associates
Company Secretaries
FCS No. 4835
C P No.: 3506

Place : New Delhi
Date : May 12, 2016

ANNEXURE-2

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS-

i) CIN: U72200HR1999PLC041214

ii) Registration Date:7th May, 1999

iii) Name of the Company: Comviva Technologies Limited

iv) Category / Sub-Category of the Company: Company limited by shares

v) Address of the Registered office and contact details: A-26, Info City, Sector-34, Gurgaon-122001, Haryana; e-mail: sriram.g@comviva.com

vi) Whether listed company ~~Yes~~ / No

vii) Name, Address and Contact details of Registrar and Transfer Agent, if any: MCS Limited
F-65, First Floor, Okhla Industrial Area, Phase I, New Delhi - 110020

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	55%
2	Revenue sharing arrangements	47411	20%
3	Annual maintenance contract services	62013	15%
4	Sale of equipment and software licenses	47411	10%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

S. NO.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1.	Tech Mahindra Limited Gateway Building, Apollo Bunder, Mumbai-40001, Maharashtra	L64200MH1986PLC041370	Holding Company	67.12%	Section2(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 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.	19199046	317092	19516138	89.26%	19199046	317092	19516138	89.26%	Nil
e Banks / FI									
f) Any other….									
Sub-total (A) (1):-	**19199046**	**317092**	**19516138**	**89.26%**	**19199046**	**317092**	**19516138**	**89.26%**	**Nil**
(2) Foreign									
a) NRIs - Individuals									
b) Other -Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any other….									
Sub-total (A) (2):-									
Total shareholding of Promoter (A) =(A)(1)+(A)(2)	**19199046**	**317092**	**19516138**	**89.26%**	**19199046**	**317092**	**19516138**	**89.26%**	**Nil**
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt.									
d) State Govt.(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds	2170931	--	2170931	9.93%	2170931	--	2170931	9.93%	Nil
i) Others (Specify)	--	148636	148636	0.68%	--	148636	148636	0.68%	Nil
Sub-total (B)(1):-	**2170931**	**148636**	**2319567**	**10.61%**	**2170931**	**148636**	**2319567**	**10.61%**	Nil

Category of Shareholders	No. of Shares held at the beginning of the year	No. of Shares held at the 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	
(2) Non- Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	24508	4637	29145	0.13%	24508	4637	29145	0.13%	Nil
c) Others (Specify)									
Sub-total (B) (2):-	**24508**	**4637**	**29145**	**0.13%**	**24508**	**4637**	**29145**	**0.13%**	Nil
Total Public Shareholding (B)=(B)(1)+(B)(2)	**2195439**	**153272**	**2348712**	**10.74%**	**2195439**	**153272**	**29145**	**10.74%**	Nil
C. Shares held by Custodian for GD₹ & ADRs									
Grand Total (A+B+C)	**21394485**	**470364**	**21864849**	**100%**	**21394485**	**470364**	**21864849**	**100%**	**Nil**

ii) Shareholding of Promoters:

S. No.	Shareholder's Name	Shareholding at the beginning of the year	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	14675088	67.12%	--	14675088	67.12%	--	Nil
2.	Bharti (SBM) Holdings Private Limited	1936420	8.86%	--	1936420	8.86%	--	Nil
3.	Bharti (RM) Holdings Private Limited	1210262	5.54%	--	1210262	5.54%	--	Nil
4.	Bharti (RBM) Holdings Private Limited	1210262	5.54%	--	1210262	5.54%	--	Nil
5.	Bharti (Satya) Trustees Private Limited	484106	2.21%	--	484106	2.21%	--	Nil
	Total	18682115	85.45%	--	19516138	85.45%		--

.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	14675088	67.12%	14675088	67.12%
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer /bonus/sweat equity etc):	Nil	Nil	Nil	Nil
	At the Endof the year	**14675088**	**67.12%**	**14675088**	**67.12%**

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year	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	**West Bridge Ventures II Investment Holdings**				
	At the beginning of the year	2170931	9.93%	2170931	9.93%
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / (bonus/ sweat equity etc	Nil	Nil	Nil	Nil
	At the End of the year (or on the date of (separation, if separated during the year	2170931	9.93%	2170931	9.93%
.2	**Comviva ESOP Trust**				
	At the beginning of the year	148636	0.68%	148636	0.68%
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / (bonus/ sweat equity etc	Nil	Nil	Nil	Nil
	At the End of the year (or on the date of (separation, if separated during the year	148636	0.68%	148636	0.68%
.3	**Ajay Dureja**				
	At the beginning of the year	24508	0.11%	24508	0.11%
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / (bonus/ sweat equity etc	Nil	Nil	Nil	Nil
	At the End of the year (or on the date of (separation, if separated during the year	24508	0.11%	24508	0.11%

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
.4	**Girish Pai**				
	At the beginning of the year	1700	0.01%	1700	0.01%
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment /transfer / (bonus/ sweat equity etc	Nil	Nil	Nil	Nil
	At the End of the year (or on the date of (separation, if separated during the year	1700	0.01%	1700	0.01%
.5	**Adarsh Krishna**				
	At the beginning of the year	1000	--	1000	--
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / (bonus/ sweat equity etc	Nil	Nil	Nil	Nil
	At the End of the year (or on the date of (separation, if separated during the year	1000	--	1000	--
.6	**Vikas Wattal**				
	At the beginning of the year	500	--	500	--
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / (bonus/ sweat equity etc	Nil	Nil	Nil	Nil
	At the End of the year (or on the date of (separation, if separated during the year	500	--	500	--
.7	**Amrita Agarwal**				
	At the beginning of the year	500	--	500	--
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / (bonus/ sweat equity etc	Nil	Nil	Nil	Nil
	At the End of the year (or on the date of (separation, if separated during the year	500	--	500	--
.8	Archana Singh				
	At the beginning of the year	463	--	463	--
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / (bonus/ sweat equity etc	Nil	Nil	Nil	Nil
	At the End of the year (or on the date of (separation, if separated during the year	463	--	463	--

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	**Raja Bhaskar Goru**				
	At the beginning of the year	164	--	164	--
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / (bonus/ sweat equity etc	Nil	Nil	Nil	Nil
	At the End of the year (or on the date of (separation, if separated during the year	164	--	164	--
.10	**Ajay Goel**				
	At the beginning of the year	75	--	75	--
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / (bonus/ sweat equity etc	Nil	Nil	Nil	Nil
	At the End of the year (or on the date of (separation, if separated during the year	75	--	75	--

v) Shareholding of Directors and Key Managerial Personnel:

S. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year	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
	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		NIL		
Total (i+ii+iii)				
Change in Indebtedness during the financial year ● Addition ● Reduction		 120,740,204 (38,086,188)		 120,740,204 (38,086,188)
Net Change		**82,654,016**		**82,654,016**
Indebtedness at the end of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due		 82,654,016		 82,654,016
Total (i+ii+iii)	**Nil**	**82,654,016**	**Nil**	**82,654,016**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S. No.	Particulars of Remuneration	Name of MD/~~WTD/~~ ~~Manager~~	Total Amount
		Mr. Manoranjan Mohapatra	
1.	**Gross salary** (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (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	 41,804,893 32,400	 41,804,893 32,400
2.	**Stock Option**		
3.	**Sweat Equity**		
4.	**Commission** **- as % of profit** **- others, specify…**		
5.	**Others, please specify**		
	Total (A)		
	Ceiling as per the Act	57,357,061	57,357,061

B. Remuneration to other Directors:

S. No.	Particulars of Remuneration	Name of Directors				Total Amount
	1. Independent Directors ● Fee for attending board /committee meetings ● Commission ● Others, please specify					
	Total (1)					
	2. Other Non-Executive Directors ● Fee for attending board /committee meetings ● Commission ● Others, please specify					
	Total (2)					
	Total (B)=(1+2)					
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD-

S. No.	Particulars of Remuneration	Key Managerial Personnel	Key Managerial Personnel	Key Managerial Personnel
		CEO	Company Secretary cum CFO	Total Amount
1.	**Gross salary**			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	--	13,453,900	13,453,900
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	39,600	39,600
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	--		
2.	**Stock Option**	--		
3.	**Sweat Equity**	--		
4.	**Commission** **- as % of profit** **- others, specify…**	--		
5.	**Others, please specify**	--		
	Total	**--**	**13,493,500**	**13,493,500**

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

Manoranjan Mohapatra	**Vineet Nayyar**
(Managing Director)	**(Director)**
Din: 00043930	**Din: 00018243**

ANNEXURE -3

DECLARATION OF INDEPENDENCE

To

Date: MARCH 31, 2016

The Board of Directors
Comviva Technologies Limited
A-26, Info City, Sector-34,
Gurgaon-122001, Haryana, India

Sub: Declaration of independence under sub-section (6) of section 149 of the Companies Act 2013.

I, **Sunita Umesh**, hereby certify that I am a Non-executive Independent Director of **Comviva Technologies Limited**, New Delhi and compfy with all the criteria of independent director as envisaged in Companies Act, 2013.

I certify that:

- I possess relevant expertise and experience to be an independent director in the Company;
- I am/was not a promoter of the company or its holding, subsidiary or associate company;
- I am not related to promoters / directors / persons occupying management position at the board level or level below the board in the company, its holding, subsidiary or associate company;
- Apart from receiving director sitting fees / remuneration, I have/had no pecuniary relationship / transactions with the company, its promoters, its directors, its senior management or its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial;
- none of my relatives has or had any pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to 2% or more of its gross turnover or total income or ₹ 50 Lacs or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- Neither me nor any of my relatives:
  - a) holds or has held the position of a key managerial personnel or is or has been employee/executive of the c ompany or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;
  - b) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of;
    - a. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
    - b. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm
    - c) holds together with my relatives 2% or more of the total voting power of the company; or
    - d) is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or
- am not a material supplier, service provider or customer or a lessor or lessee of the company;
- am not less than 21 years of age.

Declaration

I undertake that I shall seek prior approval of the Board if and when I have any such relationship / transactions, whether material or non-material. If I fail to do so I shall cease to be an independent director from the date of entering in to such relationship / transactions.

Further, I do hereby declare arid 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: 06921083
515-A, HAMILTON COURT
DLF PHASE IV
GURGAON - 122002

ANNEXURE -3

DECLARATION OF INDEPENDENCE

To

Date: 31 March Z016

The Board of Directors
Comviva Technologies Limited
A-26, Info City, Sector-34,
Gurgaon-122001, Haryana, India

Sub: Declaration of independence under sub-section (6) of section 149 of the Companies Act. 2013.

I, **Rajat Mukherjee,** hereby certify that I am a Non-executTve Independent Director of **Comviva Technologies Limited,** New Delhi and comply with all the criteria of independent director as envisaged in Companies Act, 2013.

I certify that:

- I possess relevant expertise and experience to be an independent director in the Company;
- I am/was not a promoter of the company or its holding, subsidiary or associate company;
- I am not related to promoters / directors / persons occupying management position at the board level or level beiow the board in the company, its holding, subsidiary or associate company;
- Apart from receiving director sitting fees / remuneration, I have/had no pecuniary relationship / transactions with the company, its promoters, its directors, its senior management or its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial;
- none of my relatives has or had any pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to 2% or more of its gross turnover or total income or ₹ 50 Lacs or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- Neither me nor any of my relatives:
  - a) holds or has held the position of a key managerial personnel or is or has been employee/executive of the c ompany or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;
  - b) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of;
    - a. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
    - b. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
    - c) holds together with my relatives 2% or more of the total voting power of the company; or
    - d) is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or
- I am not a material supplier, service provider or customer or a lessor or lessee of the company;
- I am not less than 21 years of.age.

Declaration

I undertake that I shall seek prior approval of the Board if and when I have any such relationship / transactions, whether material or non-material. If I fail to do so I shall cease to be an independent director from the date of entering in to such relationship / transactions.

Further, 1 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 1 shall take responsibility for its correctness and shall be liable for fine if any imposed on the Company, its directors, if the same found wrong or incorrect in future.

I further undertake to intimate immediately upon changes, if any, to the Company for updating of the same.

Thanking you,

Yours faithfully,

Rajat Mukherjee

DIN: 3431635

ANNEXURE-5

1) A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs-

Our CSR vision statement: T**o make concerted efforts in the area of Education for the under privileged** Goal to make concerted efforts towards:

a. Promotin of education amongst under-privileged;

b. Support sustainable development of green environment and

c. Topical initiatives which adversely impacts a large section of society

The Corporate Social Responsibility (CSR) policy can be viewed at http://www.mahindracomviva.com/wp-content/uploads/2015/02/Corporate-Social-Responsibility-Policy.pdf

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

   d. Mr. Manoranjan Mohapatra

3. **Average net profit of the company for last three financial years-** ₹ 1,007,045,100

4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above)-** ₹ 20,140,902

5. **Details of CSR spent during the financial year:**

6. **Total amount to be spent for the financial year;** ₹ 20,140,902

   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.	Agraser 1 and Agraser 2 SMART Centers - 493 students	Education to under privileged children	Gurgaon	10,881,197	10,881,197	10,881,197	10,881,197 (Tech M Foundation)
2.	Sunderhatti school and 5 Satya Bharti & 5 Learning	Education to under privileged children.	Jhajjar, Haryana, Jodhpur, Rajasthan	5,334,990	5,334,990	5,334,990	5,334,990 (Bharti Foundation)

						(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***
3.	Nele (Home for the Orphans) – 180 students	Education Underprivileged - single parents / no parents.	Bangalore	650,000	650,000	650,000	650,000 (Hindu Seva Pratishthana)
4.	**Unnati** Making youth Employable – 70 student	Vocational Education for under privileged	Bangalore-cater to Rural Karnataka	650,000	650,000	650,000	650,000 (SGBS Trust)
	Agrasar Bachpan School adopted for students staying in the jhuggi cluster- 45 Kids	Education for under privileged	Islampur village, Gurgaon	2,624,715	2,624,715	2,624,715	2,624,715 (Agrasar)
5.	TOTAL			20,140,902	20,140,902	20,140,902	20,140,902

*Give details of implementing agency:

7. **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.

Mr. Rajat Mukherjee
Chairman of CSR Committee

ANNEXURE-6

S. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/transactions	Duration of the contracts/ arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board	Amount paid as advances/ Loan, if any
1	Comviva Technologies FZ-LLC	Revenue	01-Apr-2015 to 31-Mar-2016	210,863,426	NA	-
2	Comviva Technologies FZ-LLC	Cost of Goods/ service received	01-Apr-2015 to 31-Mar-2016	3,187,680	NA	-
3	Comviva Technologies FZ-LLC	Loan Given	01-Apr-2015 to 31-Mar-2016	-	NA	26,569,000
4	Comviva Technologies FZ-LLC	Interest on Loan	01-Apr-2015 to 31-Mar-2016	604,460	NA	-
5	Comviva Technologies FZ-LLC	Repayment of Loan & Interest	01-Apr-2015 to 31-Mar-2016	25,964,540	NA	-
5	Comviva Technologies Singapore PTE. Ltd.	Interest on Loan	01-Apr-2015 to 31-Mar-2016	1,557,109	NA	-
6	Comviva Technologies Singapore PTE. Ltd.	Invesment Made during the year	01-Apr-2015 to 31-Mar-2016	2,798,400	NA	-
7	Comviva Technologies Inc	Cost of Goods/ service received	01-Apr-2015 to 31-Mar-2016	133,862,850	NA	-
8	Comviva Technologies Inc	Reimbursement of expense (net)	01-Apr-2015 to 31-Mar-2016	393,836	NA	-
9	Terra Payment Services (Netherlands) BV	Invesment Made during the year	01-Apr-2015 to 31-Mar-2016	29,199,000	NA	-
10	Comviva Technologies B.V.	Invesment Made during the year	01-Apr-2015 to 31-Mar-2016	715,500	NA	-
11	Tech Mahindra Limited	Revenue	01-Apr-2015 to 31-Mar-2016	160,455,295	NA	-
12	Tech Mahindra Limited	Cost of Goods/ service received	01-Apr-2015 to 31-Mar-2016	1,468,554	NA	-
13	Tech Mahindra Limited	Reimbursement of expense (net)	01-Apr-2015 to 31-Mar-2016	25,665,173	NA	-
14	PT Tech Mahindra Indonesia	Revenue	01-Apr-2015 to 31-Mar-2016	6,815,793	NA	-
15	Tech Mahindra Nigeria	Revenue	01-Apr-2015 to 31-Mar-2016	23,017,116	NA	-
16	Tech Mahindra Foundation	Corporate Social Responsibility	01-Apr-2015 to 31-Mar-2016	10,881,197	NA	-
17	Mr. Manoranjan Mahopatra	Managerial Remuneration	01-Apr-2015 to 31-Mar-2016	36,812,612	NA	-
18	Mr. Sriram Gopalakrishnan	Managerial Remuneration	01-Apr-2015 to 31-Mar-2016	15,763,951	NA	-

For Comviva Technologies Limited

Manoranjan Mohapatra
(Managing Director)
Din: 00043930

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF COMVIVA TECHNOLOGIES LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **COMVIVA TECHNOLOGIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information for the year then ended.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.

e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 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”. Our report expresses 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 our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer note 29(i) to the financial statements.

   ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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)

Sunil S Kothari
Partner
(Membership No. 208238)

Place: New Delhi
Date: May 12, 2016

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph (f)under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 ofSection 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of COMVIVA TECHNOLOGIES LIMITED (“the Company”) as of March 31, 2016 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”.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”) issued by the Institute of Chartered Accountants of India 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 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, 2016, 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 DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sunil S Kothari
Partner
(Membership No. 208238)

Place: New Delhi
Date: May 12, 2016

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The major portions of the fixed assets were physically verified during the year by management in accordance with a regular programme of verification, which, in our opinion, provide 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 and hence reporting under clause 3(i)(c) of the Order is not applicable.

(ii) As explained to us, the inventories lying with the company were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification. Majority of the inventory was lying with third parties, where the certificates confirming stock held at the year-end have been received.

(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 Companies Act, 2013. Accordingly the provisions of sub clauses (a), (b) and (c) of Clause (iii) of paragraph 3 of the Order are not applicable to the company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits. Therefore, the provisions of the clause (v) of paragraph 3 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 Companies Act, 2013. Therefore the provisions of clause 3(vi) of the Order is not applicable.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added 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, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2016 on account of disputes are given below:

					(₹ in Million)
Name of Statute	**Nature of Dues**	**Forum where Dispute is Pending**	**Financial Year to which the Amount Relates**	**Amount unpaid**	**Amount paid under protest**
Income Tax Act, 1961	Income Tax	Assistant Commissioner of Income Tax	2004-05	1.81	1.50
Income Tax Act, 1961	Income Tax	Assistant Commissioner of Income Tax	2005-06	2.27	-
Income Tax Act, 1961	Income Tax	Assessing Officer	2006-07	1.04	-
Income Tax Act, 1961	Income Tax	Assistant Commissioner of Income Tax	2006-07	0.54	1.87
Finance Act, 1994	Service Tax	Customs Excise & Service Tax Appellate Tribunal	2004-05 to 2007-08	392.37*	-

* Net of ₹ 15 million being eligible cenvat credit set aisde under protest.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.

(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.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year except for a suspected fraud of an estimated amount of ₹ 5 million in which the employees/contractors of the company are alleged to be involved while being deputed at customer's premises.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, 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 accounting standards.

(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 persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sunil S Kothari
Partner
(Membership No. 208238)

Place: New Delhi
Date: May 12, 2016

BALANCE SHEET AS AT 31ST MARCH, 2016

₹ in Million

Particulars	Note No.	31st March, 2016		31st March, 2015
A Equity and Liabilities				
1 Shareholders' funds				
(a) Share capital	3	**219**		219
(b) Reserves and surplus	4	**4,266**		3,571
			4,485	3,790
2 Non Current Liabilities				
(a) Long-term borrowings	5	**36**		-
(b) Other long-term liabilities	6	**22**		24
(c) Long-term provisions	7	**120**		107
			178	131
3 Current Liabilities				
(a) Trade payables	8			
i) Total outstanding dues of micro enterprises and small enterprises		**-**		-
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		**1,115**		1,341
(b) Other current liabilities	9	**374**		195
(c) Short term provisions	10	**69**		123
			1,558	1,659
TOTAL			**6,221**	5,580
B Assets				
1 Non current assets				
(a) Fixed assets				
(i) Tangible assets	11	**137**		168
(ii) Intangible assets	11	**4**		8
(iii) Capital work-in-progress		**15**		25
		156		201
(b) Non-current investments	12	**42**		9
(c) Deferred tax assets	13	**186**		208
(d) Long-term loans and advances	14	**776**		601
			1,160	1,019
2 Current Assets				
(a) Current Investments	15	**110**		-
(b) Inventories	16	**116**		57
(c) Trade receivables	17	**2,730**		2,940
(d) Cash and cash equivalents	18	**609**		520
(e) Short-term loans and advances	19	**417**		395
(f) Other current assets	20	**1,079**		649
			5,061	4,561
TOTAL			**6,221**	5,580
C See accompanying notes forming part of the financial statements				

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

Sunil S Kothari
Partner

Vineet Nayyar
Chairman

Manoranjan Mohapatra
Managing Director and CEO

C.P. Gurnani
Director

Devendra Khanna
Director

Rahul Bhatnagar
Director

Ulhas N. Yargop
Director

Jagdish Mitra
Director

Sunita Umesh
Director

Rajat Mukherjee
Director

Sriram Gopalakrishnan
CFO & Company Secretary

Place: New Delhi
Date: May 12, 2016

Place: New Delhi
Date: May 12, 2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

₹ in Million except Earnings Per Share

	Particulars	Note No.		For the Year ended 31st March 2016	For the Year ended 31st March 2015
I.	Revenue from operations	21		**6,355**	6,373
II.	Other income	22		**130**	8
III.	**Total revenue (I+II)**			**6,485**	6,381
IV.	**Expenses**				
	(a) Employee benefits expense	23		**2,032**	1,847
	(b) Subcontracting cost			**525**	477
	(c) Finance costs			**17**	1
	(d) Depreciation and Amortization expense	11		**149**	212
	(e) Other expenses	24		**2,651**	2,653
	Total expenses			**5,374**	5,190
V.	**Profit/(loss) before tax**			**1,111**	1,191
VI.	**Tax expenses:**				
	(a) Current tax		**381**		392
	(b) Deferred tax (Refer Note 13)		**22**		48
				403	440
VII.	**Profit/(loss) after tax**			**708**	751
VIII.	**Earnings per Equity share (Refer Note 36) (Face value of ₹ 10/- each)**				
	(a) Basic			**32.36**	34.35
	(b) Diluted			**32.36**	34.35
IX	**See accompanying notes forming part of the financial statements**				

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Sunil S Kothari
Partner

Place: New Delhi
Date: May 12, 2016

For and on behalf of the Board of Directors

Vineet Nayyar
Chairman

Manoranjan Mohapatra
Managing Director and CEO

C.P. Gurnani
Director

Devendra Khanna
Director

Rahul Bhatnagar
Director

Ulhas N. Yargop
Director

Jagdish Mitra
Director

Sunita Umesh
Director

Rajat Mukherjee
Director

Sriram Gopalakrishnan
CFO & Company Secretary

Place: New Delhi
Date: May 12, 2016

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

₹ in Million

		For the Year ended 31st March 2016		For the Year ended 31st March 2015	
A]	**CASH FLOWS FROM OPERATING ACTIVITIES**				
	Profit/(loss) before tax		**1,111**		1,191
	Adjustments for:				
	Depreciation and amortization	**149**		212	
	(Profit)/loss on sale of fixed assets	**(1)**		(0)	
	Interest Expense	**17**		1	
	Interest income	**(3)**		(1)	
	Dividend income	**(0)**		(5)	
	Unrealised foreign exchange difference (net)	**(31)**		37	
	Employee stock compensation cost	**-**		0	
	Reversal of provision no longer required	**(18)**		(2)	
			113		242
	Operating Profit before working capital changes		**1,224**		1,433
	Adjustments for changes in working capital:				
	Trade payable, other liabilities and provisions	**(74)**		(21)	
	Trade receivables	**245**		(714)	
	Other assets, loan and advances	**(613)**		(239)	
			(442)		(974)
	Cash generated from operations		**782**		459
	Direct Taxes Paid		**(518)**		(535)
	Net cash flows from operating activities (A)		**264**		(76)
B]	**CASH FLOWS FROM INVESTING ACTIVITIES**				
	Purchase of Fixed Assets	**(102)**		(203)	
	Interest Received	**1**		1	
	Dividend Received	**0**		-	
	Purchase of Investments	**(110)**		(1,152)	
	Sale of Investments	**-**		1,287	
	Investment in subsidiary	**(33)**		-	
	Sale of Fixed Assets	**1**		0	
	Net Cash flows from/(used in) investing activities (B)		**(243)**		(67)
C]	**CASH FLOWS FROM FINANCING ACTIVITIES**				
	Loan given to subsidiary	**(27)**		-	
	Loan repayment from subsidiary	**27**			
	Proceeds from long term borrowings (Net)	**83**		-	
	Interest Paid	**(17)**		(1)	
	Net cash flows from/(used in) financing activities (C)		**66**		(1)

₹ in Million

		For the Year ended 31st March 2016	For the Year ended 31st March 2015
D]	**Exchange differences on translation of foreign currency cash and cash equivalents**	**0**	(14)
	Net Increase / (decrease) in cash and cash equivalents (A + B+ C + D)	**87**	(158)
	Cash & cash equivalents at the end of year (refer note 1 below)	**607**	520
	Cash & cash equivalents at the beginning of the year	**520**	678
	Net Increase / (decrease) in cash and cash equivalents	**87**	(158)

₹ in Million

	For the Year ended 31st March 2016	For the Year ended 31st March 2015
Note 1:		
Cash and cash equivalents include:		
Cash on hand	**0**	0
Remittances in transit	**51**	78
Balance with banks		
- In current accounts	**556**	442
Total Cash and cash equivalents - Refer Note 18	**607**	520
Reconciliation of Cash and Cash Equivalents with the Balance Sheet		
Cash and Bank Balances	**609**	520
Less:		
Balance held under Escrow Account	**2**	-
Total Cash and Cash Equivalents	**607**	520

Note 2:

Figures in brackets represent outflow of cash and cash equivalents.

Note 3:

The above cash flow statement has been prepared under the indirect method as set out in Accounting Standard 3 on Cash Flow Statements.

Note 4:

Previous period's figures have been rearranged/regrouped wherever necessary.

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Sunil S Kothari
Partner

Place: New Delhi
Date: May 12, 2016

For and on behalf of the Board of Directors

Vineet Nayyar
Chairman

Manoranjan Mohapatra
Managing Director and CEO

C.P. Gurnani
Director

Devendra Khanna
Director

Rahul Bhatnagar
Director

Ulhas N. Yargop
Director

Jagdish Mitra
Director

Sunita Umesh
Director

Rajat Mukherjee
Director

Sriram Gopalakrishnan
CFO & Company Secretary

Place: New Delhi
Date: May 12, 2016

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

1. Company Overview

Comviva Technologies Limited ("the Company") is in the business of providing Integrated Value Added Services (VAS) to telecom companies, predominantly in emerging markets. The Company's portfolio of services includes mobile financial solutions, mobile music and video applications, messaging and business support systems.

The company is a subsidiary of Tech Mahindra Limited.

2. Significant Accounting Policies

Basis for preparation of financial statements

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India on accrual basis under the historical cost convention, except for certain financial instruments which are measured at fair value. These financial statements have been prepared in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and in accordance with the accounting principles generally accepted in India. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.1 Use of Estimates:

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenditure during the period. Differences between actual results and estimates are recognized in the period in which the results are known / materialized.

2.2 Fixed Assets

Fixed Assets are stated at the cost of acquisition, less depreciation /amortization. Costs comprises of the purchase price and other attributable costs.

2.3 Depreciation / Amortization

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation / amortisation on fixed assets including assets taken on lease, other than freehold land is charged based on straight line method on an estimated useful life as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Type of Asset	Estimated useful life
Plant and Equipment (including Computers)	3 year
Plant and Equipment (Electrical Equipment)	5 year
Office Equipment	5 year
Furniture and Fixtures	5 year

Improvements to leased premises are amortized over their estimated useful life or period of the lease, whichever is shorter.

Assets costing upto ₹ 5,000 are fully depreciated in the year of purchase except when they are part of a larger capital investment programme.

Computer Software and hardware acquired for specific projects are amortized over the initial contract life of the project.

Computer Software purchased for internal use is capitalized and depreciated in full in the month in which it is put to use.

2.4 Leases

Where the company is a lessee-

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

2.5 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of cost of that asset. All other borrowing costs are charged to the Statement of Profit and Loss.

2.6 Impairment of Fixed Assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

(a) an intangible asset that is not yet available for use; and

(b) an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

2.7 Investments

Investments which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued.

Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

2.8 Inventories

Inventories are stated at lower of cost and net realizable value. In determining the cost of materials, the weighted average cost method is used.

2.9 Revenue recognition

Revenue from sale of equipment and third party software is recognized upon delivery, which is when the title passes to the customer.

Revenue from contracts priced on a time and material basis is recognised when services are rendered.

Revenue from fixed price contracts is recognized as per the proportionate completion method and where there is no uncertainty as to the measurement or collectability of the consideration.

Revenue from annual maintenance and annual technical services contracts is recognised on pro-rata basis over the period of the contract.

Revenue from contracts falling under revenue share is recognized on the basis of reconciled transactions as per agreement with the telecom operators.

Interest income is recognized on time proportion basis.

Dividend income is recognized when the Company's right to receive dividend is established.

2.10 Foreign currency transactions

(a) Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Monetary items are translated at the year-end rates and the exchange differences so determined as also the realised exchange differences are recognised in the Statement of Profit and Loss.

(b) Derivative instruments and hedge accounting

The Company uses foreign currency forward contracts / options to hedge its risks associated with foreign currency fluctuations relating to certain forecasted transactions. Effective April 1st, 2007 the Company designates some of these as cash flow hedges applying the recognition and measurement principles set out in the Accounting Standard 30 "Financial Instruments: Recognition and Measurements" (AS 30).

The use of foreign currency forward contracts/options is governed by the Company's policies approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with the Company's risk management strategy. The counter party to the Company's foreign currency forward contracts is generally a bank. The Company does not use derivative financial instruments for speculative purposes.

Foreign currency forward contract/option derivative instruments are initially measured at fair value and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised directly in Hedging Reserve (under Reserves and Surplus) and the ineffective portion is recognised immediately in the Statement of Profit and Loss.

The accumulated gains / losses on the derivatives accounted in Hedging Reserve are transferred to the Statement of Profit and Loss in the same period in which gains / losses on the item hedged are recognized in the Statement of Profit and Loss.

Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal is made. Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in the Statement of Profit and Loss as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Cumulative gain or loss on the hedging instrument recognised in shareholders' funds is retained there and is classified to Statement of profit and loss when the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in shareholders' funds is transferred to the statement of profit and loss for the period.

2.11 Employee benefits

Employee benefits includes gratuity, provident fund and leave encashment benefits under the approved schemes of the Company. In respect of defined benefit plans, the employee benefit costs are accounted for based on actuarial valuation as at the Balance Sheet date.

In respect of defined contribution plans, the contribution payable for the period is charged to the Statement of Profit and Loss.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

Other short term employee benefits:

Other short-term employee benefits such as overseas social security contributions and performance incentives expected to be paid in exchange for the services rendered by employees, are recognised during the period when the employee renders the service.

2.12 Accounting for Taxes on Income

Tax expense comprises of current and deferred tax.

(a) Income Tax Provision

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to/recovered from the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with the local tax laws existing in the respective countries.

(b) Deferred Tax Provision

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

2.13 Earnings per share

The Company reports its basic and diluted earnings per share in accordance with Accounting Standard - 20 on Earnings per Share.

Basic earnings per share are computed by dividing the profit for the year after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit for the year after tax by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares except where the results are anti-dilutive.

2.14 Provisions, Contingent Liabilities and Contingent Assets

As per Accounting Standard (AS) 29, ‘Provisions, Contingent Liabilities and Contingent Assets’, the Company recognizes provisions only when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

No Provisions is recognized for –

(a) Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

(b) Present obligations that arise from past events but are not recognized because-

1) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

2) A reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as Contingent Liabilities. These are assessed continually and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

2.15 Provision for Warranty

The Company has an obligation by way of warranty to maintain the software during the period of warranty, which may vary from contract to contract. Costs associated with such sale are accrued at the time when related revenues are recorded and included in cost of service delivery. The Company estimates such cost based on historical experience and the estimates are reviewed periodically for material changes in the assumptions.

2.16 Employee Stock Option Plans

The Company determines the compensation cost based on the intrinsic value method. The Company grants options to its employees which are to be exercised within a specified period. The compensation cost is amortized over the vesting period.

Note 3 - Share capital :

Particulars	As at 31st March, 2016 Number	31st March, 2016 ₹ in Million	31st March, 2015 Number	31st March, 2015 ₹ in Million
(a) Authorised :				
Equity shares of ₹ 10 each	**25,500,000**	**255**	25,500,000	255
Series A 0.001% fully convertible non-cumulative preference shares of ₹ 10 each	**8,000,000**	**80**	8,000,000	80
(b) Issued, subscribed and fully paid up :				
Equity shares of ₹ 10 each fully paid up	**21,864,850**	**219**	21,864,850	219
Total	**21,864,850**	**219**	21,864,850	219

Notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31st March, 2016 Number	31st March, 2016 ₹ in Million	31st March, 2015 Number	31st March, 2015 ₹ in Million
Equity Shares				
Opening Balance	**21,864,850**	**219**	21,864,850	219
Shares issued during the year	**-**	**-**	-	-
Closing Balance	**21,864,850**	**219**	21,864,850	219

(ii) Terms, rights and restrictions attached to:

Equity Shares:

The Company has equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amount. The distribution will be in proportion to the equity shares held by the shareholders.

Series A 0.001% fully convertible non-cumulative preference shares:

The Company has class of fully convertible non-cumulative redeemable preference shares having a par value of ₹ 10 per share. Non-cumulative redeemable preference shares carry cumulative dividend @ 0.01 % per annum.

(iii) Details of shares held by the holding company

Particulars	Number of Shares As at 31st March, 2016	As at 31st March, 2015
Tech Mahindra Limited	**14,675,088**	14,675,088

(iv) Details of equity shares held by shareholder holding more than 5%:

Name of shareholder	As at 31st March, 2016 No. of Shares	As at 31st March, 2016 % of Holding	As at 31st March, 2015 No. of Shares	As at 31st March, 2015 % of Holding
Equity shares of ₹ 10 each fully paid up				
Tech Mahindra Limited	**14,675,088**	**67.12%**	14,675,088	67.12%
West Bridge Ventures II Investment Holdings	**2,170,931**	**9.93%**	2,170,931	9.93%
Bharti (SBM) Holdings Private Limited	**1,936,420**	**8.86%**	1,936,420	8.86%
Bharti (RM) Holdings Private Limited	**1,210,262**	**5.54%**	1,210,262	5.54%
Bharti (RBM) Holdings Private Limited	**1,210,262**	**5.54%**	1,210,262	5.54%

(v) Shares reserved for issue under options

For details of equity shares reserved for issue under the employees stock option plan (ESOP) of the Company Refer Note 26.

Note 4 - Reserves and surplus :

₹ in Million

Particulars	As at 31st March, 2016		As at 31st March, 2015	
Securities premium account-Opening balance		**567**		567
Hedging Reserve (Refer Note 2.10.b & 30.1)				
Opening balance	**17**		31	
Less: change in fair value of forward contracts (net)	**(13)**		(14)	
Closing balance		**4**		17
Share options outstanding account				
Opening balance	**0**		0	
Add: amortised amount of stock compensation cost (net)	**-**		0	
Less: transfer to surplus in the statement of Profit and Loss on account of cancellation/forfeiture of options	**(0)**		(0)	
Closing balance		**0**		0
Surplus in the statement of profit and loss				
Opening balance	**2,987**		2,236	
Add: transfer on account of cancellation/forfeiture of options	**0**		0	
Add: profit/(loss) for the year	**708**		751	
Closing balance		**3,695**		2,987
Total		**4,266**		3,571

Note 5 - Long-term Borrowings :

₹ in Million

Particulars	As at 31st March, 2016	As at 31st March, 2015
Unsecured		
- Deferred payments -(Liabilities repayable over period of 2-3 years without interest)	**36**	-
Total	**36**	-

Note 6 - Other long-term liabilities :

Unearned revenue	**22**	24
Total	**22**	24

Note 7 - Long-term provisions :

Provision for employee benefits		
-Gratuity (Refer Note 25)	**83**	72
-Compensated absences	**37**	35
Total	**120**	107

₹ in Million

Particulars	As at 31st March, 2016	As at 31st March, 2015
Note 8 - Trade payables :		
Trade payables other than Accrued Salaries and Benefits		
- Due to Micro, Small and Medium Enterprises (Refer Note 31)	**-**	-
- Other than due to Micro, Small and Medium Enterprises	**964**	1,097
Accrued Salaries and Benefits	**151**	244
Total	**1,115**	1,341
Note 9 - Other current liabilities :		
Unearned revenue	**103**	42
Statutory remittances	**102**	73
Payables on purchase of fixed assets	**35**	25
Advance from customers	**87**	55
Current maturities of long term borrowings (unsecured)	**47**	-
Total	**374**	195
Note 10 - Short term provisions :		
Provision for employee benefits		
-Gratuity (Refer Note 25)	**8**	4
-Compensated absences	**27**	32
	35	36
Provision for income tax (net of taxes paid)	**22**	75
Provision for warranties (Refer Note 37)	**12**	12
Total	**69**	123

Note 11 - Fixed assets

₹ in Million

Particulars	Gross Block				Accumulated Depreciation / Amortization				Net Block	
	As at 1st April, 2015	Additions during the year	Disposals during the year	As at 31st March, 2016	As at 1st April, 2015	For the year	On disposal for the year	As at 31st March, 2016	As at 31st March, 2016	As at 31st March, 2015
A. Tangible Assets										
Plant and equipments	760	67	24	803	625	95	24	696	107	135
(Previous year)	650	114	4	760	498	130	3	625	135	
Furniture and fixtures	31	2	-	33	20	3	-	23	10	11
(Previous year)	21	10	-	31	16	4	-	20	11	
Office equipments	36	8	-	44	21	6	-	27	17	15
(Previous year)	29	7	-	36	16	5	-	21	15	
			-							
Improvement to leased premises	46	3	-	49	39	7	-	46	3	7
(Previous year)	29	17	-	46	21	18	-	39	7	
Total	**873**	**80**	**24**	**929**	**705**	**111**	**24**	**792**	**137**	**168**
Previous year	729	148	4	873	551	157	3	705	168	
B. Intangible Assets										
(Other than internally generated)										
Computer software	346	35	-	381	339	38	-	377	4	8
(Previous year)	293	53	-	346	284	55	-	339	8	
			-							
Intellectual property rights	-	-	-	-	-	-	-	-	-	-
(Previous year)	7	-	7	-	7	-	7	-	-	
Total	346	35	-	381	339	38	-	377	4	8
Previous Year	300	53	7	346	291	55	7	339	8	

Note 12 - Non-current investments :

₹ in Million

Particulars	As at 31st March, 2016	As at 31st March, 2015
TRADE (UNQUOTED)		
Investments in Equity Instruments of subsidiaries (At Cost)		
Comviva Technologies Inc A wholly owned subsidiary incorporated in USA 10,450 (Previous year: 10,450) Common Stock of USD 10 each, fully paid up	**5**	5
Comviva Technologies Nigeria Limited A wholly owned subsidiary incorporated in Nigeria. 10,000,000 (Previous year: 10,000,000) Common Stock of Naira 1 each, fully paid up	**3**	3
Comviva Technologies FZ-LLC A wholly owned subsidiary incorporated in UAE. 55 (Previous year: 55) Common Stock of AED 1,000 each, fully paid up	**1**	1
Comviva Technologies Singapore PTE Limited A wholly owned subsidiary incorporated in Singapore. - 61,000 (Previous year: 1,000) Common Stock of SGD 1 each, fully paid up	**3**	0
Terra Payment Services South Africa (PTY) Ltd.(Refer Note 41) A wholly owned subsidiary acquired in South Africa. 120 (Previous year: Nil) Common Stock of Rand nil each	**-**	-
Comviva Technologies B.V. (Refer note 42) A wholly owned subsidiary incorporated in Netherland. - 10,001 (Previous year: NIL) Common Stock of EUR 1 each, fully paid up	**1**	-
Terra Payment Services (Netherlands) B.V. (Refer note 43) A wholly owned subsidiary incorporated in Netherland. - 400,001 (Previous year: NIL) Common Stock of EUR 1 each, fully paid up	**29**	-
Total	**42**	9
Gross amount of unquoted investments	**42**	9
Aggregate provision for diminution in value of investments	**-**	-

Note 13 - Deferred tax assets :

₹ in Million

Particulars	As at 31st March, 2016	As at 31st March, 2015
Break up of deferred tax assets		
Nature of timing differences		
"- Impact of expenditure charged to the Statement of profit & loss but allowed for tax purposes on payment basis"	**96**	129
- Provision for doubtful debts and advances	**56**	51
- Provision for depreciation	**34**	28
Total	**186**	208

Note 14 - Long-term loans and advances :

₹ in Million

Particulars		As at 31st March, 2016		31st March, 2015
(Unsecured, considered good unless otherwise stated)				
Loans and advances to related parties (Refer Note 28)				
Dues from subsidiary companies		**78**		74
Loan to subsidiary		**27**		26
Loan to Comviva ESOP Trust		**17**		17
Capital advances				
Considered good	**0**		3	
Considered doubtful	**1**		0	
	1		3	
Provision for doubtful advances	**0**		0	
		1		3
Security deposits		**88**		87
Balance with Government authorities		**73**		-
Advance income taxes (net of provisions)		**477**		393
Prepaid expenses		**15**		1
Total		**776**		601

Note 15 - Current Investments :

Investments in Mutual Funds (unquoted) (Non-trade) (at Cost or NRV whichever is lower)			
107,977.10 (Previous year: Nil) units of ₹ 1,019.45 (Previous year: Nil) - UTI-Liquid cash plan-Institutional-daily dividend investment		**110**	-
	Total	**110**	-

Note 16 - Inventories :

(Valued at lower of cost and net realizable value)

Others - Stock of IT equipments and purchased software (consumed in IT projects)		**116**	57
	Total	**116**	57

₹ in Million

Particulars		As at 31st March, 2016	As at 31st March, 2015
Note 17 - Trade receivables :			
Trade Receivables (Unsecured)			
Over Six Months			
- Considered good*	**598**		655
- Considered doubtful	**144**		136
		742	791
Others			
- Considered good**	**2,132**		2,285
- Considered doubtful	**-**		2
		2,132	2,287
Total		**2,874**	3,078
Less: Provision for doubtful trade receivables		**144**	138
Total		**2,730**	2,940

* Net of Advances aggregating to ₹ 83 million (Previous year: ₹ 4 million) pending adjustments with Invoices.
** Net of Advances aggregating to ₹ 25 million (Previous year: ₹ 163 million) pending adjustments with Invoices.

Particulars		As at 31st March, 2016	As at 31st March, 2015
Note 18- Cash and cash equivalents :			
Cash on hand		**0**	0
Remittances in transit		**51**	78
Balances with banks:			
- In current accounts		**556**	442
- In earmarked accounts			
- Balance held under Escrow account		**2**	-
	Total	**609**	520
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is		**607**	520

Note 19 - Short-term loans and advances :

₹ in Million

Particulars	As at 31st March, 2016		31st March, 2015
(Unsecured, considered good unless otherwise stated)			
Loans and advances to related parties (Refer Note 28)			
Due from subsidiary company		**45**	38
Other Loans and advances			
- Loans and advances to employees		**76**	76
- Prepaid expenses		**91**	64
- Advance to suppliers			
Considered good	**17**		29
Considered doubtful	**2**		0
	19		29
Provision for doubtful advances	**2**		0
		17	29
- Balance with Government authorities		**165**	135
Fair values of foreign exchange forward contracts		**22**	52
- Others		**1**	1
Total		**417**	395

Note 20 - Other current assets :

Unbilled Revenue (Net of Provision of ₹ 14 million (Previous year: ₹ 14 million))		**1,073**	645
Interest accrued		**6**	4
	Total	**1,079**	649

Note 21 - Revenue from operations :

₹ in Million

Particulars	For the Year ended 31st March 2016		For the Year ended 31st March 2015
Income from Comviva Product and related managed support			
Licence Fee with Implementation and other services	**3,494**		3,234
Revenue sharing arrangements	**1,274**		1,405
Annual maintenance contract services	**930**		893
		5,698	5,532
Income from sale of equipments and software (third party)*		**657**	841
Total		**6,355**	6,373

*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 22 - Other income :

₹ in Million

Particulars		For the Year ended 31st March 2016	For the Year ended 31st March 2015
Interest income		**3**	1
Dividend income on current investments		**0**	5
Foreign Exchange gain (net)		**105**	(14)
Profit on sale of current investments		**-**	0
Sundry Balances written back		**18**	12
Miscellaneous Income		**4**	4
	Total	**130**	8

Note 23. Employee benefits expense :

Salaries, wages and bonus		**1,859**	1,702
Contribution to provident and other funds (Refer Note 25)		**108**	84
Employee stock compensation cost		**-**	0
Staff welfare expenses		**65**	61
	Total	**2,032**	1,847

Note 24. Other expenses :

Cost of hardware equipment and other items sold		**961**	948
Royalty and software charges		**88**	130
Travelling and conveyance		**585**	648
Specific project related claims		**14**	23
Freight and forwarding charges		**18**	37
Recruitment Expenses		**28**	19
Power and fuel		**31**	29
Rent		**140**	127
Rates and taxes		**24**	22
Insurance		**23**	18
Repairs and maintenance:			
Machinery and computers	**61**		63
Building	**39**		33
Others	**69**		39
		169	135
Advertising and sales promotion		**70**	51
Communication costs		**80**	62
(Profit)/Loss on Sale of Fixed Assets(Net)		**(1)**	(0)
Corporate Social Responsibility (Refer Note 45)		**20**	9
Legal and professional fees (Refer Note 35)		**237**	215
Conference expenses		**51**	43
General office expenses		**22**	25
Provision for doubtful debts and advances (net)		**72**	83
"Miscellaneous expenses (including warranty) (Refer note 37)"		**20**	29
Total		**2,651**	2,653

25. Employee Benefits

a) Defined Contribution Plan - Provident Fund

Amounts recognized as an expense in the Statement of Profit and Loss in respect of defined contribution plan is ₹ 81 million (year ended 31st March, 2015 : ₹ 73 million).

i) Actuarial gains and losses in respect of defined benefit plans are recognised in the Statement of Profit and Loss.

ii) The Defined Benefit Plans comprise of Gratuity.

Gratuity is a benefit to an employee based on 15 days last drawn salary for each completed year of service.

The defined benefit plan is funded.

I] Changes in the present value of defined obligation representing reconciliation of opening and closing balances thereof are as follows :

₹ in Million

Particulars	**As at 31st March, 2016**	As at 31st March, 2015
Present Value of Defined Obligation as at the beginning of the year	**94**	94
Current Service Cost	**16**	29
Interest cost	**6**	8
Benefits Paid	**(12)**	(14)
Actuarial (gains)/ losses on obligation	**6**	(23)
Liability transferred to subsidiary*	**(4)**	-
Present Value of Defined Benefit Obligation as at the end of the year	**106**	94

During current year i.e from January 2016 all the employees of the Sharjah branch have been transferred with a continuity of service to Comviva Technologies FZ-LLC, a 100% subsidiary of the company and accordingly all the retirement benefits obligation upto December 2015 have been transferred to Comviva Technologies FZ-LLC .

II] Change in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows :

₹ in Million

Particulars	**As at 31st March, 2016**	As at 31st March, 2015
Opening fair value of plan assets	**18**	18
Expected return on plan assets	**1**	1
Contributions by employer	**8**	3
Benefits Paid	**(12)**	(6)
Actuarial Gain/(loss)	**0**	2
Closing fair value of plan assets at end of the year	**15**	18

III] Reconciliation of Present Value of Defined Benefit Obligation and fair value of plan assets showing amount recognised in the Balance Sheet :

Benefit assets/ (liability)

₹ in Million

Particulars	**As at 31st March, 2016**	As at 31st March, 2015
Present value of defined benefit obligation	**(106)**	(94)
Fair value of plan assets	**15**	18
Funded status [Surplus/(Deficit)]	**(91)**	(76)
Net Asset/(Liability) recognised in Balance Sheet	**(91)**	(76)

IV] Components of employer expenses recognised in the Statement of Profit and Loss for year ended 31st March, 2016

₹ in Million

Particulars	**As at 31st March, 2016**	As at 31st March, 2015
Current Service Cost	**16**	29
Interest Cost	**6**	8
Expected return on plan assets	**(1)**	(1)
Net Actuarial (Gain)/ Loss	**6**	(25)
Total expense recognised in the Statement of Profit & Loss	**27**	11

V] In respect of Funded Benefits with respect to gratuity, the fair value of Plan assets represents the amounts invested through "Insurer Managed Funds"

VI] Assumptions

	As at 31st March, 2016	As at 31st March, 2015
Discount Rate	**7.60%**	7.80%
Expected Rate of Returns on Plan Assets	**8.00%**	8.00%
Salary Escalation	**8.00%**	8.00%
Employee separation Rate	**17.00%**	17.00%

a) The Discount rate is based on the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated terms of the obligations.

b) Expected Rate of Return on Plan Assets: This is based on the expectation of the average long-term rate of return expected on investments of the Fund during the estimated term of obligations.

c) Salary Escalation Rate: The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

VII] Experience History

₹ in Million

Particulars	**As at 31st March, 2016**	31st March, 2015	31st March, 2014	31st March, 2013	31st March, 2012
Present value of obligation as at the end of the year	**106**	94	94	72	62
Fair value of the plan assets at the end of the year	**15**	18	18	20	20
Surplus / (Deficit)	**(91)**	(76)	(76)	(52)	(42)
Experience adjustment on plan Liabilities (loss) / gain	**(5)**	24	3	1	2
Experience adjustment on plan Assets (loss) / gain	**0**	2	1	0	0
Actuarial gain/(loss) due to change in assumptions	**(1)**	(2)	-	-	-

26. Employee Stock Option Plans

The company provides share based payment scheme to its employees "ESOP Plan". During the financial year 2012-13 the company has cancelled that ESOP Plan except to the extent of certain employees who continue to carry stock options.

Employee Stock Option Plan (ESOP) 2009-

Pursuant to shareholders further resolution dated February 24, 2009, the Company announced the ESOP Scheme - Employee Stock Option Plan (ESOP) 2009 "ESOP 2009" with Time Based and Performance Based plans under which the maximum quantum of options was determined at 1,136,203 to be granted to employees of the company and its holding or subsidiaries whether in India or abroad from time to time on the basis of their performance and other eligibility criteria. The above options are planned to be settled in equity at the time of exercise and have maximum vesting period of four years from the date of the respective grants.

Number of options granted, exercised and cancelled/lapsed under the scheme during the period:

Particulars	**As at 31st March, 2016**		As at 31st March, 2015	
	Number of options	**Weighted Average Exercise Price (₹)**	Number of options	Weighted Average Exercise Price (₹)
Scheme- ESOP 2009 - Time Based				
Outstanding at the beginning of the year	**4,000**	**195.03**	4,000	195.03
Granted during the year	**-**		-	
Forfeited during the year	**-**		-	
Exercised during the year	**-**		-	
Surrendered during the year	**-**		-	
Outstanding at the end of the year	**4,000**	**195.03**	4,000	195.03

Comviva Employee Stock Option Plan (ESOP)-

Pursuant to shareholders further resolution dated July 29, 2010, the Company announced new Scheme Comviva ESOP Scheme with Time Based and Performance Based plans under which the maximum quantum of options was determined at 800,000 to be granted to employees of the company and its holding or subsidiaries whether in India or abroad from time to time on the basis of their performance and other eligibility criteria. The above options are planned to be settled in equity at the time of exercise and have maximum vesting period of four years from the date of the respective grants.

Number of options granted, exercised and cancelled/lapsed under the scheme during the period:

Particulars	**As at 31st March, 2016**		As at 31st March, 2015	
	Number of options	**Weighted Average Exercise Price (₹)**	Number of options	Weighted Average Exercise Price (₹)
Comviva ESOP Scheme - Time Based				
Outstanding at the beginning of the year	**2,263**	**300**	2,638	300
Granted during the year	**-**		-	
Forfeited during the year	**305**	**300**	375	300
Exercised during the year	**-**		-	
Surrendered during the year	**-**		-	
Outstanding at the end of the year	**1,958**	**300**	2,263	300

Information in respect of options outstanding

	As at 31st March, 2016		As at 31st March, 2015	
ESOP Scheme	**Number of Options Outstanding**	**Weighted average remaining life (in Years)**	Number of Options Outstanding	Weighted average remaining life (in Years)
Scheme- ESOP 2009 - Time Based	**4,000**	**0.33**	4,000	1.33
Comviva ESOP Scheme - Time Based	**1,958**	**1.33**	2,263	2.33

27. Leases

i) Operating Lease - As a Lessee

Obligations towards non-cancellable operating 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, 2016 is ₹ 140 Million (year ended 31st March, 2015: ₹ 127 Million). The future lease payments of such operating lease are as follows:-

₹ in Million

Particulars	**As at 31st March 2016**	As at 31st March 2015
Minimum Lease Payments		
- Not later than one year	**120**	121
- Later than one year and not later than five years	**85**	201
- Later than five years	**-**	-

28. Related Party Disclosure

a) Name of the related party and nature of relationship:-

Name of the Entity*	**Nature of relationship**
Tech Mahindra Limited	Holding company
Comviva Technologies Inc	Subsidiary
Comviva Technologies Nigeria Limited and its 75% subsidiary Hedonmark {Management Services} Limited	Subsidiary
Comviva Technologies Singapore PTE. Ltd.	Subsidiary
Comviva Technologies FZ-LLC	Subsidiary
Comviva Technologies Netherland B.V. and its subsidiaries	Subsidiary
ATS Advance technologies Solution SA	Step down subsidiary of Comviva Technologies ltd
ATS Advance technology Solutions do Brasil, industria, comercio, importacao y exportacao LTDA	Step down subsidiary of Comviva Technologies ltd
Terra Payment Services (Netherlands) BV and its subsidiaries	Subsidiary
Mobex Money Transfer sevices limited	Step down subsidiary of Comviva Technologies ltd
Terrapay Services (UK) Limited	Step down subsidiary of Comviva Technologies ltd
Terra Payment Services (Tanzania) Limited	Step down subsidiary of Comviva Technologies ltd
Terra Payment Services (Uganda) Limited	Step down subsidiary of Comviva Technologies ltd
Terra Payment Services South africa (PTY) Ltd.	Subsidiary
PT Tech Mahindra Indonesia	Fellow subsidiary
New VC Services Private Limited	Fellow subsidiary
Tech Mahindra Foundation	Fellow subsidiary
Tech Mahindra Nigeria	Fellow subsidiary
Comviva ESOP Trust	Enterprise where the Company is in a position to exercise control
Manoranjan Mohapatra	Managing Director and Chief Executive Officer
Sriram Gopalakrishnan	Chief Financial Controller

* We have disclosed related parties where control exist and other related parties with whom company has transactions during the year.

b) **Transactions with Related Parties:**

₹ in Million

	Transactions for the year ended 31st March 2016 Revenue/(Expense)									Balance as at 31st March, 2016 Debit/(Credit)								
Particulars	**Sales**	**Interest Income**	**Cost of Goods/ service (received)/ provided**	**Reim- burse- ment of Expenses**	**Donation Given**	**Advance Given**	**Repayment of loan and interest**	**Investments made during the period**	**Managerial Remuneration**	**Trade Receivable**	**Unbilled**	**Trade Payables**	**Loans & Advances**	**Investment**	**Interest Accrued**	**Deferred Revenue**	**Advance from Customers**	**Accrued benefit payable**
Subsidiary Companies																		
Comviva Technologies Inc	-	-	(134)	(0)	-	-		-	-	3	-	(21)	(0)	5	-	-	-	-
Comviva Technologies Nigeria Limited	-	-	-	-	-	-		-	-	34	-	-	78	3	-	-	-	-
Comviva Technologies Singapore PTE. Ltd.	-	2	-	-	-	-		(3)	-	3	-	(23)	27	3	6	-	(3)	-
Comviva Technologies FZ-LLC	211	1	(3)	-	-	(27)	26	-	-	291	84	(43)	45	1		(5)	-	-
Terra Payment Services (Netherlands) BV	-	-	-	-	-	-		(29)	-	-	-	-	-	29		-	-	-
Comviva Technologies B.V.	-	-	-	-	-	-		(1)	-	-	-	-	-	1		-	-	-
Holding Company																		
Tech Mahindra Limited	160	-	(1)	(26)	-				-	63	20	(12)	-	-	-	(1)	-	-
Fellow Subsidiaries																		
PT Tech Mahindra Indonesia	7	-	-	-		-			-	-	0	-	-	-	-	(0)	-	-
Tech Mahindra Foundation	-	-	-	-	(11)	-			-	-	-	-	-	-	-	-	-	-
Tech Mahindra Nigeria	23									23						(0)		
Enterprise where the Company is in a position to exercise control																		
Comviva ESOP Trust	-	-	-	-		-			-	-	-	-	17	-	-	-	-	-
Key Management Personnel																		
Manoranjan Mohapatra	-	-	-	-		-			(37)	-	-	-	-	-	-	-	-	(16)
Sriram Gopalakrishnan	-	-	-	-		-			(16)	-	-	-	-	-	-	-	-	(2)

	Transactions for the year ended 31st March 2015 Revenue/(Expense)							Balance as at 31st March, 2015 Debit/(Credit)								
Particulars	Sales	Interest Income	Cost of Goods/ service (received)/ provided	Sale/ (Purchase) of Fixed Assets / Inventory	Reimbursement of expenses	Donation Given	Managerial Remuneration	Trade Receivable	Unbilled	Trade Payables	Investment	Loans & Advances	Investment	Interest Accrued	Advance from Customers	Accrued benefit payable
Subsidiary Companies																
Comviva Technologies Inc	-	-	(103)	-	-	-	-	3	-	(9)	5	0	5	-	-	-
Comviva Technologies Nigeria Limited	-	-	-	-	-	-	-	32	-	-	3	74	3	-	-	-
Comviva Technologies Singapore PTE. Ltd.	-	1	-	(7)	-	-	-	3	-	(21)	0	26	0	4	(3)	-
Comviva Technologies FZ-LLC	261	-	(1)	(5)	39	-	-	399	-	(37)	1	38	1	-	-	-
Holding Company																
Tech Mahindra Limited	193	-	(20)	-	-	-	-	57	46	(16)	-	-	-	-	-	-
Fellow Subsidiaries																
PT Tech Mahindra Indonesia	7	-	-	-	-	-	-	3	-	-	-	-	-	-	-	-
New VC Services Private Limited	4	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-
Tech Mahindra Foundation	-	-	-	-	-	(4)	-	-	-	-	-	-	-	-	-	-
Enterprise where the Company is in a position to exercise control																
Comviva ESOP Trust	-	-	-	-	-	-	-	-	-	-	-	17	-	-	-	-
Key Management Personnel																
Manoranjan Mohapatra	-	-	-	-	-	-	30	-	-	-	-	-	-	-	-	(30)
Sriram Gopalakrishnan	-	-	-	-	-	-	13	-	-	-	-	-	-	-	-	(4)

29 Contingent Liabilities and Commitments:

(i) Contingent Liabilities:

₹ in Million

Sr. No.	Particulars	As at 31st March, 2016	As at 31st March, 2015
1	Bank Guarantees	**84**	86
2	Corporate Guarantee*	**1,822**	-
3	Income tax matters (Refer Note I)	**157**	22
4	Service tax matters (Refer Note II)	**407**	407
5	Other claims against the company not acknowledged as debts (Refer Note III)	**47**	46

* Corporate Guarantee of USD 28 million (₹ 1,822 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) ₹ 3 million (March 31, 2015 ₹ 3 million) against which company has paid ₹ 2 million (March 31, 2015 - ₹ 2 million) under protest.

b) Demand from Income Tax Authorities for Assessment year 2006-07 (from Assistant Commissioner of Income Tax) ₹ 2 million (March 31, 2015 : ₹ 2 million)

c) Demand from Income Tax Authorities for Assessment year 2007-08 u/s 154 (from Assistant Commissioner of Income tax) ₹ 3 million (March 31, 2015 ₹ 3 million) against which company has paid ₹ 2 million (March 31, 2015 ₹ 2 million) under protest.

d) Demand from Income tax Authorities for the Assessment year 2007-08 for payment of additional tax u/s 143(3) from Deputy Commissioner of Income Tax for ₹ 58 Million (March 31, 2015 ₹ 58 Million). The Company has filed Form 35 with CIT(A) and subsequent appeal before income tax appellant tribunal against this Assessment Order. The company has got favourable order from CIT(A) and ITAT. However on the ground relating to disallowance under section 14A ITAT has referred back the matter to AO for statistical verification. The amount of tax demand relating to this ground is ₹ 1 Million which is pending for disposal with AO.

e) The company has paid CDF 190 million (₹ 14 million) against the tax demand along with filling of objection letter with the respective tax department against this said demand. The matter is not up for hearing and the management is confident of recovering the same.

f) The Company has received an order u/s 143(3) from the Assessing Officer for Assessment year 2012-13 with no adjustments in the returned income. However, there is a short adjustment of TDS credit, MAT credit and Foreign tax credit of ₹ 196 million resulting in a demand of ₹134 million(March 31, 2015 ₹ Nil). The Company has filed a rectification application u/s 154 before the assessing officer on April 4, 2016 and appeal before CIT(Appeals) on April 14, 2016.

II Service Tax Matter:

The company has received an order from Commissioner of service tax confirming demand (including penalty of ₹ 204 million) for the financial years 2004-05 to 2007-08 amounting to ₹ 407 million (March 31, 2015 - ₹ 407 million). An amount of ₹ 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.

III Other Claims:

a) It includes demand from BSES, New Delhi amounting to ₹ 15 million and from BESCOM, Bangalore amounting to ₹ 7 million.

b) Includes a claim of USD-0.6 million (₹ 39 million) by a leading telecom customer in Africa. The company has issued a credit note of ₹ 19 million (50% of the claim amount) as an interim settlement and provided for an amount of ₹ 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-22 million (₹ 15 million) by a leading telecom customer in Africa.The company has issued a credit note of ₹ 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 (₹ 5 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 of March 31, 2016.

(ii) Commitments :

₹ in Million

Sr. No.	Particulars	As at 31st March, 2016	As at 31st March, 2015
1	Estimated amount of contracts remaining to be executed on capital account and not provided for	**17**	36

30 (1) Details of Derivative Instruments (for hedging):

A) Cash Flow hedges: In accordance with its risk management policy and business plan the Company has hedged its cash flows. The Company enters into Derivative contracts to offset the foreign currency risk arising from the amounts denominated in currencies other than the Indian rupee. The counter party to the Company's foreign currency contracts is generally a bank. These contracts are entered into to hedge the foreign currency risks of firm commitments and highly probable forecast transactions. The Management has assessed the effectiveness of its hedging contracts outstanding as on 31st March 2016 as required by AS-30 and accordingly the Mark to market gain of ₹ 4 million (net) (31st March 2015 ₹ 17 million (net)) is recognized in the Hedging Reserve.

B) The following are the outstanding USD/EUR: INR Currency Exchange Contracts entered into by the Company which have been designated as Cash Flow Hedges.

Currency	Amount outstanding at period end in Foreign Currency	Fair Value Gain/(Loss)	Amount outstanding as at 31st March, 2016
USD	23 million (31st March 2015: 29 million)	₹ 24 million (31st March 2015: ₹ 22 million)	₹ 1,534 million (31st March 2015 : ₹ 1,779 million)
EUR	3 million (31st March 2015: 3 million)	₹ (2) million (31st March 2015: ₹ 30 million)	₹ 226 million (31st March 2015 : ₹ 188 million)

The forward contracts entered have maturity between 30 days to 1 year from the Balance Sheet date.

(2) Details of foreign currency exposures that are not hedged by a derivative instrument or otherwise:-

₹ in Million

Particulars	Currency	As at 31st March 2016		As at 31st March 2015	
		Amount in Foreign Currency	Amount in INR Currency	Amount in Foreign Currency	Amount in INR Currency
Trade Receivables	BDT	50	42	52	42
	CDF	822	60	504	35
	EUR	4	315	4	256
	GBP	0	7	0	2
	GHS	1	15	0	5
	KES	15	10	21	15
	MGA	497	10	1,189	25
	MWK	147	14	284	41
	RWF	15	1	-	-
	SCR	0	1	661	10
	SLL	856	14	1,092	37
	TZS	1,999	61	2	137
	UGX	213	4	-	-
	USD	3	203	226	23
	XAF	189	22	33	3
	XOF	528	61	246	25
	ZMW	1	3	2	16
Loans and Advances	AED	1	11	1	9
	BDT	75	63	72	58
	CDF	712	52	526	36
	EUR	2	184	2	116
	GBP	0	4	0	4
	GHS	1	10	0	7
	KES	42	27	43	29
	LKR	1	0	1	0
	MGA	757	16	443	9
	MWK	201	20	106	15
	RWF	2	0	6	1
	SCR	1	6	1	4
	SGD	0	2	0	4
	SLL	880	15	744	11
	TZS	2,778	84	1,776	60
	UGX	742	15	694	15
	USD	15	1,011	11	686
	XAF	174	20	145	15
	XOF	326	38	364	38
	ZAR	0	0	0	0
	ZMW	1	5	1	5
Trade Payables	AED	-	-	0	4
	BDT	2	2	1	1
	CDF	10	1	133	9
	EUR	0	5	0	0
	GBP	0	3	0	6
	GHS	0	5	0	5
	KES	-	-	8	5
	LKR	-	-	4	2
	MGA	107	2	91	2
	MWK	3	0	5	1
	NGN	-	-	0	0
	RWF	5	0	2	0

₹ in Million

Particulars	Currency	As at 31st March 2016		As at 31st March 2015	
		Amount in Foreign Currency	Amount in INR Currency	Amount in Foreign Currency	Amount in INR Currency
Trade Payables	SCR	0	0	0	1
	SGD	0	2	0	6
	SLL	97	2	95	1
	TZS	35	1	74	3
	UGX	2	0	42	1
	USD	5	327	5	327
	XAF	136	16	131	14
	XOF	85	10	143	15
	ZAR	0	1	0	1
	ZMW	0	1	0	1

31. Based on the information available with the company, no creditors have been identified as "Supplier" within the meaning of Micro, Small and Medium Enterprises Development (MSMED) Act, 2006.

32 Expenditure in Foreign Currency

₹ in Million

Particulars	As at 31st March, 2016	As at 31st March, 2015
Travelling Expenses	335	336
Software Services Charges	223	230
Legal & Consultancy Charges	321	326
Conference, Freight & Other Expenses	193	194
Employee benefits expenses	385	391
Total	1,457	1,477

33. Value of import calculated on CIF Basis

₹ in Million

Particulars	As at 31st March, 2016	As at 31st March, 2015
Capital Goods	34	67
Purchase of equipment and software licenses	252	326
Total	286	393

34 Earnings in Foreign Currency

₹ in Million

Particulars	As at 31st March, 2016	As at 31st March, 2015
Sale of equipment and software licenses	482	558
Rendering of services	4,026	3,933
Total	4,508	4,491

35. Auditors Remuneration

₹ in Million

Particulars	As at 31st March, 2016	As at 31st March, 2015
Audit Fees (including quarterly audits)	3	3
For other services	0	0
For taxation matter	1	1
Total	4	4

36 Basic and Diluted Earning per share

₹ in Million except earning per share

Particulars	**As at 31st March, 2016**	As at 31st March, 2015
Nominal value per equity share	**10**	10
Profit/(loss) for the year	**708**	751
Profit/(loss) attributable to equity shareholders	**708**	751
	No. of Shares	No. of Shares
Weighted average number of equity shares	**21,864,850**	21,864,850
Weighted average number of diluted equity shares	**21,865,915**	21,865,915
Earning Per Share- Basic	**32.36**	34.35
Earning Per Share- Diluted	**32.36**	34.35

37 Details of provisions and movements in each class of provisions as required by the Accounting Standard on Provisions, Contingent Liabilities and Contingent assets (Accounting Standard-29)

Warranty Provision:

₹ in Million

Particulars	**As at 31st March, 2016**	As at 31st March, 2015
Carrying amount as at the beginning of the year	**12**	6
Add: Additional provision made during the year	**12**	12
Less: Provision reversed during the year	**(12)**	(6)
Carrying amount as at the end of the year	**12**	12

Note: Provision for warranty is estimated and made based on technical estimates of the management and is expected to be settled over the period of next year

38 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, 2016**	**Period**	**Rate of interest**	**Purpose**
For details of investments made, refer Note 12					
Comviva Technologies B.V.	Guarantee	₹ 1,822 Million (USD 28 Million) (Nil)	Repayable on demand	Libor+95 bps	Corporate Guarantee of ₹ 1,822 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, 2015.

39 Segment Information has been presented in the Consolidated Financial Statements as permitted by Accounting Standard (AS 17) on Segment Reporting as notified under the Companies (Accounting Standard) Rules, 2014.

40 During the year ended 31st March 2016, Tech Mahindra Limited being the holding company has granted employee stock option to certain employees of the company. The cost incurred by the holding company for issuing such options is ₹ 26 million (Year ended 31st March 2015: Nil).

41 The Company has acquired 100% stake in South Africa namely Terra Payment Services South Africa (PTY) Limited, However the subsidiary is yet to start its operations as of 31st March, 2016.

42 The Company, in April 2015, has incorporated a 100% subsidiary in Netherlands namely Comviva Technologies B.V.

43 The Company, in July 2015, has incorporated a 100% subsidiary in Netherlands namely Terra Payment Services (Netherlands) B.V.

44. Comviva Technologies B.V.(a wholly owned subsidiary of the company) through the agreement dated 22nd January 2016 acquired 100% equity control in ATS Advanced Technologies Solutions SA (“ATS – AR”) and ATS Advanced Technology Solutions do Brasil, Industria, Comercio, Importacao y Exportacao LTDA(“ATS – BR”) in Argentina and Brazil respectively for a consideration of USD 4.65 million (₹314 million) subject to agreed terms and conditions. Post the achievement of agreed terms and conditions, “ATS – AR” & “ATS – BR” became wholly owned subsidiaries of Comviva Technologies B.V w.e.f 1st February 2016.

As per the agreement, the initial purchase consideration of USD 1.05 million (₹ 70 million) has been paid and balance shall be paid in the Escrow Account on 31st December 2016 and shall be paid out in tranches of USD 0.90 million each on 31st December 2016 ,31st December 2017,31st December 2018 and 31st December 2019.

45. Corporate Social Responsibility:

a) Gross amount required to be spent by the Company ₹ 20 million during the year

b) Amount spent during the year ₹ 20 million

46. Previous period's figures have been re-grouped / re-classified wherever necessary to correspond with the current year’s classification/disclosure.

For and on behalf of the Board of Directors

Vineet Nayyar
Chairman

Manoranjan Mohapatra
Managing Director and CEO

C.P. Gurnani
Director

Devendra Khanna
Director

Rahul Bhatnagar
Director

Ulhas N. Yargop
Director

Jagdish Mitra
Director

Sunita Umesh
Director

Rajat Mukherjee
Director

Sriram Gopalakrishnan
CFO & Company Secretary

Place: New Delhi
Date: May 12, 2016

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF COMVIVA TECHNOLOGIES LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of COMVIVA TECHNOLOGIES LIMITED(hereinafter referred to as "the Holding Company")and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of 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; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

(a) We did not audit the financial statements / financial information of 4subsidiaries, whose financial statements / financial information reflect total assets of ₹ 282 million as at 31st March, 2016, total revenues of ₹ 211 million and net cash inflows amounting to ₹ 26 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 subsidiariesis based solely on the reports of the other auditors.

(b) We did not audit the financial statements / financial information of 8 subsidiaries, whose financial statements / financial information reflect total assets of ₹ 320 million as at 31st March, 2016, total revenues of ₹ 156 million and net cash inflows amounting to ₹ 22 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information are unaudited and 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, 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 / financial information 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

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
   d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
   e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding company is disqualified as on 31st March, 2016 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 and the operating effectiveness of such controls, refer to our Report in “Annexure A”, which is based on the auditors’ report of the Holding company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company’sinternal 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 Auditor’s) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.Refer note 30(i) to the financial statements.
      ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm’s Registration No. 117366W/W-100018)

Sunil S Kothari
Partner
(Membership No. 208238)

Place: Delhi
Date : May 12, 2016

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph (f)under ‘Report on Other Legal and Regulatory Requirements’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”)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of COMVIVA TECHNOLOGIES LIMITED (hereinafter referred to as “the Holding Company”) as of that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Holding company, 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 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”) issued by the Institute of Chartered Accountants of India 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 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 obtainedis 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 Holding Company, 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 March 31, 2016, 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 DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm’s Registration No. 117366W/W-100018)

Sunil S Kothari
Partner
(Membership No. 208238)

Place: Delhi
Date : May 12, 2016

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2016

₹ in Million

Particulars	Note No.	31st March, 2016		31st March, 2015
A Equity and Liabilities				
1 Shareholders' funds				
(a) Share capital	3	**219**		219
(b) Reserves and surplus	4	**4,284**		3,545
			4,503	3,764
2 Minority Interest			**-**	-
3 Non Current Liabilities				
(a) Long-term borrowings	5	**36**		-
(b) Other long-term liabilities	6	**201**		24
(c) Long-term provisions	7	**154**		110
			391	134
4 Current Liabilities				
(a) Short-term borrowings	8	**265**		-
(b) Trade payables	9			
i) Total outstanding dues of micro enterprises and small enterprises		**-**		-
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		**1,519**		1,352
(c) Other current liabilities	10	**505**		279
(d) Short term provisions	11	**97**		131
			2,386	1,762
TOTAL			**7,280**	5,660
B Assets				
1 Non current assets				
(a) Fixed assets				
(i) Tangible assets	12	**185**		205
(ii) Intangible assets	12	**31**		9
(iii) Capital work-in-progress		**15**		26
		231		240
(b) Goodwill on acquisition		**310**		20
(c) Deferred tax assets (net)	13	**189**		208
(d) Long-term loans and advances	14	**736**		530
			1,466	998
2 Current Assets				
(a) Current Investments	15	**136**		-
(b) Inventories	16	**142**		58
(c) Trade receivables	17	**2,911**		2,723
(d) Cash and cash equivalents	18	**939**		671
(e) Short-term loans and advances	19	**453**		404
(f) Other current assets	20	**1,233**		806
			5,814	4,662
TOTAL			**7,280**	5,660
C See accompanying notes forming part of the financial statements				

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

Sunil S Kothari
Partner

Vineet Nayyar
Chairman

Manoranjan Mohapatra
Managing Director and CEO

C.P. Gurnani
Director

Devendra Khanna
Director

Rahul Bhatnagar
Director

Ulhas N. Yargop
Director

Jagdish Mitra
Director

Sunita Umesh
Director

Rajat Mukherjee
Director

Sriram Gopalakrishnan
CFO & Company Secretary

Place: Delhi
Date: May 12, 2016

Place: Delhi
Date: May 12, 2016

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

₹ in Million except earnings per share

	Particulars	Note No.		For the Year ended 31st March 2016	For the Year ended 31st March 2015
I.	Revenue from operations	21		**7,825**	6,842
II.	Other income	22		**140**	(8)
III.	**Total revenue (I+II)**			**7,965**	6,834
IV.	**Expenses**				
	(a) Employee benefits expense	23		**2,280**	1,987
	(b) Subcontracting cost			**592**	532
	(c) Finance costs			**17**	1
	(d) Depreciation and Amortization expense	12		**184**	233
	(e) Other expenses	24		**3,721**	2,945
	Total expenses			**6,794**	5,698
V.	**Profit/(Loss) before tax**			**1,171**	1,136
VI.	**Tax expenses**				
	(a) Current tax		**400**		397
	(b) Deferred tax (Refer Note 13)		**19**		47
				419	444
VII.	**Profit/(Loss) after tax before Minority interest**			**752**	692
VIII.	**Minority Interest**			**-**	(0)
IX.	**Profit for the year**			**752**	692
X.	**Earnings per Equity share (Refer Note 32) (Face value of ₹ 10/- each)**				
	(a) Basic			**34.38**	31.65
	(b) Diluted			**34.38**	31.65
XI.	**See accompanying notes forming part of the financial statements**				

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Sunil S Kothari
Partner

Place: Delhi
Date: May 12, 2016

For and on behalf of the Board of Directors

Vineet Nayyar
Chairman

Manoranjan Mohapatra
Managing Director and CEO

C.P. Gurnani
Director

Devendra Khanna
Director

Rahul Bhatnagar
Director

Ulhas N. Yargop
Director

Jagdish Mitra
Director

Sunita Umesh
Director

Rajat Mukherjee
Director

Sriram Gopalakrishnan
CFO & Company Secretary

Place: Delhi
Date: May 12, 2016

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

₹ in Million

			For the Year ended 31st March 2016		For the Year ended 31st March 2015
A]	**CASH FLOWS FROM OPERATING ACTIVITIES**				
	Profit/(loss) before tax		**1,171**		1,136
	Adjustments for:				
	Depreciation and amortization	**184**		233	
	Profit on sale of fixed assets	**(0)**		(0)	
	Interest Expense	**17**		1	
	Interest income	**(3)**		(10)	
	Dividend income	**(0)**		(5)	
	Unrealised foreign exchange difference (net)	**(42)**		35	
	Reversal of provision no longer required	**(17)**		-	
	Profit on sale of Current Investment	**(1)**		(0)	
			138		254
	Operating Profit before working capital changes		**1,309**		1,390
	Adjustments for changes in working capital:				
	Trade payable, other liabilities and provisions	**387**		(41)	
	Trade receivables	**(12)**		(542)	
	Other assets and loan advances	**(631)**		(327)	
			(256)		(910)
	Cash generated from operations		**1,053**		480
	Direct Taxes Paid		**(537)**		(553)
	Net cash flows from operating activities (A)		**516**		(73)
B]	**CASH FLOWS FROM INVESTING ACTIVITIES**				
	Purchase of Fixed Assets	**(393)**		(261)	
	Interest Received	**3**		10	
	Dividend Received	**0**		-	
	Purchase of Investments	**(110)**		(1,152)	
	Sale of Investments	**1**		1,287	
	Acquisition of a Company (Refer Note 30(ii)(2))	**(70)**		(20)	
	Sale of Fixed Assets	**2**		0	
	Net Cash flows from/(used in) investing activities (B)		**(567)**		(136)
C]	**CASH FLOWS FROM FINANCING ACTIVITIES**				
	Proceeds from long term borrowings (Net)	**83**		0	
	Proceeds from short term borrowings (net)	**185**		-	
	Interest Paid	**(17)**		(1)	
	Net cash flows from/(used in) financing activities (C)		**251**		(1)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

₹ in Million

			For the Year ended 31st March 2016		For the Year ended 31st March 2015
D]	**Exchange differences on translation of foreign currency cash and cash equivalents**		**1**		(16)
	Net Increase / (decrease) in cash and cash equivalents (A + B+ C + D)		**201**		(226)
	Cash & cash equivalents at the end of the period (refer note 1 below)		**937**		671
	Increase in cash and cash equivelents on acquistion (refer note 30(ii)(2))		**65**		1
	Cash & cash equivalents at the beginning of the year		**671**		896
	Net Increase / (decrease) in cash and cash equivalents		**201**		(226)
	Cash and cash equivalents include:				
	Cash on hand			1	0
	Remittances in transit			88	86
	Balance with banks				
	- In current accounts			848	529
	- In deposit accounts			-	56
	Total Cash and Cash equivalents - Refer Note - 18			937	671
	Reconciliation of Cash and Cash Equivalents with the Balance Sheet				
	Cash and Bank Balances (refer note 18)			939	671
	Less:				
	Balance held under Escrow Account			2	-
	Total Cash and Cash Equivalents			937	671

Note 2:
Figures in brackets represent outflow of cash and cash equivalents.

Note 3:
The above cash flow statement has been prepared under the indirect method as set out in Accounting Standard 3 on Cash Flow Statements.

Note 4:
Previous period's figures have been rearranged/regrouped wherever necessary.

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Sunil S Kothari
Partner

For and on behalf of the Board of Directors

Vineet Nayyar
Chairman

Manoranjan Mohapatra
Managing Director and CEO

C.P. Gurnani
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Director

Jagdish Mitra
Director

Sunita Umesh
Director

Rajat Mukherjee
Director

Sriram Gopalakrishnan
CFO & Company Secretary

Place: Delhi
Date: May 12, 2016

Place: Delhi
Date: May 12, 2016

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. Company Overview

Comviva Technologies Limited ("company") along with its subsidiaries is in the business of providing Integrated Value Added Services (VAS) to telecom companies, predominantly in emerging markets. The Company's portfolio of services includes mobile financial solutions, mobile music and video applications, messaging and business support systems.

The company is a subsidiary of Tech Mahindra Limited.

2. Significant Accounting Policies

2.1 Basis of consolidation

The Consolidated Financial Statements relate to Comviva Technologies Limited (the Company) and its subsidiary companies which constitutes 'the Group".

a. Basis for preparation of financial statements

The consolidated financial statements of the Company and its subsidiaries and jointly controlled entities (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

b. Principles of Consolidation:

The Consolidated Financial Statements have been prepared on the following basis:

i. The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and unrealized profits or losses have been fully eliminated.

ii. The excess of cost to the Company of its investments in the Subsidiary Companies over its share of equity of the subsidiary companies, at the dates on which the investment in the Subsidiary Companies are made, is recognized as 'Goodwill on Consolidation' being an asset in the Consolidated Financial Statements. Alternatively, where the share of equity in the subsidiary companies on the date of investment is in excess of cost of investment of the Company, it is recognized as 'Capital Reserve' and shown under the head 'Reserves and Surplus' in the Consolidated Financial Statements.

iii. Minority interest in the net assets of the consolidated subsidiary Companies consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments as stated above.

c. Following Subsidiaries are considered in the Consolidated Financial Statements:

			% of voting power held	
Sr. No.	Name of the Subsidiary	Country of Incorporation	**As at March 31, 2016**	As at March 31, 2015
1	Comviva Technologies Inc.	USA	**100%**	100%
2	Comviva Technologies Nigeria Limited and its following 75% subsidiary:	Nigeria	**100%**	100%
	- Hedonmark {Management Services} Limited	Nigeria	**75%**	75%
3	Comviva Technologies Pte. Ltd.	Singapore	**100%**	100%
4	Comviva Technologies FZ-LLC	Dubai	**100%**	100%
5	Comviva Technologies B.V. and its 100% subsidiaries*:	Netherlands	**100%**	-
	-ATS Advance Technologies Solution S.A#	Argentina	**100%**	-
	-ATS Advance Technologies Solution do brasil, industria, Comercio, Importacao y Exportacao LTDA#	Brasil	**100%**	-
6	Terra payment Services (Netherlands) B.V.** and its following 100% subsidiaries****:	Netherlands	**100%**	-
	- Mobex Money Transfer Sevices limited	Kenya	**99.99%**	-
	- Terrapay Services (UK) Limited	UK	**100%**	-
	- Terra Payment Services (Tanzania) Limited	Tanzania	**100%**	-
	- Terra Payment Services (Uganda) Limited	Uganda	**100%**	-
7	Terra payment Services South Africa (PTY) Ltd.***	South Africa	**100%**	-

*The Company, in April 2015, has incorporated a 100% subsidiary in Netherlands namely Comviva Technologies B.V.

#Comviva Technologies B.V. has acquired 100% stake in ATS Advance Technologies Solution S.A and ATS Advance Technologies Solution do brasil, industria, Comercio, Importacaoy Exportacao LTDA w.e.f. 01st February 2016 (refer note 30(ii)(2)).

**The Company, in July 2015, has incorporated a 100% subsidiary in Netherlands namely Terra Payment Services (Netherlands) B.V.

***The Company has acquired 100% stake in a shell company in South Africa namely Terra Payment Services South Africa (PTY) Limited. However the company is yet to start its operations as of March 31, 2016.

****Terra Payment Services (Netherlands) B.V, during the current financial year, has incorporated a subsidiary in Kenya, UK, Tanzania and Uganda. However, the company has not yet commenced operations and no capital has been infused in the subsidiary as of March 31, 2016.

2.2 Use of Estimates:

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenditure during the year. Differences between actual results and estimates are recognized in the year in which the results are known / materialized.

2.3 Fixed Assets

Fixed Assets are stated at the cost of acquisition, less depreciation /amortization. Costs comprises of the purchase price and other attributable costs.

2.4 Depreciation / Amortization

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation / amortisation on fixed assets including assets taken on lease, other than freehold land is charged based on straight line method on an estimated useful life as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc

Type of asset	Estimated useful life
Plant and Equipment (including Computers)	3 Years
Plant and Equipment (Electrical equipment)	5 Years
Office Equipments	5 Years
Furniture and Fixtures	5 Years
Vehicles	5 Years

Improvements to leased premises are amortized over their estimated useful life or period of the lease, whichever is shorter.

Assets costing upto ₹ 5,000 are fully depreciated in the year of purchase except when they are part of a larger capital investment programme.

Computer Software and hardware acquired for specific projects are amortized over the initial contract life of the project.

Computer Software purchased for internal use is capitalized and depreciated in full in the month in which it is put to use.

2.5 Leases

Where the company is a lessee-

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

2.6 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of cost of that asset. All other borrowing costs are charged to the Statement of Profit and Loss.

2.7 Impairment of Fixed Assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

(a) an intangible asset that is not yet available for use; and

(b) an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

2.8 Investments

Investments which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued.

Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss

2.9 Inventories

Inventories are stated at lower of cost and net realizable value. In determining the cost of materials, the weighted average cost method is used.

2.10 Revenue recognition

Revenue from sale of equipments and third party software is recognized upon delivery, which is when the title passes to the customer.

Revenue from contracts priced on a time and material basis is recognised when services are rendered.

Revenue from fixed price contracts is recognized as per the proportionate completion method and where there is no uncertainty as to the measurement or collectability of the consideration.

Revenue from annual maintenance and annual technical services contracts is recognised on pro-rata basis over the period of the contract.

Revenue from contracts falling under revenue share is recognized on the basis of reconciled transactions as per agreement with the telecom operators.

Interest income is recognized on time proportion basis

Dividend income is recognized when the Company's right to receive dividend is established.

2.11 Foreign currency transactions

(a) Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Monetary items are translated at the year-end rates and the exchange differences so determined as also the realised exchange differences are recognised in the Statement of Profit and Loss.

(b) Derivative instruments and hedge accounting

The Company uses foreign currency forward contracts / options to hedge its risks associated with foreign currency fluctuations relating to certain forecasted transactions. Effective April 1st, 2007 the Company designates some of these as cash flow hedges applying the recognition and measurement principles set out in the Accounting Standard 30 “Financial Instruments: Recognition and Measurements” (AS 30).

The use of foreign currency forward contracts/options is governed by the Company’s policies approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with the Company’s risk management strategy. The counter party to the Company’s foreign currency forward contracts is generally a bank. The Company does not use derivative financial instruments for speculative purposes.

Foreign currency forward contract/option derivative instruments are initially measured at fair value and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised directly in Hedging Reserve (under Reserves and Surplus) and the ineffective portion is recognised immediately in the Statement of Profit and Loss.

The accumulated gains / losses on the derivatives accounted in Hedging Reserve are transferred to the Statement of Profit and Loss in the same period in which gains / losses on the item hedged are recognized in the Statement of Profit and Loss.

Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal is made. Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in the Statement of Profit and Loss as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Cumulative gain or loss on the hedging instrument recognised in shareholders’ funds is retained there and is classified to Statement of profit and loss when the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in shareholders’ funds is transferred to the statement of profit and loss for the period.

2.12 Employee benefits

Employee benefits includes gratuity, provident fund and leave encashment benefits under the approved schemes of the Company.

In respect of defined benefit plans, the employee benefit costs are accounted for based on actuarial valuation as at the Balance Sheet date.

In respect of defined contribution plans, the contribution payable for the period is charged to the Statement of Profit and Loss.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

Other short term employee benefits:

Other short-term employee benefits such as overseas social security contributions and performance incentives expected to be paid in exchange for the services rendered by employees, are recognised during the period when the employee renders the service.

2.13 Accounting for Taxes on Income

Tax expense comprises of current and deferred tax.

(a) Income Tax Provision

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to/recovered from the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with the local tax laws existing in the respective countries

(b) Deferred Tax Provision

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

2.14 Earnings per share

The Company reports its basic and diluted earnings per share in accordance with Accounting Standard - 20 on Earnings per Share.

Basic earnings per share is computed by dividing the profit for the period after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit for the period after tax by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares except where the results are anti-dilutive.

2.15 Provisions, Contingent Liabilities and Contingent Assets

As per Accounting Standard (AS) 29, 'Provisions, Contingent Liabilities and Contingent Assets', the Company recognizes provisions only when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

No Provisions is recognized for –

(a) Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

(b) Present obligations that arise from past events but are not recognized because-

1) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

2) A reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as Contingent Liabilities. These are assessed continually and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

2.16 Provision for Warranty

The Company has an obligation by way of warranty to maintain the software during the period of warranty, which may vary from contract to contract. Costs associated with such sale are accrued at the time when related revenues are recorded and included in cost of service delivery. The Company estimates such cost based on historical experience and the estimates are reviewed periodically for material changes in the assumptions.

2.17 Foreign Operations

The financial statements of integral foreign operations are translated as if the transactions of the foreign operations have been those of the Company itself. In translating the financial statements of a non-integral foreign operation, the assets and liabilities, both monetary and non-monetary are translated at the closing rate, income and expense items are translated at average exchange rates and all resulting exchange difference are accumulated in a foreign currency translation reserve until disposal of the net investment in the non-integral foreign operations.

2.18 Employee Stock Option Plans

The Group determines the compensation cost based on the intrinsic value method. The Group grants options to its employees which are to be exercised within a specified period. The compensation cost is amortized over the vesting period.

Note 3 - Share capital :

Particulars	As at			
	31st March, 2016		31st March, 2015	
	Number	**₹ in Million**	Number	₹ in Million
(a) Authorised :				
Equity shares of ₹ 10 each	**25,500,000**	**255**	25,500,000	255
Series A 0.001% fully convertible non-cumulative preference shares of ₹ 10 each	**8,000,000**	**80**	8,000,000	80
(b) Issued, subscribed and fully paid up :				
Equity shares of ₹ 10 each fully paid up	**21,864,850**	**219**	21,864,850	219
Total		**219**		219

Notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at			
	31st March, 2016		31st March, 2015	
	Number	**₹ in Million**	Number	₹ in Million
Equity Shares				
Opening Balance	**21,864,850**	**219**	21,864,850	219
Shares issued during the year	**-**	**-**	-	-
Closing Balance	**21,864,850**	**219**	21,864,850	219

(ii) Terms, rights and restrictions attached to:

Equity Shares:

The Company has equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amount. The distribution will be in proportion to the equity shares held by the shareholders.

Series A 0.001% fully convertible non-cumulative preference shares:

The Company had fully convertible non-cumulative redeemable preference shares having a par value of ₹ 10 per share. Non-cumulative redeemable preference shares carry cumulative dividend @ 0.01 % per annum.

(iii) Details of shares held by the holding company

Particulars	Number of Shares	
	As at 31st March, 2016	As at 31st March, 2015
Tech Mahindra Limited	**14,675,088**	14,675,088

(iv) Details of equity shares held by shareholder holding more than 5%:

Name of shareholder	**As at 31st March, 2016**		As at 31st March, 2015	
	No. of Shares	**% of Holding**	No. of Shares	% of Holding
Equity shares of ₹ 10 each fully paid up				
Tech Mahindra Limited	**14,675,088**	**67.12%**	14,675,088	67.12%
West Bridge Ventures II Investment Holdings	**2,170,931**	**9.93%**	2,170,931	9.93%
Bharti (SBM) Holdings Private Limited	**1,936,420**	**8.86%**	1,936,420	8.86%
Bharti (RM) Holdings Private Limited	**1,210,262**	**5.54%**	1,210,262	5.54%
Bharti (RBM) Holdings Private Limited	**1,210,262**	**5.54%**	1,210,262	5.54%

(v) Shares reserved for issue under options

For details of equity shares reserved for issue under the employees stock option plan (ESOP) of the Company Refer Note 26.

Note 4 - Reserves and surplus :

₹ in Million

Particulars	**As at**			
		31st March, 2016		31st March, 2015
Securities premium account - opening balance		**567**		567
Hedging Reserve (Refer Note 2.11.b & 31.1)				
Opening balance	**17**		31	
Less: change in fair value of forward contracts (net)	**(13)**		(14)	
Closing balance		**4**		17
Foreign Currency Translation Reserve				
Opening balance	**-**		-	
Add: Foreign Currency Translation during the year	**0**		-	
Closing balance		**0**		-
Share options outstanding account				
Opening balance	**0**		0	
Add: amortised amount of stock compensation cost (net)	**-**		0	
Less: transfer to surplus in the statement of Profit and Loss on account of cancellation/forfeiture of options	**(0)**		(0)	
Closing balance		**0**		0
Surplus in the statement of profit and loss				
Opening balance	**2,961**		2,269	
Add: transfer on account of cancellation/forfeiture of options	**0**		0	
Add: profit/(loss) for the year	**752**		692	
Closing balance		**3,713**		2,961
Statutory Reserve*		**0**		0
Total		**4,284**		3,545

*In accordance with the U.A.E. Federal Law No (8) of 1984, as amended, and as per article of association of Comviva Technologies FZ LLC limited, it has established a statutory reserve by transferring 10% of its net profits of Comviva technologies FZ LLC limited for each year until the reserve equals 50% of the issued share capital. This reserve is not available for distribution except as stipulated by the Law. This is discontinued as permitted by law since the reserve has accumulated to 50% of the paid up capital.

Note 5 - Long-term Borrowings :

₹ in Million

Particulars	**As at**	
	31st March, 2016	31st March, 2015
Unsecured		
- Deferred payments -(Liabilities repayable over period of 2-3 years without interest)	**36**	-
Total	**36**	-

Note 6 - Other long-term liabilities :

₹ in Million

Particulars	As at 31st March, 2016	As at 31st March, 2015
Unearned revenue	**22**	24
Contractual Obligation (Refer Note 30(ii)(2))	**179**	-
Total	**201**	24

Note 7 - Long-term provisions :

Provision for employee benefits		
-Gratuity (Refer Note 25)	**89**	75
-Compensated absences	**65**	35
Total	**154**	110

Note 8 - Short-term borrowings :

Unsecured Loan		
From Others	**265**	-
Total	**265**	-

Note 9 - Trade payables :

Trade payables other than Accrued Salaries and Benefits		
- Due to Micro, Small and Medium Enterprises (Refer Note 37)	**-**	-
- Other than due to Micro, Small and Medium Enterprises	**1,340**	1,103
Accrued Salaries and Benefits	**179**	249
Total	**1,519**	1,352

Note 10 - Other current liabilities :

Unearned revenue	**155**	102
Statutory remittances	**120**	78
Payables on purchase of fixed assets	**35**	25
Advance from customers	**88**	74
Current maturities of long term borrowings (unsecured)	**47**	-
Contractual Obligation (Refer Note 30(ii)(2))	**60**	-
Total	**505**	279

Note 11 - Short term provisions :

Provision for employee benefits		
-Gratuity (Refer Note 25)	**8**	4
-Compensated absences	**29**	32
	37	36
Provision for income tax (net of taxes paid)	**44**	83
Provision for warranties (Refer Note 34)	**16**	12
Total	**97**	131

Note 12 - Fixed assets

₹ in Million

Particulars	Gross Block						Accumulated Depreciation / Amortization						Net Block	
	As at 1st April, 2015	Additions on acquisition (Refer Note 30(ii)(2))	Additions during the year	Disposals during the year	Adjustment	As at 31st March, 2016	As at 1st April, 2015	Additions on acquisition (Refer Note 30(ii)(2))	For the year	On disposal for the year	Adjustment	As at 31st March, 2016	As at 31st March, 2016	As at 31st March, 2015
A. Tangible Assets														
Plant and equipment	833	11	87	24	(1)	906	661	9	124	24	1	771	135	172
(Previous year)	678		157	4		833	513		150	3		661	172	
Furniture and fixtures	33	32	10	2	1	74	22	27	5	1	(2)	51	23	11
(Previous year)	23	-	10	-		33	17	-	5	-		22	11	
Office equipment	37	1	14	0	0	52	22	0	7	0	(0)	29	23	15
(Previous year)	30	-	7	-		37	17	-	5	-		22	15	
Vehicle	-	0	(0)		0	0	-	0	0		(0)	0	0	-
(Previous year)	-	-											-	
Improvement to leased premises	46	3	5	-	(0)	54	39	3	8	-	0	50	4	7
(Previous year)	29	-	17	-		46	21	-	18	-		39	7	
Total	**949**	**47**	**116**	**26**	**0**	**1,086**	**744**	**39**	**144**	**25**	**(1)**	**901**	**185**	**205**
Previous Year	760	-	191	4		949	568	-	178	3		744	205	
B. Intangible Assets														
(Other than internally generated)														
Computer software	348	7	35	-	0	390	339	7	39	-	(0)	385	5	9
(Previous year)	293	-	55	-		348	284	-	55	-		339	9	
Intellectual property rights	-	0	0	-	(0)	0	-	0	-	-	-	0	0	-
(Previous year)	7	-	-	7		-	7	-	-	7		-	-	
Intangible Assets customer rights	-	27	-	-	-	27	-	-	1	-	-	1	26	-
(Previous year)	-	-	-	-	-	-	-	-		-	-	-	-	
Total	**348**	**34**	**35**	**-**	**0**	**417**	**339**	**7**	**40**	**-**	**(0)**	**386**	**31**	**9**
Previous Year	300	-	55	7		348	291	-	55	7		339	9	

Note 13 - Deferred tax assets (net) :

₹ in Million

Particulars	As at 31st March, 2016	As at 31st March, 2015
Break up of deferred tax assets		
Nature of timing difference		
- Impact of expenditure charged to the statement of profit & loss but allowed for tax purposes on payment basis	**95**	129
- Provision for doubtful debts and advances	**56**	51
- Provision for depreciation	**38**	28
Total	**189**	208

Note 14 - Long-term loans and advances :

Particulars		31st March, 2016	31st March, 2015
Loans and advances to related parties (Refer Note 29)			
Loan to Comviva ESOP Trust		**17**	17
Capital advances			
Considered good	**0**		13
Considered doubtful	**1**		0
	1		13
Provision for doubtful advances	**1**		0
		0	13
Security deposits		**90**	87
Advance income taxes (net of provisions)		**539**	412
Balance with Government authorities		**73**	-
Fixed Deposits		**2**	-
Prepaid expenses		**15**	1
Total		**736**	530

Note 15 - Current Investments :

Particulars	31st March, 2016	31st March, 2015
Investments in Mutual Funds (unquoted) (Non-trade) (at cost or NRV whichever is lower)		
107,977.10 (Previous year: Nil) units of ₹1019.4457 (Previous year: Nil) - UTI-Liquid cash plan-Institutional-daily dividend investment	**110**	-
32,067,220.24 (Previous year: Nil) units of ARS 0.1759 (Previous year :Nil) -Alpha Ahorro Class A mutual funds	**26**	-
Total	**136**	-

Note 16 - Inventories :

₹ in Million

Particulars		As at 31st March, 2016	As at 31st March, 2015
(Valued at lower of cost and net realizable value)			
Others - Stock of IT equipments and purchased software (Consumed in IT projects)		**142**	58
	Total	**142**	58

Note 17 - Trade receivables :

Trade Receivables (Unsecured)			
Over Six Months			
- Considered good*	**390**		407
- Considered doubtful	**159**		137
		549	544
- Considered good**	**2,521**		2,316
- Considered doubtful	**-**		2
		2,521	2,318
Total		**3,070**	2,862
Less: Provision for doubtful trade receivables		**159**	139
Total		**2,911**	2,723

* Net of Advances aggregating to ₹ 89 million (Previous Year: ₹ 4 million) pending adjustments with invoices
** Net of Advances aggregating to ₹ 27 million (Previous Year: ₹ 192 million) pending adjustments with invoices

Note 18 - Cash and cash equivalents :

Cash on hand		**1**	0
Remittances in transit		**88**	86
Balances with banks:			
- In current accounts		**848**	529
- In deposit accounts		**-**	56
- Balance held under Escrow account		**2**	-
	Total	**939**	671
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is		**937**	671

Note 19 - Short-term loans and advances :

₹ in Million

Particulars	As at 31st March, 2016		31st March, 2015	
(Unsecured, considered good unless otherwise stated)				
Loans and advances to employees		**92**		90
Prepaid expenses		**124**		71
- Advance to suppliers				
Considered good	**40**		42	
Considered doubtful	**3**		2	
	43		44	
Provision for doubtful advances	**3**		2	
		40		42
Balance with Government authorities		**165**		135
Fair values of foreign exchange forward contracts		**22**		52
Others		**10**		14
Total		**453**		404

Note 20 - Other current assets :

Particulars		31st March, 2016	31st March, 2015
Unbilled Revenue (Net of Provision of ₹ 14 million (previous year: ₹ 14 million))		**1,233**	806
Interest accrued		**0**	0
	Total	**1,233**	806

Note 21 - Revenue from operations :

₹ in Million

Particulars	For the Year ended 31st March 2016		For the Year ended 31st March 2015	
Income from Comviva Product and related managed support				
Licence Fee with Implementation and other services	**3,541**		3,356	
Revenue sharing arrangements	**2,005**		1,521	
Annual maintenance contract services	**990**		904	
		6,536		5,781
Income from sale of equipments and software (third party)*		**1,289**		1,061
Total		**7,825**		6,842

*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 22 - Other income :

₹ in Million

Particulars		For the Year ended 31st March 2016	For the Year ended 31st March 2015
Interest income		**3**	10
Dividend income on current investments		**0**	5
Exchange gain/loss (net)		**112**	(37)
Profit on sale of current investments		**1**	0
Sundry Balances written back		**17**	10
Miscellaneous Income		**7**	4
	Total	**140**	(8)

Note 23. Employee benefits expense :

Salaries, wages and bonus		**2,080**	1,828
Contribution to provident and other funds (Refer Note 25)		**131**	96
Employee stock compensation cost		**-**	0
Staff Welfare Expenses		**69**	63
	Total	**2,280**	1,987

Note 24. Operating and other expense:

Cost of hardware equipment and other items sold		**1,376**	1,192
Royalty and software charges		**601**	179
Travelling and conveyance		**623**	675
Specific project related claims		**14**	23
Freight and forwarding charges		**40**	48
Recruitment Expenses		**28**	19
Power and fuel		**32**	29
Rent		**159**	137
Rates and taxes		**74**	43
Insurance		**25**	18
Repairs and maintenance:			
Machinery and computers	**61**		65
Building	**45**		34
Others	**69**		39
		175	138
Advertising and sales promotion		**119**	58
Communication costs		**92**	69
(Profit)/Loss on Sale of Fixed Assets(Net)		**0**	(0)
Corporate Social Responsibility (Refer Note 36)		**20**	9
Legal and professional fees (Refer Note 33)		**155**	121
Conference expenses		**54**	46
General office expenses		**24**	25
Provision for doubtful debts and advances (net)		**87**	85
Miscellaneous expenses (including warranty) (Refer Note 34)		**23**	31
Total		**3,721**	2,945

25. Employee Benefits

a) Defined Contribution Plan - Provident Fund

Amounts recognized as an expense in the Statement of Profit and Loss in respect of defined contribution plan is ₹102 million (year ended 31st March, 2015 : ₹ 83 million).

b) Defined Benefit Plan

i) Actuarial gains and losses in respect of defined benefit plans are recognised in the Statement of Profit and Loss.

ii) The Defined Benefit Plans comprise of Gratuity.

Gratuity is a benefit to an employee based on 15 days last drawn salary for each completed year of service.

The defined benefit plan is funded.

I] Changes in the present value of defined obligation representing reconciliation of opening and closing balances thereof are as follows :

₹ in Million

Particulars	**As at 31st March, 2016**	As at 31st March, 2015
Present Value of Defined Obligation as at the beginning of the year	**97**	95
Current Service Cost	**17**	31
Interest cost	**6**	8
Benefits Paid	**(14)**	(14)
Actuarial (gains)/ losses on obligation	**6**	(23)
Actuarial gains on fair value	**-**	-
Present Value of Defined Benefit Obligation as at the end of the year	**112**	97

II] Change in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows :

₹ in Million

Particulars	**As at 31st March, 2016**	As at 31st March, 2015
Opening fair value of plan assets	**18**	18
Expected return on plan assets	**1**	1
Contributions by employer	**8**	3
Benefits Paid	**(12)**	(6)
Actuarial Gain	**0**	2
Closing fair value of plan assets at end of the year	**15**	18

III] Reconciliation of Present Value of Defined Benefit Obligation and fair value of plan assets showing amount recognised in the Balance Sheet :

Benefit assets/ (liability)

₹ in Million

Particulars	**As at 31st March, 2016**	As at 31st March, 2015
Present value of defined benefit obligation	**(112)**	(97)
Fair value of plan assets	**15**	18
Funded status [Surplus/(Deficit)]	**(97)**	(79)
Net Asset/(Liability) recognised in Balance Sheet	**(97)**	(79)

IV] Components of employer expenses recognised in the Statement of Profit and Loss for year ended 31st March, 2016

₹ in Million

Particulars	**As at 31st March, 2016**	As at 31st March, 2015
Current Service Cost	**17**	31
Interest Cost	**6**	8
Expected return on plan assets	**(1)**	(1)
Net Actuarial (Gain)/ Loss	**6**	(25)
Total expense recognised in the Statement of Profit & Loss	**28**	13

V] In respect of Funded Benefits with respect to gratuity, the fair value of Plan assets represents the amounts invested through "Insurer Managed Funds"

VI] Assumptions

	As at 31st March, 2016	As at 31st March, 2015
Discount Rate	**7.60%**	7.80%
Expected Rate of Returns on Plan Assets	**8.00%**	8.00%
Salary Escalation	**8.00%**	8.00%
Employee separation Rate	**17.00%**	17.00%

a) The Discount rate is based on the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated terms of the obligations.

b) Expected Rate of Return on Plan Assets: This is based on the expectation of the average long-term rate of return expected on investments of the Fund during the estimated term of obligations.

c) Salary Escalation Rate: The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

VII] Experience History

₹ in Million

Particulars	**As at 31st March, 2016**	31st March, 2015	31st March, 2014	31st March, 2013	31st March, 2012
Present value of obligation as at the end of the period	**112**	97	95	72	62
Fair value of the plan assets at the end of the period	**15**	18	18	20	20
Surplus / (Deficit)	**(97)**	(79)	(77)	(52)	(42)
Experience adjustment on plan Liabilities (loss) / gain	**(6)**	24	4	1	2
Experience adjustment on plan Assets (loss) / gain	**0**	2	1	0	0
Actuarial gain/(loss) due to change in assumptions	**(1)**	(2)	-	-	-

26. Employee Stock Option Plans

The company provides share based payment scheme to its employees ""ESOP Plan"". During the financial year 2012-13 the company has cancelled that ESOP Plan except to the extent of certain employees who continue to carry stock options.

Employee Stock Option Plan (ESOP) 2009-

Pursuant to shareholders further resolution dated February 24, 2009, the Company announced the ESOP Scheme - Employee Stock Option Plan (ESOP) 2009 "ESOP 2009" with Time Based and Performance Based plans under which the maximum quantum of options was determined at 1,136,203 to be granted to employees of the company and its holding or subsidiaries whether in India or abroad from time to time on the basis of their performance and other eligibility criteria. The above options are planned to be settled in equity at the time of exercise and have maximum vesting period of four years from the date of the respective grants.

Number of options granted, exercised and cancelled/lapsed under the scheme during the period:

Particulars	**As at 31st March, 2016**		As at 31st March, 2015	
	Number of options	**Weighted Average Exercise Price (₹)**	Number of options	Weighted Average Exercise Price (₹)
Scheme- ESOP 2009 - Time Based				
Outstanding at the beginning of the year	**4,000**	**195.03**	4,000	195.03
Granted during the year	**-**		-	
Forfeited during the year	**-**		-	
Exercised during the year	**-**		-	
Surrendered during the year	**-**		-	
Outstanding at the end of the year	**4,000**	**195.03**	4,000	195.03

Comviva Employee Stock Option Plan (ESOP)-

Pursuant to shareholders further resolution dated July 29, 2010, the Company announced new Scheme Comviva ESOP Scheme with Time Based and Performance Based plans under which the maximum quantum of options was determined at 800,000 to be granted to employees of the company and its holding or subsidiaries whether in India or abroad from time to time on the basis of their performance and other eligibility criteria. The above options are planned to be settled in equity at the time of exercise and have maximum vesting period of four years from the date of the respective grants.

Number of options granted, exercised and cancelled/lapsed under the scheme during the period:

Particulars	**As at 31st March, 2016**		As at 31st March, 2015	
	Number of options	**Weighted Average Exercise Price (₹)**	Number of options	Weighted Average Exercise Price (₹)
Comviva ESOP Scheme - Time Based				
Outstanding at the beginning of the year	**2,263**	**300**	2,638	300
Granted during the year	**-**		-	
Forfeited during the year	**305**	**300**	375	300
Exercised during the year	**-**		-	
Surrendered during the year	**-**		-	
Outstanding at the end of the year	**1,958**	**300**	2,263	300

Information in respect of options outstanding

ESOP Scheme	**As at 31st March, 2016**		As at 31st March, 2015	
	Number of Options Outstanding	**Weighted average remaining life (in Years)**	Number of Options Outstanding	Weighted average remaining life (in Years)
Scheme- ESOP 2009 - Time Based	**4,000**	**0.33**	4,000	1.33
Comviva ESOP Scheme - Time Based	**1,958**	**1.33**	2,263	2.33

27. Leases

i) Operating Lease - As a Lessee

Obligations towards non-cancellable operating 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, 2016 is ₹ 159 million (year ended 31st March, 2015: ₹ 137 million). The future lease payments of such operating lease are as follows:-

₹ in Million

Particulars	**As at 31st March 2016**	As at 31st March 2015
Minimum Lease Payments		
- Not later than one year	**120**	121
- Later than one year and not later than five years	**85**	201

28. Segment Information

The company is engaged in providing Integrated Value Added Service (IVAS) solutions for mobile operations, which constitute one single reportable primary segment. The information on geographical segments is given below:-

Secondary segment-Geographical segment

₹ in Million

Particulars	**As at 31st March, 2016**			As at 31st March, 2015		
	India	**Rest of the world**	**Total**	India	Rest of the world	Total
Revenue from operations	**1,850**	**5,975**	**7,825**	1,882	4,960	6,842
Total segmental Revenue	**1,850**	**5,975**	**7,825**	1,882	4,960	6,842

Note:-

The company's operating facilities are located in India.

Segment information on India and Rest of the World is based on geographical location of customers.

Segregation of assets into secondary segment has not been done as the assets are used interchangeably between segment. Consequently the carrying amount of assets by location of assets are not given.

29. Related Party Disclosure

a) Name of the related party and nature of relationship:-

Name of the party*	**Nature of relationship**
Tech Mahindra Limited	Holding company
PT Tech Mahindra Indonesia	Fellow subsidiary
New VC Services Private Limited	Fellow subsidiary
Tech Mahindra Foundation	Fellow subsidiary
Tech Mahindra Nigeria	Fellow subsidiary
Comviva ESOP Trust	Enterprise where the Company is in a position to exercise control
Manoranjan Mohapatra	Managing Director and Chief executive officer
Sriram Gopalakrishnan	Chief financial controller

*We have disclosed related parties where control exist and other related parties with whom company have transactions during the year.

b) **Transactions with Related Parties:**

₹ in Million

Particulars	Transactions for the year ended 31st March 2016 Revenue/(Expense)					Balance as at 31st March, 2016 Debit/(Credit)					
	Sales	**Cost of Goods/ service (received)/ provided**	**Reimbursement of expense (net)**	**Donation Given**	**Managerial Remuneration**	**Trade Receivable**	**Unbilled**	**Trade Payable**	**Deferred Revenue**	**Loans & Advances**	**Accrued benefit payable**
Holding Company											
Tech Mahindra Limited	**165**	**(1)**	**(26)**	**-**	**-**	**63**	**22**	**(12)**	**(1)**	**-**	**-**
Fellow Subsidiary											
PT Tech Mahindra Indonesia	**7**	**-**	**-**	**-**	**-**	**-**	**0**	**-**	**-**	**-**	**-**
Tech Mahindra Nigeria	**23**					**23**					
Tech Mahindra Foundation	**-**	**-**	**-**	**(11)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Enterprise where the Company is in a position to exercise control											
Comviva ESOP Trust	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**17**	**-**
Key Management Personnel											
Manoranjan Mohapatra	**-**	**-**	**-**	**-**	**(37)**	**-**	**-**	**-**	**-**	**-**	**(16)**
Sriram Gopalakrishnan	**-**	**-**	**-**	**-**	**(16)**	**-**	**-**	**-**	**-**	**-**	**(2)**

b) Transactions with Related Parties:

₹ in Million

Particulars	Transactions for the year ended 31st March 2015 Revenue/(Expense)				Balance as at 31st March, 2015 Debit/(Credit)				
	Sales	Cost of Goods/ service (received)/ provided	Donation Given	Managerial Remuneration	Trade Receivable	Unbilled	Trade Payable	Loans & Advances	Accrued benefit payable
Holding Company									
Tech Mahindra Limited	218	(20)	-	-	61	46	(16)	-	-
Fellow Subsidiary									
PT Tech Mahindra Indonesia	7	-	-	-	3	-	-	-	-
New VC Services Private Limited	4	-	-	-	1	-	-	-	-
Tech Mahindra Foundation	-	-	(4)	-	-	-	-	-	-
Enterprise where the Company is in a position to exercise control									
Comviva ESOP Trust	-	-	-	-	-	-	-	17	-
Key Management Personnel									
Manoranjan Mohapatra	-	-	-	30	-	-	-	-	(30)
Sriram Gopalakrishnan	-	-	-	13	-	-	-	-	(4)

30 Contingent Liabilities and Commitments:

(i) Contingent Liabilities:

₹ in Million

Sr. No.	Particulars	As at 31st March, 2016	As at 31st March, 2015
1	Bank Guarantees	**84**	86
2	Corporate Guarantee*	**1,822**	-
3	Income tax matters (Refer Note I)	**174**	22
4	Service tax matters (Refer Note II)	**407**	407
5	Other claims against the company not acknowledged as debts (Refer Note III)	**47**	46

* Corporate Guarantee of USD 28 million (₹1,822 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) ₹ 3 Million (March 31, 2015 ₹ 3 Million) against which company has paid ₹ 2 Million (March 31, 2015 - ₹ 2 Million) under protest.

b) Demand from Income Tax Authorities for Assessment year 2006-07 (from Assistant Commissioner of Income Tax) ₹ 2 Million (March 31, 2015 : ₹ 2 Million)

c) Demand from Income Tax Authorities for Assessment year 2007-08 u/s 154 (from Assistant Commissioner of Income tax) ₹ 3 Million (March 31, 2015 ₹ 3 Million) against which company has paid ₹ 2 Million (March 31, 2015 ₹ 2 Million) under protest.

d) Demand from Income tax Authorities for the Assessment year 2007-08 for payment of additional tax u/s 143(3) from Deputy Commissioner of Income Tax for ₹ 58 Million (March 31, 2015 ₹ 58 Million). The Company has filed Form 35 with CIT(A) and subsequent appeal before income tax appellant tribunal against this Assessment Order. The company has got favourable order from CIT(A) and ITAT. However on the ground relating to disallowance under section 14A ITAT has referred back the matter to AO for statistical verification. The amount of tax demand relating to this ground is ₹ 1 Million which is pending for disposal with AO.

e) The company has paid CDF 190 Million (₹ 14 Million) against the tax demand along with filling of objection letter with the respective tax department against this said demand. The matter is not up for hearing and the management is confident of recovering the same.

f) The Company has received an order u/s 143(3) from the Assessing Officer for Assessment year 2012-13 with no adjustments in the returned income. However, there is a short adjustment of TDS credit, MAT credit and Foreign tax credit of ₹ 196 million resulting in a demand of ₹134 million(March 31, 2015 ₹ Nil). The Company has filed a rectification application u/s 154 before the assessing officer on April 4, 2016 and appeal before CIT(Appeals) on April 14, 2016.

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 (₹ 17 million).The Company has filed an objection letter with the respective tax department and appeal before Income Tax Appellant Tribunal against the said demand.

II Service Tax Matter:

The company has received an order from Commissioner of service tax confirming demand(including penalty of ₹ 204 million) for the financial years 2004-05 to 2007-08 amounting to ₹ 407 million (March 31, 2015 - ₹ 407 million). An amount of ₹ 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.

III Other Claims:

a) It includes demand from BSES, New Delhi amounting to ₹ 15 Million and from BESCOM, Bangalore amounting to ₹ 7 Million.

b) Includes a claim of USD-0.6 million (₹ 39 million) by a leading telecom customer in Africa. The company has issued a credit note of ₹ 19 million (50% of the claim amount) as an interim settlement and provided for an amount of ₹ 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-22 million (₹ 15 million) by a leading telecom customer in Africa.The company has issued a credit note of ₹ 5 Million (30% of the claim amount) as an interim settlement and the balance amount is shown under contingent liability.

d) Includes a claim of KES-7 million (₹ 5 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 of March 31, 2016.

(ii) Commitments :

₹ in Million

Sr. No.	Particulars	As at 31st March, 2016	As at 31st March, 2015
1	Estimated amount of contracts remaining to be executed on capital account and not provided for	**25**	45

2 Purchase commitments in respect of investment

Comviva Technologies B.V.(a wholly owned subsidiary of the company) through the agreement dated 22nd January 2016 acquired 100% equity control in ATS Advanced Technologies Solutions SA (“ATS – AR”) and ATS Advanced Technology Solutions do Brasil, Industria, Comercio, Importacao y Exportacao LTDA(“ATS – BR”) in Argentina and Brazil respectively for a consideration of USD 4.65 million (₹ 314 million) subject to agreed terms and conditions. Post the achievement of agreed terms and conditions, “ATS – AR” & “ATS – BR” became wholly owned subsidiaries of Comviva Technologies B.V w.e.f 1st February 2016.

As per the agreement, the initial purchase consideration of USD 1.05 million (₹ 70 million) has been paid and balance shall be paid in the Escrow Account on 31st December 2016 and shall be paid out in tranches of USD 0.90 Million each on 31st December 2016 ,31st December 2017,31st December 2018 and 31st December 2019.

31 (1) Details of Derivative Instruments (for hedging):

A) Cash Flow hedges: In accordance with its risk management policy and business plan the Company has hedged its cash flows. The Company enters into Derivative contracts to offset the foreign currency risk arising from the amounts denominated in currencies other than the Indian rupee. The counter party to the Company’s foreign currency contracts is generally a bank. These contracts are entered into to hedge the foreign currency risks of firm commitments and highly probable forecast transactions. The Management has assessed the effectiveness of its hedging contracts outstanding as on 31st March 2016 as required by AS-30 and accordingly the mark to market gain of ₹ 4 million (net) (31st March 2015 ₹ 17 million (net)) is recognized in the Hedging Reserve.

B) The following are the outstanding USD/EUR: INR Currency Exchange Contracts entered into by the Company which have been designated as Cash Flow Hedges.

Amount outstanding at period end in Foreign Currency		Fair Value Gain/(Loss)	Amount outstanding as at 31st March 2016
USD	23 million (31st March 2015: 29 million)	₹ 24 million (31st March 2015: ₹ 22 million)	₹ 1,534 million (31st March 2015 : ₹ 1,779 million)
EUR	3 million (31st March 2015: 3 million)	₹ (2) million (31st March 2015: ₹ 30 million)	₹ 226 million (31st March 2015 : ₹ 188 million)

The forward contracts entered have maturity between 30 days to 1 year from the Balance Sheet date.

(2) Details of foreign currency exposures that are not hedged by a derivative instrument or otherwise:-

₹ in Million

Particulars	Currency	As at 31st March 2016		As at 31st March 2015	
		Amount in Foreign Currency	**Amount in INR Currency**	Amount in Foreign Currency	Amount in INR Currency
Trade Receivables	BDT	**50**	**42**	52	42
	AED	**7**	**134**	-	-
	CDF	**822**	**60**	504	35
	EUR	**3**	**246**	4	294
	GBP	**0**	**7**	0	2
	GHS	**1**	**15**	0	5
	KES	**15**	**10**	21	15
	MGA	**497**	**10**	1,189	25
	MWK	**147**	**14**	284	41
	NGN	**134**	**45**	166	52
	SCR	**0**	**1**	-	-
	SLL	**856**	**14**	661	10
	TZS	**1,999**	**61**	1,092	37
	UGX	**213**	**4**	-	-
	RWF	**15**	**1**	33	3
	USD	**6**	**391**	-	-
	XAF	**189**	**22**	226	23
	XOF	**528**	**61**	246	25
	ZMW	**1**	**3**	2	16
Loans and Advances	BDT	**75**	**63**	72	58
	CDF	**743**	**54**	526	36
	EUR	**3**	**191**	2	122
	GBP	**0**	**5**	0	4
	GHS	**1**	**10**	0	7
	KES	**39**	**25**	40	27
	LKR	**1**	**0**	1	0
	MGA	**1,108**	**23**	443	9
	MWK	**330**	**32**	106	15
	NGN	**150**	**50**	88	28
	RWF	**2**	**0**	6	1
	SCR	**1**	**6**	1	4
	SGD	**-**	**-**	0	3
	SLL	**880**	**15**	744	11
	TZS	**2,778**	**84**	1,776	60
	UGX	**742**	**15**	694	15
	USD	**16**	**1,042**	12	743
	XAF	**260**	**30**	145	15
	XOF	**361**	**41**	364	38
	ZAR	**0**	**0**	0	0
	ZMW	**2**	**10**	1	5
Trade Payables	AED	**11**	**197**	1	10
	BDT	**2**	**2**	1	1
	CDF	**10**	**1**	133	9
	GBP	**0**	**6**	0	6
	GHS	**0**	**5**	0	5
	KES	**-**	**-**	8	5
	LKR	**-**	**-**	4	2
	MGA	**107**	**2**	91	2
	MWK	**3**	**0**	5	1
	NGN	**96**	**32**	34	11

₹ in Million

Particulars	Currency	As at 31st March 2016		As at 31st March 2015	
		Amount in Foreign Currency	**Amount in INR Currency**	Amount in Foreign Currency	Amount in INR Currency
	RWF	**5**	**0**	2	0
	SCR	**0**	**0**	0	1
	SGD	**0**	**2**	0	6
	SLL	**97**	**2**	95	1
	TZS	**35**	**1**	74	3
	UGX	**2**	**0**	42	1
	USD	**9**	**579**	5	333
	XAF	**136**	**16**	131	14
	XOF	**85**	**10**	143	15
	ZAR	**0**	**1**	0	1
	ZMW	**0**	**1**	0	1

32 Basic and Diluted Earning per share

₹ in Million except earning per share

Particulars	**As at 31st March, 2016**	As at 31st March, 2015
Nominal value per equity share	**10**	10
Profit for the period	**752**	692
Profit attributable to equity shareholders	**752**	692
	No. of Shares	No. of Shares
Weighted average number of equity shares	**21,864,850**	21,864,850
Weighted average number of diluted equity shares	**21,865,915**	21,865,915
Earning Per Share- Basic	**34.38**	31.65
Earning Per Share- Diluted	**34.38**	31.65

* Since the result of potential equity shares is anti-dilutive, weighted average number of diluted equity shares has not been calculated.

33 Auditors Remuneration

₹ in Million

Particulars	**As at 31st March, 2016**	As at 31st March, 2015
Audit Fees (including quarterly audits)	**3**	3
For other services	**0**	0
For taxation matter	**1**	1
Total	**4**	4

34 Details of provisions and movements in each class of provisions as required by the Accounting Standard on Provisions, Contingent Liabilities and Contingent assets (Accounting Standard-29)

Warranty Provision:

₹ in Million

Particulars	**As at 31st March, 2016**	As at 31st March, 2015
Carrying amount as at the beginning of the year	**12**	6
Add: Additional provision made during the year	**12**	12
Less: Provision reversed during the year	**(12)**	(6)
Carrying amount as at the end of the year	**12**	12

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

35 During the year ended 31st March 2016, Tech Mahindra Limited being the holding company has granted employee stock option to certain employees of the company. The cost incurred by the holding company for issuing such options is ₹ 26 million (Year ended 31st March 2015: Nil).

36 Corporate Social Responsibility:

a) Gross amount required to be spent by the Company ₹ 20 million during the year.

b) Amount spent during the year ₹ 20 million.

37 Based on the information available with the company, no creditors have been identified as "Supplier" within the meaning of Micro, Small and Medium Enterprises Development (MSMED) Act, 2006.

38 Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014 statement containing salient features of the financial statement of subsidiaries are attached herewith annexure.

39 Additional Information as per Section 129 of the Companies Act 2013 – Refer Annexure - I

40 Statement containing the salient feature of the financial statement of a company's subsidiary or subsidiaries, associate company or companies and joint venture / ventures under the first proviso to sub-section (3) of section 129 (Form AOC-1) - Refer Annexure - II

41 Previous period's figures have been re-grouped / re-classified wherever necessary to correspond with the current year's classification/disclosure.

For and on behalf of the Board of Directors

Vineet Nayyar Chairman	**Manoranjan Mohapatra** Managing Director and CEO	**C.P. Gurnani** Director
Devendra Khanna Director	**Rahul Bhatnagar** Director	**Ulhas N. Yargop** Director
Jagdish Mitra Director	**Sunita Umesh** Director	**Rajat Mukherjee** Director

Sriram Gopalakrishnan
CFO & Company Secretary

Place: Delhi
Date: May 12, 2016

ADDITIONAL INFORMATION AS REQUIRED BY SCHEDULE III OF THE ACT

Annexure I

Name of the entity	**Net Assets, i.e., total assets minus total liabilities**				**Share in profit or loss**			
	F.Y. 2015-2016		F.Y. 2014-2015		**F.Y. 2015-2016**		F.Y. 2014-2015	
	As % of consolidated Net Assets	**INR Amount (In Million)**	As % of consolidated Net Assets	INR Amount (In Million)	**As % of consolidated Profit or Loss**	**INR Amount (In Million)**	As % of consolidated Profit or Loss	INR Amount (In Million)
Parent Company								
Comviva Technologies Limited	**100%**	**4,485**	101%	3,790	**94%**	**708**	109%	751
Subsidiaries								
Foreign								
Comviva Technologies Inc.	**0%**	**16**	0%	13	**1%**	**9**	1%	6
Comviva Technologies Nigeria Limited	**0%**	**(8)**	0%	15	**-3%**	**(22)**	-3%	(20)
Comviva Technologies Singapore PTE. Limited	**0%**	**1**	0%	(4)	**0%**	**(2)**	0%	(2)
Comviva Technologies FZ-LLC	**1%**	**47**	-1%	(38)	**11%**	**86**	-8%	(53)
Hedonmark {Management Services} Limited	**-1%**	**(35)**	0%	(1)	**-5%**	**(34)**	0%	(2)
Comviva Technologies Netherland BV	**0%**	**16**	-	-	**2%**	**14**	-	-
Terra Payment Services (Netherlands) B.V.	**0%**	**6**	-	-	**-3%**	**(23)**	-	-
ATS Advanced Technologies Solutions (S.A.)	**1%**	**26**	-	-	**1%**	**8**	-	-
ATS Advanced Technology solutions do Brasil Industria,Comercio, importacao Ltda	**1%**	**28**	-	-	**3%**	**23**	-	-
Adjustments on consolidation	**-2%**	**(79)**	0%	(11)	**-2%**	**(15)**	2%	12
Total	**100%**	**4,503**	**100%**	**3,764**	**100%**	**752**	**100%**	**692**

Comviva Technologies Limited

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries

FORM AOC-1

Annexure II
(FY 2015-2016)
(Amount in Rs.Million)

Name of the subsidiary	Comviva Technologies Inc.	Comviva Technologies Nigeria Limited	Comviva Technologies Singapore PTE. Ltd.	Comviva Technologies FZ-LLC	Hedonmark {Management Services} Limited	Comviva Technologies BV	Terra Payment Services (Netherlands) B.V.	Mobex Money Transfer Services Limited (Refer note i(a) below)	Terra Payment Services (Tanzania) Limited (Refer note i(b) below)	Terrapay Services (UK) Limited (Refer note i(c) below)	Terra Payment Services (Uganda) Limited (Refer note i(d) below)	Terra Payment Services South Africa (PTY) Ltd. (Refer note i(e) below)
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	December											
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	USD/66.15	NGN/0.33	SGD/49.25	AED/18.04	NGN/0.33	EUR/75.41	EUR/75.41	KES	TZS	GBP	UGX	ZAR
Share capital	7	3	3	1	1	1	30	-	-	-	-	-
Reserves & surplus	9	(11)	(2)	46	(36)	15	(24)	-	-	-	-	-
Total assets	29	212	41	918	11	538	10	-	-	-	-	-
Total Liabilities	13	220	40	871	46	522	4	-	-	-	-	-
Investments	-	19	-	-	-	323	-	-	-	-	-	-
Turnover*	123	190	9	1,335	0	21	-	-	-	-	-	-
Profit/(loss) before taxation*	4	(26)	(2)	86	(34)	18	(23)	-	-	-	-	-
Provision for taxation*	1	(4)	-	-	0	4	-	-	-	-	-	-
Profit/(Loss) after taxation*	3	(22)	(2)	86	(34)	14	(23)	-	-	-	-	-
Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-
% of shareholding	100%	100%	100%	100%	75%	100%	100%	99.99%	100%	100%	100%	100%

*Converted at the average exchange rate.

Notes

i) Following subsidiaries are yet to commence operations and no share capital has been infused as at March 31, 2016:

a) Mobex Money Transfer Services Limited
b) Terra Payment Services (Tanzania) Limited
c) Terrapay Services (UK) Limited
d) Terra Payment Services (Uganda) Limited
e) Terra Payment Services South Africa (PTY) Ltd.

ii) ATS Advanced Technologies Solutions S.A. (ATS-AR) has been acquired by Comviva Technologies B.V. with effect from February 01, 2016 (refer note 30(ii)2 which is not included in the above statement as ATS-AR has June 30, 2015 as statutory year end.

iii) ATS Advanced Technologies Solutions do Brasil Industria, Comercio, importacao y Exportacao LTDA (ATS-BR) has been acquired by Comviva Technologies B.V. with effect from February 01, 2016 (refer note 30(ii)2 which is not included in the above statement as ATS-BR has December 31, 2015 as statutory year end.

For the year ended March 31, 2015

Annexure II
(FY 2014-2015)
(Amount in ₹ Million)

Name of the subsidiary	**Comviva Technologies Inc.**	**Comviva Technologies Nigeria Limited**	**Comviva Technologies Singapore PTE. Ltd.**	**Comviva Technologies FZ-LLC**	**Hedonmark {Management Services} Limited****
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	December				
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	USD/63.04	NGN/0.31	SGD/45.46	AED/17.02	NGN/0.31
Share capital	7	3	0	1	1
Reserves & surplus	6	12	(4)	(39)	(2)
Total assets	28	208	28	535	0
Total Liabilities	15	193	32	573	1
Investments	-	18	-	-	-
Turnover*	107	160	7	575	-
Profit/(loss) before taxation*	3	(15)	(2)	(53)	(2)
Provision for taxation*	0	5	-	-	-
Profit/(loss) after taxation*	3	(20)	(2)	(53)	(2)
Proposed Dividend	-	-	-	-	-
% of shareholding	100%	100%	100%	100%	75%

*Converted at the average exchange rate

**During the year ended 31st March, 2015, Comviva Technologies Nigeria Limited acquired 75% stake in equity of Hedonmark {Management Services} Limited for a consideration of NGN 57,116,039

COMVIVA TECHNOLOGIES INC.

Board of Directors

Mr. Vikram Shanbag
Mr. Fernando Salas

Registered Office

1411,Sawgrass Corporate Parkway,
Suite # B, Sunrise,
Fort Lauderdale, 33323-2888,
USA

Bankers

Bank of America

Auditors
Rajeev Kaul, CPA, PC

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER 2015

The Directors submit their report together with the audited financial statements of Comviva Technologies Inc. ('the Company'), for the year ended 31 December 2015.

FINANCIAL HIGHLIGHTS

In USD

Particulars	**Current Year**	Previous Year
Revenue	**1,896,500**	1,757,500
Other	**1,685**	(1,255)
Gross Profit	**1,898,185**	1,756,245
Profit/(Loss) Before Tax	**66,950**	52,148
Profit/(Loss) After Tax	**48,450**	45,060

BUSINESS REVIEW

Total Income for the calendar year is USD 1,896,500 as against USD 1,757,500 in previous year.

EVENTS AFTER THE REPORTING PERIOD

There have been no significant events after the reporting period.

SHAREHOLDER AND ITS INTERESTS

Comviva Technologies Limited, India is the 100% shareholder of the issued share capital of the Company at the reporting date. There were no changes to the shareholding structure during the year.

DIRECTORS

The directors who served during the year were as follows:

Mr. Manoranjan Mohapatra (resigned)

Mr. Ambar Sur (resigned)

Mr. Vikram Shanbag

Mr. Fernando Salas

AUDITORS

The financial statements have been audited by Rajeev Kaul, CPA, PC who retire and, being eligible, offer themselves for reappointment.

Signed on behalf of the board of directors:

Fernando Salas **Vikram Shanbag**

Date : May 3rd 2016

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Comviva Technologies Inc
Florida, USA

Report on the Financial Statements

We have audited the accompanying Balance Sheets of Comviva Technologies Inc., as of December 31st 2015 & December 31st 2014 and the related statement of income, retained earnings and cash flow for the year then ended.

Management Responsibility for the Financial Statements

These financial statements are the responsibility of the management of Comviva Technologies Inc's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 includes examining on a test basis, evidence supporting the amount and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects the financial condition of **Comviva Technologies Inc** as of December 31st, 2015 & December 31st 2014 and the results of its operation and its cash flow for the years then ended, in conformity with accounting principles generally accepted in United States of America.

RAJEEV KAUL, CPA PC
NEW YORK.

May 3rd 2016

BALANCE SHEETS

as of December 31st 2015 & December 31st 2014

	December 31, 2015	December 31, 2014
	$	$
ASSETS		
Current Assets		
Cash & Cash Equivalents	**54,937**	77,823
Accounts Receivables	**350,500**	343,000
Deposits and Loans and Advances	**38,095**	10,963
	443,532	431,786
Fixed Assets		
Gross Assets	**29,509**	25,715
Less : Accumlated Depreciation	**(22,809)**	(20,484)
Net Fixed Assets	**6,700**	5,231
TOTAL ASSETS	**450,232**	437,017
LIABILITIES & SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts Payable	**203,027**	238,262
Total Current Liabilities	**203,027**	238,262
Shareholders' Equity		
(a) Authorised Share Capital		
Common Stock 25,000 at NPV		
(b) Issued and Subscribed		
Common Stock 10,450 at NPV	**104,500**	104,500
Retained Earnings	**142,705**	94,255
Total Shareholder's Equity	**247,205**	198,755
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	**450,232**	437,017

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

STATEMENTS OF INCOME AND RETAINED EARNINGS

for the year ended December 31st 2015 & December 31st 2014

		December 31, 2015	December 31, 2014
		$	$
Software Service		**1,896,500**	1,757,500
Other income/(loss): Exchange Rate Difference		**1,685**	(1,255)
Less : Cost of sales			
Software Services		-	-
GROSS PROFIT		**1,898,185**	1,756,245
Less : Expenses			
Payroll and employee related Exps	(See Schedule)	**649,605**	757,409
General Admininstration Exps	(See Schedule)	**754,403**	591,439
Selling & Distribution Exps	(See Schedule)	**424,902**	353,459
Depreciation & Amortization	(See Schedule)	**2,325**	1,790
Total Expenses		**1,831,235**	1,704,097
OPERATING PROFIT/ (LOSS)		**66,950**	52,148
Profit/(Loss) Before Interest and Tax		**66,950**	52,148
Less : Provision for Federal Tax		**18,500**	7,088.00
Profit /(loss) after interest		**48,450**	45,060
Opening Balance of Retained Earnings		**94,255**	49,195
Closing Retained Earnings		**142,705**	94,255

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

STATEMENTS OF CASH FLOWS

for the year ended December 31st 2015 & December 31st 2014

	December 31, 2015	December 31, 2014
	$	$
Operating activities		
Net income as per Income statement after tax	**48,450**	45,060
Adjustment to income:		
Depreciation & amortization	**2,325**	1,790
Changes in Working Capital		
(Increase) / Decrease in Other Current Assets	**(34,632)**	111,963
Increase / (Decrease) in Other Liabilties	**(35,235)**	(123,796)
Cash provided by (used in) Operating Activities	**(19,092)**	35,017
Investing Activities		
(Increase)/Decrease in Fixed Assets	**(3,794)**	(4,314)
Cash provided by (used in) Investing Activities	**(3,794)**	(4,314)
Financing Activities		
Increase / (Decrease) in Additional Paid in Capital	**-**	-
Increase / (Decrease) in Dues from Affiliates	**-**	-
Cash provided by (used in) Financing Activities	**-**	-
Net Cash Flow Changes during the year	**(22,886)**	30,703
Cash & equivalents - beginning balance	**77,823**	47,120
Cash & equivalents - ending balance	**54,937**	77,823

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

SCHEDULES TO BALANCE SHEETS

as of December 31st 2015 & December 31st 2014

		December 31, 2015	December 31, 2014
		$	$
Accounts Receivables			
Comviva Technologies Ltd.		**350,500**	343,000
		350,500	343,000
Less: Provision for Bad Debts		**-**	-
Accounts Receivable- Net	**Total**	**350,500**	343,000
Loans and Advances & Deposits			
Rent Deposits		**2,472**	2,472
Tour Advances		**22,666**	4,921
Advance to Suppliers		**-**	3,083
Recoverable in Cash/ Kind		**12,957**	487
	Total	**38,095**	10,963
Fixed Assets			
Computer		**9,023**	6,981
Furniture		**9,761**	9,761
Office Equipments		**10,725**	8,973
	Total	**29,509**	25,715
Accounts Payables			
Expenses Payable		**203,027**	238,262
	Total	**203,027**	238,262

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

SCHEDULE TO STATEMENTS OF INCOME

for the year ended December 31st 2015 & December 31st 2014

		December 31, 2015	December 31, 2014
		$	$
Payroll and employee related Expenses			
Payroll Expenses		**559,520**	668,953
Payroll Taxes		**30,459**	38,138
PLI- Incentives		**-**	45,161
Payroll Fees		**4,944**	5,157
Staff Welfare Exp.		**54,682**	-
	Total	**649,605**	757,409
General and Administration Expenses			
Bank Charges		**4,745**	4,895
Misc Expenses		**4,084**	294
Insurance Expenses		**678**	686
Internet Charges		**4,001**	3,449
Legal & Professional Fee		**130,242**	66,466
Outsource Expenses		**582,745**	498,284
Office Expenses.		**3,076**	351
Postage & Delivery		**4,183**	865
Rent		**15,264**	15,264
State Expenses		**2,500**	-
Stationery Expenses		**2,885**	885
	Total	**754,403**	591,439
Selling & Distribution Expenses			
Business conference and Promotion Expenses		**55,237**	59,089
Semiar Expenses		**-**	12,633
Telephone Expenses		**50,017**	41,124
Travel Expenses		**319,648**	240,613
	Total	**424,902**	353,459
Depreciation & Amortization			
Computer		**912**	630
Furniture		**-**	-
Office Equipments		**1,413**	1,160
	Total	**2,325**	1,790

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

NOTES TO FINANCIAL STATEMENTS

For the year ending December 31st 2015 & December 31st 2014

Company Overview

Comviva Technologies Inc (the "company") was incorporated in the State of Virginia on February 5, 2001. The Company is a wholly owned subsidiary of Comviva Technologies Limited a Company incorporated under the laws of India.

Business Activity

The company plans to devote substantially all of its efforts to the development of software, manufacture, buy, sell, repair, distribute, job to be a franchise dealer licensee, import, export, and otherwise deal in electronic products and technology, an on-line/internet interactive service or services, internet consulting and web advertising hardware, equipment and at retail, and accessories of every kind and description, and other related and unrelated products at wholesale and at retail, and as principal and/or agent.

Business outlook

Comviva Technologies Ltd., India, the parent company of Comviva Technologies Inc., USA, is in the business of developing software. The current focus is mobility solutions for operators and financial institutions.

The areas of expertise include mobile finance, content, infotainment, messaging, mobile data and managed VAS services. The most mature market in this segment is the Europe and Japan and largest market is USA. The Mobile Financial solutions in USA is slow progress but the outlook is on the increase. The US companies also dominate the research and building of new mobile financial solutions.

Currently Vikram Shanbhag and his team are based out of Miami to cover the Latin American Region which is an emerging market for mobility solutions.

Significant Accounting Policies

Basis of Preparation of Financial Statements

The financial statements and accompanying notes are prepared in accordance with generally accepted accounting principles in the United States.

Estimates and Assumptions

Preparing financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses. Examples include provisions for returns, concessions and bad debts; and the length of product life cycles and buildings lives. Actual results may differ from these estimates.

Depreciation

Depreciation is provided on a straight-line basis using the estimated useful lives of the assets. The following are the rate of Depreciation:-

Type of Assets	Rate
Plant and Equipments (computers)	33.33%
Plant and Equipments (Electrical Equipments)	20%
Office equipments	20%
Furniture and Fixtures	20%

Financial Instruments

"Disclosure about Fair Value of Financial Instruments" requires disclosure of fair value information about financial instruments for which it is practicable to estimate the value, whether or not recognized on the statement of financial condition. The Fair values of all other financial assets and liabilities are considered to approximate the recorded value due to short term nature of the financial instrument and reporting policies followed by the company.

Provision for Liabilities

All the known and ascertained liabilities have been provided.

Provision for Taxes

Provision for Taxes have been made based on actual tax liabilities.

Revenue Recognition

Revenue from the sale of equipments and third party software is recognized upon delivery, which is when the title passes to customer.

Revenue from contracts priced on a time and material basis is recognized when services are rendered.

Revenue from Fixed price contracts is recognized as per proportionate completion method and where there is no uncertainty as to the measurement or collectability of the consideration.

Revenue from annual maintenance and annual technical services contracts is recognized on pro rata basis over the period of contract.

Related Party Transactions

During the year the company had following inter-company transactions with related entities.

		2014 $	**2015** **$**
Comviva Technologies Ltd	Revenue	1,757,500	**1896500**
Comviva Technologies Ltd	Reimbursement of Expenses	$ 6,000	**$ 6,000**
Comviva Technologies Ltd	Accounts Receivable	343,000	**350,500**

(Accountant's Audited Report and Accompanying Notes are an integral part of the Financial Statements)

COMVIVA TECHNOLOGIES FZ-LLC

Board of Directors

Mr. Manoranjan Mohapatra
Mr. Kaustubh Kashyap

Registered Office

Premises: 1401 & 1408-1409
Floor: 14, PO Box 500583
Building: Al Shatha Tower
Dubai, United Arab Emirates

Bankers

Abu Dhabi Commercial Bank

Auditors

Deloitte and Touche (M.E)

INDEPENDENT AUDITOR'S REPORT

The Shareholder
Comviva Technologies FZ LLC
Dubai
United Arab Emirates

Report on the financial statements

We have audited the accompanying financial statements of **Comviva Technologies FZ LLC**, (the "Company") **Dubai, United Arab Emirates**, which comprise the statement of financial position as of 31 March 2016 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Comviva Technologies FZ LLC, Dubai, United Arab Emirates as of 31 March 2016, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Deloitte and Touche (M.E)

STATEMENT OF FINANCIAL POSITION AS OF 31 MARCH 2016

	Notes	**31 March 2016 AED**	31 March 2015 AED
ASSETS			
Non-current assets			
Property and equipment	5	**1,164,671**	2,142,422
Loan to a related party	8	**1,796,311**	1,701,608
		2,960,982	3,844,030
Current assets			
Inventories	6	**2,730,919**	239,495
Trade and other receivables	7	**37,442,146**	22,372,919
Due from related parties	8	**786,952**	555,179
Cash and cash equivalents	9	**6,996,832**	4,428,838
Total current assets		**47,956,849**	27,596,431
Total assets		**50,917,831**	31,440,461
EQUITY AND LIABILITIES			
Equity			
Share capital	10	**55,000**	55,000
Statutory reserve		**27,500**	27,500
Retained earnings/(accumulated losses)		**2,521,508**	(2,323,204)
Total shareholder's funds/(deficit)		**2,604,008**	(2,240,704)
Non-current liabilities			
Provision for employees' end-of-service indemnity	12	**374,083**	144,784
Total non-current liabilities		**374,083**	144,784
Current liabilities			
Due to related parties	8	**2,738,848**	2,241,330
Trade and other payables	13	**45,200,892**	31,295,051
Total current liabilities		**47,939,740**	33,536,381
Total liabilities		**48,313,823**	33,681,165
Total equity and liabilities		**50,917,831**	31,440,461

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2016

	Notes	**31 March 2016 AED**	31 March 2015 AED
Revenue	14	**74,932,869**	34,536,419
Direct costs	15	**(60,167,302)**	(28,957,528)
Gross profit		**14,765,567**	5,578,891
General and administrative expenses	16	**(9,825,878)**	(7,550,475)
Selling and distribution expenses		**(155,339)**	(79,270)
Finance costs		**(33,440)**	-
Other income	17	**93,802**	145,113
Profit/(Loss) from operating activities		**4,844,712**	(1,905,741)
Withholding tax paid		**-**	(1,261,822)
Profit/(Loss) for the year		**4,844,712**	(3,167,563)
Other comprehensive income		**-**	-
Total comprehensive income for the year		**4,844,712**	(3,167,563)

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2016

	Share capital AED	Statutory Reserve AED	(Accumulated losses)/ Retained earnings AED	Total AED
Balance as at 1 April 2014	**55,000**	**27,500**	**844,359**	**926,859**
Total comprehensive loss for the year	**-**	**-**	**(3,167,563)**	**(3,167,563)**
Balance as at 31 March 2015	**55,000**	**27,500**	**(2,323,204)**	**(2,240,704)**
Total comprehensive income for the year	**-**	**-**	**4,844,712**	**4,844,712**
Balance as at 31 March 2016	**55,000**	**27,500**	**2,521,508**	**2,604,008**

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

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2016

	31 March 2016 AED	31 March 2015 AED
Cash flows from operating activities		
Profit/(Loss) for the year	**4,844,712**	(3,167,563)
Adjustments for:		
Depreciation of property and equipment	**1,451,316**	743,618
Provision for employees' end of service indemnity	**229,299**	102,078
Allowance/(Reversal) for slow-moving inventories	**-**	(225,915)
Finance costs	**33,440**	
Interest income on loan to a related party	**(88,276)**	(88,910)
Reversal of accrued expenses no longer payable	**-**	(55,000)
Allowance for bad and doubtful debts	**721,592**	31,536
Loss on sale of fixed assets	**57,410**	-
Net unrealised exchange loss	**(6,427)**	14,651
Operating changes before changes in operating assets and liabilities	**7,243,066**	(2,645,505)
(Increase)/decrease in inventories	**(2,491,424)**	2,364,485
Increase in other receivables and prepayments	**(15,702,543)**	(6,029,688)
Increase in due from related parties	**(231,773)**	(555,179)
Increase in trade and other payables	**13,878,828**	8,555,822
Increase in due to related parties	**497,518**	2,241,330
Net cash generated from operating activities	**3,193,672**	3,931,265
Cash flow used in investing activities		
Purchase of property and equipment	**(551,768)**	(2,576,397)
Disposal of property and equipment	**20,793**	
Net cash used in investing activities	**(530,975)**	(2,576,397)
Cash flow used in financing activities		
	(94,703)	(2,576,397)
Net cash used in investing activities	**(94,703)**	(2,576,397)
Net increase in cash and cash equivalents	**2,567,994**	1,354,868
Cash and cash equivalents at the beginning of the year	**4,428,838**	3,073,970
Cash and cash equivalents at the end of the year (Note 9)	**6,996,832**	4,428,838

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. Legal status and business activity

Comviva Technologies FZ - L.L.C. is a Free Zone Company with limited liability established pursuant to Dubai Technology and Media Free Zone Law No. (1) of 2000. The Company is registered with Dubai Technology and Media Free Zone Authority under license No. 20773, and located at Premises: 1401 & 1408-1409, Floor No. 14, Al Shatha Tower, PO Box: 500583, Dubai, United Arab Emirates.

The principal activity of the Company is to provide solutions for telecommunication and network.

The Ultimate Parent Company of Comviva Technologies FZ-LLC is Tech Mahindra Limited.

2. Application of new and revised International Financial Reporting Standards ("IFRS")

2.1 New and revised IFRS applied with no material effect on the financial statements

The following new and revised IFRS, which became effective for annual periods beginning on or after 1 January 2015, have been adopted in these financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- Annual Improvements to IFRSs 2010 - 2012 Cycle that includes amendments to IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38.
- Annual Improvements to IFRSs 2011 - 2013 Cycle that includes amendments to IFRS 1, IFRS 3, IFRS 13 and IAS 40.
- Amendments to IAS 19 Employee Benefits to clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service.

2.2 New and revised IFRS in issue but not yet effective and not early adopted

The Company has not yet early applied the following new standard, amendments and interpretations that have been issued but are not yet effective:

New and revised IFRS	Effective for annual periods beginning on or after
IFRS 14 Regulatory Deferral Accounts	1 January 2016
Amendments to IAS 1 Presentation of Financial Statements relating to disclosure initiative.	1 January 2016
Amendments to IFRS 11 Joint arrangements relating to accounting for acquisitions of interests in joint operations.	1 January 2016
Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets relating to clarification of acceptable methods of depreciation and amortization.	1 January 2016
Amendments to IAS 16 Property, Plant and Equipment and IAS 41 Agriculture relating to bearer plants.	1 January 2016
Amendments to IAS 27 Separate Financial Statements relating to accounting investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements.	1 January 2016
Amendments to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investment in Associates and Joint Ventures relating to applying the consolidation exception for investment entities.	1 January 2016
Annual Improvements to IFRSs 2012 - 2014 Cycle covering amendments to IFRS 5, IFRS 7 and IAS 19.	1 January 2016
Finalised version of IFRS 9 (IFRS 9 Financial Instruments (2014)) was issued in July 2014 incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition. This amends classification and measurement requirement of financial assets and introduces new expected loss impairment model.	1 January 2018
A new measurement category of fair value through other comprehensive income (FVTOCI) will apply for debt instruments held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets.	

New and revised IFRS	Effective for annual periods beginning on or after
A new impairment model based on expected credit losses will apply to debt instruments measured at amortised costs or FVTOCI, lease receivables, contract assets and certain written loan commitments and financial guarantee contract.	
IFRS 15 Revenue from Contracts with Customers: IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers.	1 January 2018
IFRS 16 Leases IFRS 16 specifies how an IFRS 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 IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.	1 January 2019
Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011) relating to the treatment of the sale or contribution of assets from and investor to its associate or joint venture.	Effective date deferred indefinitely

Management anticipates that these new standards, interpretations and amendments will be adopted in the Company's financial statements for the annual period beginning on or after 1 January 2016 or as and when they are applicable and adoption of these new standards, interpretations and amendments, except for IFRS 9, IFRS 15 and IFRS 16, may have no material impact on the financial statements of the Company in the year of initial application.

Management anticipates that IFRS 9 and IFRS 15 will be adopted in the Company's financial statements for the annual year beginning 1 January 2018 and IFRS 16 will be adopted for the annual year beginning 1 January 2019. The application of IFRS 9, IFRS 15 and IFRS 16 may have significant impact on amounts reported and disclosures made in the Company's financial statements in respect of revenue from contracts with customers, the Company's financial assets and financial liabilities and leases. However, it is not practicable to provide a reasonable estimate of effects of the application of these standards until the Company performs a detailed review.

3. Significant accounting policies

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

Basis of preparation

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets at the time of transaction. The principal accounting policies are set out below.

Revenue recognition

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, net of discounts.

Revenue from the sale of goods is recognised when the 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.

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and at the interest rate applicable.

Revenue from fixed price 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.

Foreign currency transactions

The financial statements are presented in the currency of the primary economic environment in which the Company operates. For the purpose of the financial statements, the results and financial position of the Company are expressed in Arab Emirates Dirhams, which is the functional currency of the Company, and the presentation currency for the financial statements.

In preparing the financial statements, transactions in currencies other than the Company's functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the reporting date.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the year.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Subsequent costs are included in the assets carrying amount or recognized 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 repair and maintenance costs are charged to profit or loss when incurred.

Depreciation is charged so as to write off the cost of the assets, over their estimated useful lives, using the straight-line method, as follows:

	Years
Computers	3
Furniture and fixtures	5
Network System	3
Office Equipment	5

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income in the year the asset is derecognised.

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property and equipment. All other expenditure is recognised in the statement of comprehensive income as the expense is incurred.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount being the higher of their fair value less costs to sell and their value in use.

The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end, and adjusted prospectively, if appropriate.

Impairment of tangible assets

At each reporting 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 discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (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 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 (or cash-generating unit) is increased to the revised estimate of its recoverable amount, 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 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.

Inventories

Inventories are stated at the lower of cost and net realizable value. Costs comprise of direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average cost method. Net realizable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Leasing

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

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefits received or receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

Borrowings

Borrowings are initially recognized at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, these are subsequently measured at amortized cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowings 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 deducted from the borrowing costs eligible for capitalisation.

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

Employee benefits

Accrual is made for estimated liability for employees' entitlement to annual leave and leave passage as a result of services rendered by eligible employees up to the statement of financial position.

Provision for end of service benefits is made in accordance with U.A.E. Labour Law and is based on current remuneration rates and cumulative service at the reporting date. The accrual relating to annual leave and leave passage is disclosed as a current liability, while the provision relating to end of service benefits is disclosed as a non-current liability.

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 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 or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets are classified as ‘loans and receivables.’ The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

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 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 financial asset, or, where appropriate, a shorter period.

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 including loan to a related party, trade and other receivables, amounts due from related parties, and bank and cash balances are measured at amortised cost using the effective interest method, less any impairment.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each statement of financial position 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 of the investment have been impacted.

Forcertain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently 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.

For financial assets carried at amortized 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 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 recognized in the statement of comprehensive income.

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 is reversed through the statement of comprehensive income 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.

Derecognition of financial assets

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 Company. 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.

Financial liabilities and equity instruments

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. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Other financial liabilities

Other financial liabilities, including due to related parties and trade and other payables are initially measured at fair value, net of transaction costs. Other 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

The Company derecognizes 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/payable is recognised in profit or loss.

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 statement of financial position date, 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 recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

4. Critical accounting judgments and key source of estimation uncertainty

Critical accounting judgment in applying the Company's accounting policies

In the process of applying the Company's accounting policies, which are described in Note 3 to the financial statements, management has made the following judgment that has the most significant effect on the amounts recognized in the financial statements.

Revenue recognition

Management has considered the detailed criteria for the recognition of revenue from the sale of goods and rendering of services set out in IAS 18: Revenue and in particular for the sale of goods, whether the Company had transferred to the buyer the significant risks and rewards of the goods. Based on the acceptance by the customer of the liability for the goods sold, the management is satisfied that the significant risks and rewards have been transferred and the recognition of the revenue is appropriate.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty 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:

Useful lives of property and equipment

The cost of property and equipment is depreciated over the estimated useful life, which is based on expected usage of the asset, expected physical wear and tear, which depends on operational factors such as the repair and maintenance program and technological obsolescence arising from changes and the residual value. The management has not considered any residual value as it is deemed immaterial.

Allowance for doubtful debts

Allowance for doubtful debts is determined using a combination of factors to ensure that trade receivables and amounts due from related parties are not overstated due to uncollectibility. The allowance for doubtful debts for all customers and related parties is based on a variety of factors, including the overall quality and ageing of the receivables, continuing credit evaluation of the customers and related party's financial conditions and collateral from customers in certain circumstances. Also specific provisions for individual accounts are recorded when the Company becomes aware of the customer or related party's inability to meet its financial obligations, such as in the case of deterioration in the customer's operating results or financial position.

Allowance for slow-moving inventories

Inventories are stated at the lower of cost and net realizable value. Adjustments to reduce the cost of inventory to its net realizable value, if required, are made at the product level for estimated excess, obsolescence or damages. Factors influencing these adjustments include changes in demand, physical deterioration and quality issues.

5. Property and equipment

	Computers	Furniture and fixtures	Network System	Office Equipment	Capital work in progress	Total
	AED	**AED**	**AED**	**AED**	**AED**	**AED**
Cost						
At 1 April 2014	297,641	86,325	36,275	33,193	64,182	517,616
Additions	2,483,794	-	-	7,756	84,847	2,576,397
Transfers	64,182	-	-	-	(64,182)	-
At 31 March 2015	2,845,617	86,325	36,275	40,949	84,847	3,094,013
Additions	470,254	60,160	20,825	529	-	551,768
Transfers	65,156	-	-	-	(65,156)	-
Disposals	-	(146,485)	-	(2,379)	-	(148,864)
At 31 March 2016	**3,381,027**	**-**	**57,100**	**39,099**	**19,691**	**3,496,917**
Accumulated depreciation						
At 1 April 2014	151,997	35,291	19,579	1,106	-	207,973
Charge for the year	707,006	17,011	11,786	7,815	-	743,618
At 31 March 2015	859,003	52,302	31,365	8,921	-	951,591
Charge for the year	1,412,544	18,359	12,686	7,727	-	1,451,316
Eliminated on disposal		(70,661)	-	-	-	(70,661)
At 31 March 2016	**2,271,547**	**-**	**44,051**	**16,648**	**-**	**2,332,246**
Carrying amount						
At 31 March 2016	**1,109,480**	**-**	**13,049**	**22,451**	**-**	**1,164,671**
At 31 March 2015	1,986,614	34,023	4,910	32,028	84,847	2,142,422

6. Inventories

	31 March 2016	31 March 2015
	AED	AED
Goods held for sale	**2,730,919**	239,495
	2,730,919	239,495

Movement in allowance for slow-moving inventories:

	31 March, 2016 AED	31 March, 2015 AED
Balance at the beginning of the year	**-**	225,915
Reversed during the year	**-**	(225,915)
Balance at the end of the year	**-**	-

7. Trade and other receivables:

	31 March, 2016 AED	31 March, 2015 AED
Trade receivables	**23,514,734**	12,927,897
Less : Allowance for bad and doubtful debts	**(721,592)**	(31,536)
	22,793,142	12,896,361
Prepayments	**3,674,678**	595,368
Advances to suppliers	**657,367**	346,977
Other receivables	**19,204**	29,374
Unbilled Revenue	**10,297,755**	8,504,839
	37,442,146	22,372,919

The average credit period on sale of goods and rendering services is 120 days.

	31 March, 2016 AED	31 March, 2015 AED
121 to 180 days	**282,155**	76,824
More than 180 days	**3,376,076**	3,408,081
	3,658,231	3,484,905

Trade receivables which are neither past due nor impaired amounted to AED 19,134,911 (2015: AED 9,414,456).

Trade receivables includes AED 2,283,289 (2015: AED 2,254,254) receivable from related parties.

8. Related party transactions

The Company enters into transactions with companies and entities that fall within the definition of a related party as contained in International Accounting Standard (IAS) 24: Related Party Disclosures. Related parties comprise majority shareholders, companies and entities under common ownership and/or common management control and key management personnel. The management decides on the terms and conditions of transactions and of services received/rendered from/to related parties as well as other charges.

a) At the reporting date, the following amounts were due from related parties:

	31 March, 2016 AED	31 March, 2015 **AED**
Due from related parties		
Entities under common ownership and control		
Comviva Technologies Nigeria Limited(Non-current assets)		
	1,796,311	1,701,608
Comviva Technologies Limited	**226,903**	-
Comviva Technologies Nigeria Limited(Current assets)	**560,049**	555,179
	786,952	555,179

The amounts due from related parties are unsecured, non-interest bearing and are repayable on demand.

b) The nature of significant related party transactions during the year and the amounts involved were as follows:

	31 March, 2016 AED	31 March, 2015 AED
Entities under common ownership and control		
Comviva Technologies Limited:		
Revenue	**178,970**	278,542
Cost of Goods sold	**(13,215,985)**	(10,590,981)
Interest Expense	**(33,440)**	-
Funds transfer to the company [Note 8(d)]	**592,993**	555,179
Funds transfer from the company [Note 8(d)]	**102,893**	2,241,330
Loan taken during the year	**1,470,424**	-
Consultancy fee	**190,639**	2,530,606
Loan repaid during the year	**1,503,864**	-
Comviva Technologies Nigeria Limited:		
Interest Income	**88,275**	88,910
Tech Mahindra Limited:		
Revenue	**257,169**	1,517,277

c) During the current year, the Company received an amount of USD 400,000 towards working capital. The Loan was from head office at the interest rate of 0.055 basis points + LIBOR rate. The company has repaid the loan in the month of February including interest.

d) Due to Related parties:

	31 March, 2016 AED	31 March, 2015 AED
Comviva Technologies Limited, India	**2,738,848**	2,008,202
Comviva Technologies Limited, Sharjah		
	-	233,128

9. Cash and cash equivalents

	31 March, 2016 AED	31 March, 2015 AED
Cash at banks - current accounts	**6,996,832**	4,428,838
	6,996,832	4,428,838

10. Share capital

The authorized, issued and paid-up share capital of the Company is 55 shares of AED 1,000 each. At the reporting date, the shareholder and its holding was as follows:

Name of shareholder	No. of shares	%	Amount AED
Comviva Technologies Limited	**55**	**100**	**55,000**

11. Share capital

In accordance with the Memorandum and Articles of Association, the Company 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 more than 50% of share capital as at 31 December 2015.

12. Provision for employees' end of service indemnity

	31 March, 2016 AED	31 March, 2015 AED
As at 1 April	**144,784**	42,706
Charge for the year	**229,299**	102,078
Balance at the end of the year	**374,083**	144,784

Provision for employees' end of service indemnity is made in accordance with the U.A.E. Labour Law, and is based on current remuneration and cumulative years of service at the reporting date.

13. Trade and other payables

	31 March, 2016 AED	31 March, 2015 AED
Trade payables	**24,877,678**	24,757,030
Advances from customers	**3,659**	1,079,158
Employee benefits payable	**260,077**	184,316
Deferred revenue	**1,554,186**	3,536,725
Accrued expenses	**18,505,292**	1,737,822
	45,200,892	31,295,051

14. Revenue

	31 March, 2016 AED	31 March, 2015 AED
Revenue from:		
Sales of goods	**38,226,405**	16,577,552
Rendering from services	**36,706,464**	17,958,867
	74,932,869	34,536,419

15. Cost of sales

	31 March, 2016 AED	31 March, 2015 AED
Opening inventories	**239,495**	2,603,980
Purchases	**36,015,417**	23,730,711
Reversal of allowance for slow moving inventories	**-**	(225,915)
Less: Closing inventories	**(2,730,919)**	(239,495)
Direct expenses	**26,643,309**	3,088,247
	60,167,302	28,957,528

16. General and administrative expenses

	31 March 2016 AED	31 March 2015 AED
Testing consultancy fees	**190,639**	2,530,606
Employees' salaries and benefits	**2,299,598**	2,397,427
Rent	**95,137**	118,325
Legal and professional fees	**2,856,051**	317,845
Travelling expenses	**259,784**	288,779
Allowance for bad & doubtful debts	**721,592**	31,536
Repair and maintenance	**17,306**	114,296
Depreciation of property and equipment (apportioned)	**1,451,316**	743,618
Recruitment & visa expenses	**196,002**	21,084
Freight & forwarding expenses	**1,251,380**	681,041
Communication expenses	**90,565**	192,003
Bank charges	**58,477**	39,374
Insurance expense	**9,672**	21,188
Miscellaneous expenses	**328,359**	9,595
Exchange loss	**-**	43,758
	9,825,878	7,550,475

17. Other income

	31 March 2016 AED	31 March 2015 AED
Interest on loan to a related party	**88,276**	88,910
Reversal of accrued expenses no longer payable	**-**	55,000
Exchange loss	**(143,322)**	-
Miscellaneous income	**148,848**	1,203
	93,802	145,113

18. Financial instruments

a) Significant accounting policies

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 recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 3 to the financial statements.

b) Categories of financial instruments

	31 March, 2016	31 March, 2015
	AED	AED
Financial assets at amortised cost		
Loans and receivables (including cash & cash equivalents)	**32,392,441**	19,611,360
Financial liabilities		
Financial liabilities at amortized cost:	**46,381,895**	28,920,498

c) Fair value of financial instruments

The fair values of financial assets and financial liabilities at the reporting date approximate their carrying amounts in the statement of financial position.

19. Financial risk management

The Company has financial risk management policies. These policies set out the Company's overall business strategies and its risk management philosophy. The Company's overall financial risk management program seeks to minimize potential adverse effects of financial performance of the Company. The management provides principles for overall financial risk management and policies covering specific areas, such as market risk (including foreign exchange risk, interest rate risk), credit risk, and liquidity risk and investing excess cash.

The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates.

The Company does not hold or issue derivative financial instruments for speculative purpose.

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.

a) Foreign currency risk management

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.

b) Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company's exposure to the risk of changes in the market interest rates relates primarily to the Company's borrowings and due to related parties.

c) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company does not have any significant credit risk exposure, except as disclosed in Note 7. The Company defines counterparties as having similar characteristics if they are related entities.

The credit risk on liquid funds is limited because the counterparties are banks which are registered in the U.A.E.

d) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the management 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, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and financial liabilities.

Liquidity risk table

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the discounted cash flows of financial liabilities based on the earliest date on which the Company can be required to collect or pay.

Financial liabilities	Less than 1 year AED	2 - 5 years AED	Total AED
2016			
Non-interest bearing instruments	**46,381,895**	**-**	**46,381,895**
2015			
Non-interest bearing instruments	**28,920,498**	**-**	**28,920,498**

The following table details the Company's remaining contractual maturity for its non-derivative financial assets. The table has been drawn up based on the discounted cash flows of financial assets based on the earliest date on which the Company can be required to receive

	Less than 1 year AED	2 - 5 years AED	Total AED
Financial assets			
2016			
Interest bearing instruments	**-**	**1,796,311**	**1,796,311**
Non-interest bearing instruments	**30,596,130**	**-**	**30,596,130**
2015			
Interest bearing instruments	-	1,701,608	1,701,608
Non-interest bearing instruments	17,909,752	-	17,909,752

20. Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to the shareholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from prior year.

The capital structure of the Company consists of share capital, statutory reserve and retained earnings.

21. Approval of the financial statements

The financial statements for the year ended 31 March 2016 were approved and signed by Managing Director.

COMVIVA TECHNOLOGIES NIGERIA LIMITED

Directors:

Rajendra M.Thakur	(Indian)
Manoranjan Mohapatra	(Indian)
Vipul Sharma	(Indian)

Registered Office:
Plot 52, Ahmadu Bello Way,
Victoria Island,
Lagos.

Banker:
Standard Chartered Bank Limited

Auditors:
Baker Tilly Nigeria
(Chartered Accountants)

REPORT OF THE DIRECTORS

The directors hereby submit their report and the financial statements of the company for the year ended 31 March, 2016.

1. Results for the year

	₦ '000
Loss before taxation	**(80,101)**
Taxation	**10,750**
Retained loss for the year	**(69,351)**
Profit brought forward	**36,782**
Revenue reserve	**(32,569)**

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 softwares and programmes of all kinds.

4. Business review and future development

The company recorded a poor operating performance during the year under review. When compared with previous 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:

	Number of ordinary shares of ₦ 1 each as at 31 March	
	2016	2015
Comviva Technologies Limited		
(Represented by Manoranjan Mohapatra)	**9,999,999**	9,999,999
Ambar Sur	**1**	1

As at 31 March, 2016 Comviva Technologies Limited, India had 9,999,999 ordinary shares of ₦1 each. The company has 99.99% foreign equity participation as at 31 March, 2016.

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 Baker Tilly Nigeria (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

JOSHUA OLUDAYO ADEOYE
FRC/2015/ICSAN/00000008037
ALPHA GENASEC LIMITED
Company Secretary
LAGOS, Nigeria

9th May, 2016

REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF COMVIVA TECHNOLOGIES NIGERIA LIMITED

Report on the financial statements

We have audited the accompanying financial statements of Comviva Technologies Nigeria Limited, for the year ended 31 March, 2016, set out on pages herein which have been prepared on the basis of significant accounting policies on pages herein and other explanatory notes on pages herein.

Directors' responsibility for the financial statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, the requirements of the Companies and Allied Matters Acts, CAP C20 LFN, 2004 and the Financial Reporting Council Act 2011. 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.

Auditor's responsibility

Our responsibility is to express an independent opinion on these financial statements based on our audit. We conducted our audit in accordance with Nigeria Standards on Auditing (NSAs) issued by the Institute of Chartered Accountants of Nigeria and International Standards on Auditing (ISAs). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the company's financial position as at 31 March, 2016, its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, the Companies and Allied Matters Act, CAP C20 LFN, 2004 and the Financial Reporting Council Act, 2011.

Report on other legal requirements

The Companies and Allied Matters Act, CAP C20 LFN, 2004 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

ii. In our opinion, proper books of account have been kept by the company; and

iii. The company's statement of financial position and statement of profit and loss and other comprehensive income are in agreement with the books of accounts.

ADELEKE, Solomon Oluwole
FRC/2013/ICAN/00000000765
For: BAKER TILLY NIGERIA
(Chartered Accountants)

LAGOS, Nigeria
9th May, 2016

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH, 2016

Assets	Note	31 March-16 ₦	31 March -15 ₦
Non- current assets			
Property, plant and equipment	4	**64,441,563**	12,440,096
Capital work in progress	5	**1,093,244**	-
Investment	6	**57,116,039**	57,116,039
Deffered tax asset	20.1	**15,776,743**	**-**
Total noncurrent assets		**138,427,589**	**69,556,135**
Current assets			
Trade and other receivables	7	**339,230,439**	363,642,452
Due from related parties	12	**116,936,925**	-
Prepayments	8	**21,931,495**	36,220,318
Cash and cash equivalents	9	**19,923,294**	192,169,786
Total current assets		**498,022,153**	592,032,556
Total assets		**636,449,742**	661,588,691
Liabilities			
Current liabilities			
Trade and other payables	10	**202,964,244**	172,847,623
Employee benefits	11	**19,816,877**	6,427,466
Current tax liabilities	19.2	**77,593,619**	**95,953,523**
Total current liabilities		**300,374,740**	**275,228,612**
Non-current liabilities			
Due to related parties	12	**353,297,978**	339,258,429
Deferred tax liabilities	20.2	**5,346,752**	319,652
Total noncurrent liabilities		**358,644,730**	339,578,081
Total liabilities		**659,019,470**	614,806,693
Net assets/ (liabilities)		**(22,569,728)**	46,781,998
Equity			
Share capital	13	**10,000,000**	10,000,000
Revenue reserves	14	**(32,569,728)**	36,781,998
Total equity		**(22,569,728)**	46,781,998

Director: Vipul Sharma

Director: Manoranjan Mohapatra

The accounting policies and notes on pages herein form part of these financial statements

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH, 2016

	Note	31-March-16	31-March-15
		₦	₦
Revenue	15	**576,144,290**	449,194,142
Less: Cost of sales	16	**195,610,884**	130,905,170
Gross profit		**380,533,406**	318,288,972
Other operating expenses	17	**(464,302,536)**	(312,229,508)
Operating loss		**(83,769,130)**	6,059,464
Foreign exchange loss		**(3,328,445)**	(74,868,492)
Other income	18	**6,996,971**	25,573,637
Loss before tax		**(80,100,604)**	(43,235,391)
Income tax expense	19.1	**-**	(14,271,291)
Deferred tax	20	**10,749,643**	2,495,719
Loss after tax		**(69,350,961)**	(55,010,963)
Loss per share of ₦ 1		**(6.94)**	(5.50)

The accounting policies and notes on pages herein form part of these financial statements

COMPANY STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH, 2016

	Share capital	Revenue reserve	Total
	₦	₦	₦
1 April, 2015	**10,000,000**	**36,781,998**	**46,781,998**
Total comprehensive income for the year			
Prior year Adjustment	**-**	**(765)**	**(765)**
Loss for the year	**-**	**(69,350,961)**	**(69,350,961)**
31 March, 2016	**10,000,000**	**(32,569,728)**	**(22,569,728)**

The accounting policies and notes on pages herein form part of these financial statements

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH, 2016

		31-March-16	31-March-15
Cash flow from operating activities:	Note	**₦**	₦
Operating loss before working capital changes	21	**(67,264,046)**	(46,187,971)
Working capital changes	22	**(20,690,508)**	(134,644,216)
Income tax paid	18	**(18,359,904)**	(16,965,483)
Net cash outflow from on operating activities		**(106,314,459)**	(197,797,671)
Cash flow from investing activities:			
Acquisition property plant and equipment		**(71,835,180)**	(6,016,176)
Additions to Assets in progress		**(1,093,244)**	-
Changes in Investment		**-**	(57,116,039)
Interest income		**6,996,390**	25,573,637
Net cash outflow from investing activities		**(65,932,034)**	(37,558,578)
Net decrease in cash and cash equivalent		**(172,246,492)**	(235,356,249)
Cash and cash equivalent at 1 April		**192,169,786**	427,526,035
Cash and cash equivalent at 31 March	8	**19,923,294**	192,169,786

The accounting policies and notes on pages herein form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2016

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 software and programmes of all kinds.

The address of its registered office is 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 statement 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 statement as set below.

These policies have been applied consistently to all years presented, unless otherwise stated

Use of estimates and judgements

The preparation of these 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 period in which the estimate is revised if it affects only that period or in the period of the revision and the future periods if the revision affects both current and future periods.

- 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 2016 & 2017 or later periods:

Standard/Interpretation	Title	Applicable for financial years beginning on/after
IFRS 14	Regulatory Deferral Accounts	Issued in January 2015. Applies to an entity's first annual IFRS financial statements for a period beginning on or after 1 January 2016
IFRS 15	Revenue from Contracts with Customers	Issued in May 2015. Applies to an entity's first annual IFRS financial statements for a period beginning on or after 1 January 2017

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.

For Comviva Technologies Nigeria Limited, no geographical segment information is reported as the company's primary geographical segment is Nigeria.

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 period 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.

(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 period.

(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 equipments	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

An item of Property, Plant and Equipment is derecognised on disposal or when no future economic benefits are expected to be derived from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in income statement in the year the asset is derecognised.

g. Intangible assets

(i) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation 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.

(ii) Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or loss when the asset is derecognised.

(iii) Impairment of tangible and intangible assets excluding goodwill and financial assets.

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 cost

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 period

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	Office Networking	Office equipment	Furniture	Total
	₦	₦	₦	₦	₦	₦
Deemed cost:						
At 1 April, 2015	-	71,112,916	-	-	-	71,112,916
Additions	4,116,686	15,386,390	9,317,128	15,163,576	27,851,400	71,835,180
At 31 March, 2016	**4,116,686**	**86,499,306**	**9,317,128**	**15,163,576**	**27,851,400**	**142,948,096**
Depreciation:						
At 1 April, 2015	-	58,672,820	-	-	-	58,672,820
Adjustment	-	(90,689)	-	-	-	(90,689)
For the year	1,470,244	12,555,149	1,268,393	1,320,132	3,310,483	19,924,402
At 31 March, 2016	**1,470,244**	**71,137,279**	**1,268,393**	**1,320,132**	**3,310,483**	**78,506,533**
Carrying amounts:						
At 31 March, 2016	**2,646,442**	**15,362,027**	**8,048,735**	**13,843,444**	**24,540,917**	**64,441,563**
At 31 March, 2015	-	12,440,096	-	-	-	12,440,096

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, 2016, the company's total capital commitments amount is ₦ 3.2 million in 2015: ₦ 52.7 million) in respect of company's IT equipment.

5. Assets in transit /progress

	31-March-16	31-March-15
	₦	₦
Building leasehold	**82**	-
Furniture and fittings	**(6,804)**	-
Office equipments	**880,289**	-
Computers	**219,677**	-
Total	**1,093,244**	**-**

6. Investment

Deposit for investment	**57,116,039**	57,116,039

1,875,000 ordinary shares of ₦ 1 each at the cost of ₦ 30.4 per share representing 75% stake in Hedonmark Management Services Limited (HMSL)

7. Trade and other receivables

Trade receivables	**82,522,580**	118,301,683
Less: Provision for impairment	**-**	1,753,920
	82,522,580	116,547,763
Other receivables		
Sundry receivables (7.1)	**256,693,325**	247,080,157
Employee receivables	**14,533**	14,533
	339,230,439	363,642,452

Trade receivables disclosed above are carried at cost less allowance for doubtful debts.

The average credit period taken on services rendered is 30 days. No interest is charged on outstanding trade receivables. It is the company's policy to recognise a 100% allowance on receivables that are due for above 365 days based on management's judgement that those receivables are unlikely to be recovered. 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-16	31-March-15
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	**40,130,944**	137,568,066
31-60 days	**-**	27,111,825
61-90 days	**34,267,032**	-
91-180 days	**(2,488)**	-
181-365 days	**9,818,350**	-
> 365 days	**(1,691,258)**	1,753,920
	82,522,580	166,433,811

7.1 Sundry receivables

WHT receivables	**196,216,838**	135,412,417
Advances to suppliers	**4,622,240**	22,888,547
Advances for travel	**2,400,781**	6,068,282
Unbilled domestic debtors	**51,714,876**	49,886,049
Advance for capital Goods	**100,000**	30,083,406
Interest receivables	**127,616**	731,699
VAT receivable	**415,994**	1,176,259
Imprest account	**1,094,961**	833,498
	256,693,325	247,080,157

8. Prepayments

Rent	**19,136,402**	36,309,325
Insurance	**9,593**	10,993
Other Prepayment	**2,785,500**	-
	21,931,495	36,220,318

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

	31-March-16	31-March-15
Balance held with banks in Nigeria:	**₦**	₦
Cash at bank	**19,923,294**	14,169,786
Short term deposit	**-**	178,000,000
	19,923,294	192,169,786

Short-term deposit comprises of term deposit with Standard Chartered Bank Plc.

	31-March-16	31-March-15
10. **Financial liabilities measured at amortised cost**		
10.1 **Trade and other payables – current**	**₦**	₦
Sundry vendors	**163,141,370**	98,095,177
Inter entity	**-**	7,966,332
Deferred income	**8,285,129**	-
Accruals (10.2)	**31,537,745**	66,786,114
	202,964,244	172,847,623

(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.

(iv) The Sundry vendors includes the balance of ₦ 102,211,932 to CTL india.

10.2 Accrued expenses	**₦**	₦
Withholding Tax	**-**	7,583,680
PAYE	**2,450,000**	288,573
VAT	**846,776**	4,536,569
Travelling	**7,190,942**	8,228,624
Other expenses	**21,050,028**	46,148,668
	31,537,746	66,786,114

Statutory liabilities such as VAT, PAYE, are expected to be settled in line with the relevant laws/regulations setting them up.

11. Employee benefits	**₦**	₦
Defined contribution Pension Plan	**2,188,348**	148,955
Employees payables	**842,664**	262,655
Foreign Employee payables	**3,258,534**	-
Salary payables	**180,612**	-
Staff and consultative incentive	**13,346,719**	6,015,856
	19,816,877	6,427,466

12. 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.

The following balances were due at end of the reporting year:

	31-March-16	31-March-15
	₦	₦
12.1 Amount from related parties (current)		
Intercompany/subsidiary transfer	**116,936,925**	-
12.2 Amount due to related parties (non current)		
Comviva Technologies Limited India	**353,297,978**	339,258,429

13. Share capital

13.1 **Authorised, issued and paid up:**

10,000,000 ordinary shares of ₦1 each	**10,000,000**	10,000,000

14. Revenue reserve

1 April	**36,781,998**	13,629,387
Opening balance adjustment	**(765)**	-
Add: Transferred from income statement	**(69,350,961)**	(55,010,963)
31 March	**(32,569,728)**	36,781,998

15. Revenue

a) Analysis by product

Sales revenue share	**471,435,221**	314,705,581
IT software service	**95,832,607**	106,802,230
Customers and implementation	**7,425,933**	20,939,755
Product trade hard and software	**1,450,530**	6,746,576
	576,144,291	449,194,142

Turnover is derived in Nigeria from sale and development of computer softwares and programmes.

b) ***Analysis by geographical area***

Wholly derived from Nigeria	**576,144,291**	449,194,141

16. Cost of sales

COGS account	**1,375,272**	1,701,758
Royalty-domestic	**192,816,941**	113,520,855
Purchase software services	**537,587**	446,439
Specific Project related claims	**2,488**	-
Commission on sales	**58,021**	-
Royalty –exports	**820,575**	15,236,117
	195,610,884	130,905,170

	31-March-16	31-March-15
	₦	₦
17. Other operating expenses		
Staff cost	**218,175,405**	163,789,517
Advertisement and business promotion	**79,571,107**	15,316,693
Legal and professional fees	**30,058,264**	21,640,128
Travelling	**14,577,045**	12,511,767
Office rent	**17,915,998**	2,887,298
Employers' contributions to staff pension	**12,887,667**	7,934,659
Postages and communication	**10,120,612**	3,781,221
ITF and annual operating levy	**7,580,622**	-
Accommodation expenses	**7,620,106**	14,411,837
Marketing consultancy	**6,518,895**	21,602,472
Contract software development outsource	**9,945,866**	8,501,105
Interest charges	**4,778,963**	4,276,405
Conference and workshop expenses	**3,325,220**	-
Audit fee	**3,800,000**	3,800,000
House keeping	**2,784,480**	-
Repairs and maintenance	**5,965,305**	2,743,372
Insurance	**2,969,566**	2,710,573
Membership subscription	**2,469,696**	64,000
Staff welfare	**560,468**	885,300
Electricity and water	**571,000**	-
Bank charges	**906,999**	665,825
Security	**859,767**	-
Printing and stationary	**220,066**	7,000
Loss on sale of asset	**101,360**	-
Entertainment	**-**	126,182
Staff training expenses	**-**	167,510
Bad and doubtful debt	**-**	1,753,920
Others admin expenses	**93,657**	31,667
Depreciation	**19,924,402**	22,621,057
	464,302,536	312,229,508

18. Other income		
This comprised:		
Interest on fixed deposit	**6,996,391**	25,573,636
Miscellaneous income	**580**	-
	6,996,971	25,573,636

Interest received represents interest earned on deposit with banks during the year at an average rate of 8.5%.p.a

	31-March-16	31-March-15
	₦	₦
19. Taxation		
19.1 Income tax expense		
Company income tax	-	13,151,129
Education tax (2% of assessable profit)	-	1,120,162
	-	14,271,291
Deferred tax (20)	**(10,749,643)**	(2,495,719)
	(10,749,643)	11,775,572

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: The Company is exempted from minimum tax due to its foreign equity participation of over 25%.

19.2 **Taxation under the statement of financial position:**

Income taxes payable

	31-March-16	31-March-15
At 1 April	**95,953,523**	98,647,715
Provision for the year	-	14,271,291
	95,953,523	112,919,006
Paid during the year	**(18,359,904)**	(16,965,483)
At as 31 March	**77,593,619**	95,953,523

19.3 The income tax expense for the year can be reconciled to the accounting loss as follows:-	Effective tax ₦	rate %
Loss before tax from continuing operation	-	-
Expected tax based on statutory rate 32%		
Effect of expenses that are not deductible in determining taxable profit	-	-
Effect on utilised capital allowance	-	-
Income tax expense recognized in income statement	-	-

20. Deferred taxation

The following are the deferred tax liabilities and asset recognised by the company and movements thereon during the current and prior year reporting year.

	31-March-16	31-March-15
	₦	₦
20.1 **Deferred tax assets**		
Balance at 1 April	-	-
Charge for the year	**15,776,743**	
At end of the year	**15,776,743**	-
20.2 **Deferred tax liability**		
Balance at 1 April	**319,652**	2,815,371
Charge/realised for the year	**5,027,100**	(2,495,719)
At end of the year	**5,346,752**	319,652

		31-March-16	31-March-15
		₦	₦
21.	**Operating loss before working capital changes:**		
	Loss after tax	**(69,350,961)**	(55,010,963)
	Add back/deduct:		
	Taxation expense	**(10,749,643)**	11,775,572
	Interest Income	**(6,996,390)**	(25,573,638)
		(87,096,993)	(68,809,029)
	Adjustment for items not involving movement of cash:		
	Prior year adjustment	**(765)**	-
	Adjustments on depreciation	**(90,689)**	-
	Depreciation	**19,924,402**	22,621,057
		(67,264,046)	(46,187,971)
22.	**Working capital changes**		
	(Increase) in receivables	**(78,236,089)**	(190,432,453)
	Increase in payables	**57,545,581**	55,788,237
		(20,690,508)	(134,644,216)

23. Reclassification

Certain prior year balances have been reclassified to enhance comparability with the current year presentation.

24. Contingent liability

The company contingent liability arising from pending litigations at the year end amounted to ₦ Nil (2015: ₦ Nil).The directors are of the opinion that it is not probable that there will be outflow of resources in settlement of liabilities. Thus no provision is being made for these in the company financial statement.

25. 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, 2016 and of its Loss 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;

(iii) suitable accounting policies are used and consistently applied.

26. Certain prior year balance have been reclassified in line with the current year position

STATEMENT OF VALUE ADDED FOR THE YEAR ENDED 31 MARCH, 2016

	2016		2015	
	₦ 000	**%**	₦ 000	%
Turnover	**576,144**		449,194	
Bought-in materials and services	**(404,698)**		(297,200)	
Value added	**171,446**	**100**	151,994	100
Applied as follows:				
In payment of employees -				
Salaries, wages, bonus and				
Other benefits	**231,623**	**135**	172,609	113
In payment to Government -				
Taxation	**-**	**-**	14,271	9
Retained for future maintenance				
Of assets -				
Depreciation Charge for the year	**19,924**	**12**	22,621	15
Retained for expansion of business -				
Deferred tax credit	**(10,750)**	**(6)**	(2,496)	(2)
Loss absorb in the business	**(69,351)**	**(41)**	(55,011)	(36)
	171,446	**100**	151,994	100

FOUR YEAR FINANCIAL SUMMARY

Years ended 31 March	**2016**	2015	2014	2013
	₦ 000	₦ 000	₦ 000	₦ 000
Assets employed				
Property, plant and equipment	**64,441**	12,440	29,044	50,269
Investment	**57,116**	57,116	-	-
Capital work in progress	**1,093**	-	-	3,753
Deferred tax asset	**15,777**	-	-	-
Non-current assets	**138,427**	69,556	29,044	54,022
Current assets	**498,022**	592,032	636,956	532,047
Less: Creditors due within one year	**(300,375)**	(275,229)	(297,385)	(369,342)
Total assets less current liabilities	**336,074**	386,359	368,615	216,727
Less: Creditors due after one year	**(358,644)**	(339,577)	(266,822)	(193,098)
Net assets/(Liabilities)	**(22,570)**	46,782	101,793	23,629
Financed by				
Share capital	**10,000**	10,000	10,000	10,000
Revenue Reserves	**(32,570)**	36,782	91,793	13,629
	(22,570)	46,782	101,793	23,629
Profit and loss account				
Turnover	**576,144**	449,194	452,535	451,911
(Loss)/ Profit before taxation	**(80,101)**	(43,235)	122,149	82,760
Taxation	**10,750**	(11,776)	(43,986)	(61,596)
(Loss)/Profit after taxation	**(69,351)**	(55,011)	78,163	21,164

	₦	₦	₦	₦
Per share data:				
(Loss)/Earnings per share	**(6.94)**	(5.50)	7.82	2.12
Net assets/(Liabilities) per share	**(2.26)**	4.68	10.18	2.36

HEDONMARK (MANAGEMENT SERVICES)LIMITED

Board of Directors

Mr. Emmanuel Ikazoboh
Mr. Vipul Sharma
Mr. Sriram Gopalakrishnan
Mr. Srinivas Nidugondi
Mr. Mallam Abba Kyari

Registered Office

NCR Building 8th Fl,
6 Broad Street,Lagos,
PO Box 4706,Apapa

Bankers

Stanbic IBTC Bank

Auditors

Femi Davies & Co

REPORT OF THE DIRECTORS

The directors hereby submit their report and the financial statements of the company for the year ended 31 March, 2016.

1.	**Results for the year**	**NGN'000**
	Loss before taxation	**(102,477)**
	Taxation	**(6)**
	Retained loss for the year	**(102,483)**
	Profit /(loss) brought forward	**(5,085)**
	Retained profit /(loss) carried to balance sheet	**(107,568)**

2. Legal form

The company was incorporated on 4th August 2004. It is a private limited liability company owned 75% owned by Comviva Technologies Nigeria Limited, 20% by Mr. Emmanuel Ikazoboh, 3% by Mrs. Caroline Ikazoboh, 1% by Mr. Oshone Ikazoboh, 1% by Dr. Esieza Ikazoboh.

3. Principal activities

The principal object of the company is to produce and develop computer softwares and programmes of all kinds.

4. Business review and future development

The company recorded a dwindling performance during the year under review. Management is however unrelenting in its resolve to continue improving on its performance in the ensuing years.

5. Directors' composition

Mr. Sriram Gopalakrishnan
Mr. Vipul Sharma
Mr. Srinivas Nidugondi
Mr. Emmanuel Ikazoboh
Mr. Mallam Abba Kyari

6. Directors' interests

The directors' interests in the company's shares were as follows:

Mr. Emmanuel Ikazoboh holds 5,00,000 ordinary shares of N 1 each.

As at 31 March, 2015 Comviva Technologies Nigeria Limited, Nigeria has 1,875,000/- ordinary shares of N1 each. The company has 75 % equity participation as at 31 March, 2016.

7. Personnel

(a) ***Employment of disabled persons:*** The Company offers employment opportunities to disabled persons as part of its social responsibility.

(b) ***Health, safety and welfare of employees:*** The Company maintains medical insurance in addition to payments for the welfare of staff. Also, to motivate staff towards achieving set targets the company pays performance incentive to desiring staff. All essential safety regulations are being observed to guarantee adequate protection of personnel and security of the company's assets.

(c) ***Employee involvement and training:*** The Company attaches importance to training of its staff. Regular consultative meetings are held at management and departmental levels where staff is kept abreast of the company's plans as well as its achievements and problems.

8. Auditors

Femi Davies & Co. Chartered Accountant has been appointed as the auditors to the company in accordance with Section 357(5) of the Companies and Allied Matters Act, Cap. C20 LFN 2004. A resolution will be proposed at the annual general meeting to authorise the directors to fix their remuneration.

By Order of the Board
Kingsley Okwuedoe
Company Secretaries

LAGOS, Nigeria

STATEMENT OF DIRECTORS RESPONSIBILTIES FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS

The Directors of Hedonmark Management Services Limited (the 'company') are responsible for the preparation of the financial statements that present fairly the financial position of the company as at 31 March 2016, and the results of its operations, cash flows and changes in equity for the year then ended, in compliance with International Financial Reporting Standards ('IFRS'), and in the manner required by the Companies and Allied Matters Act of Nigeria and the Financial Reporting Council of Nigeria Act 2011.

In preparing the financial statements, the Directors are responsible for:

- Properly selecting and applying accounting policies.
- Presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information.
- Providing additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users understand the impact of particular transactions, and conditions on the Company's financial performance and,
- Making an assessment of the company's ability to continue as a going concern.

The Directors are also responsible for:

- Designing, implementing and maintaining an efficient and sound system of internal controls throughout the company.
- Maintaining adequate accounting records that are sufficient to show and explain the transactions and disclose with reasonable accuracy at any time of the financial position of the company and which will enable them to ensure that the financial statements of the company comply with IFRS.
- Maintaining statutory accounting records in compliance with legislation in Nigeria and IFRS
- taking such steps as are reasonably available to them to safeguard the assets of the company and,
- Preventing and detecting fraud and other irregularities.

The financial statements of the company for the year ended 31 March 2016 were approved by the Directors on 6th May 2016.

Vipul Sharma	**Emmanuel Ikazoboh**
(Director)	(Director)

AUDITOR'S REPORT

TO THE MEMBERS OF HEDONMARK MANAGEMENT SERVICES LIMITED

Report on the Financial Statements

We have audited the Financial Statements of Hedonmark Management Services Limited as at 31 March 2016 set out on pages herein, which have been prepared on the basis of the Accounting Policies, set out on page herein.

Director's Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with the Companies and Allied Matters Act CAP C20 LFN 2004. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

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

An audit includes examination on a test basis, of evidence relevant to the amount and disclosures in the Financial Statement. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the Financial Statements and whether the accounting policies applied are appropriate in the company's circumstances consistently applied and adequately disclosed.

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

Basis of Opinion

In our opinion, the company has kept proper accounting records and the financial statements are in agreement with the records in all material respects and give in the prescribed manner, information required by the Companies and Allied Matters Act CAP C20 LFN 2004. The financial statements give a true and fair view of the financial position of Hedonmark Management Services Limited as at 31 March 2016.

PARTNER: Femi Davies

FRCN NO: FRC/ICAN/2015/11230

6th May 2016

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016

	Notes	2016 ₦	2015 ₦
Non-current assets			
Plant and equipment	**6**	**651,599**	799,773
Intangible assets		**100,000**	-
		751,599	799,773
Current assets			
Inventory		**8,910,453**	-
Short term Loans and Advances		**2,779,495**	-
Cash and cash equivalents		**20,729,898**	-
		32,419,846	-
Current liabilities			
Bank overdrafts		**-**	-
Trade and other payables	**7**	**20,901,734**	3,385,149
Other Current Liabilities		**(30,847)**	-
Current income taxes		**6,279**	-
		20,877,166	3,385,149
Net current assets		**11,542,680**	(3,385,149)
Total assets less current liabilities		**12,294,279**	(2,585,376)
Non-current liabilities			
Long term borrowings		**117,362,369**	-
		117,362,369	-
Net assets		**(105,068,090)**	(2,585,376)
Capital and reserves			
Ordinary share capital	**8**	**2,500,000**	2,500,000
Retained Earnings	**9**	**(5,085,376)**	167,506
Profit/Loss for the year		**(102,482,714)**	(5,252,882)
Total equity		**(105,068,090)**	(2,585,376)

Vipul Sharma } **Directors**
Emmanuel Ikazoboh }

The Accounting policies on page herein and the notes on pages herein form part of these Financial Statements.

STATEMENT OF COMPREHENSIVE INCOME AS AT 31 MARCH 2016

	Notes	**2016** ₦	2015 ₦
Revenue from Operations		**521,780**	-
Other Income		**1,390**	-
		523,170	-
Direct costs		**(15,416,590)**	-
Gross profit		**(14,893,420)**	-
Administrative expenses	10	**(87,583,015)**	(5,252,882)
Finance costs		**-**	-
Loss before taxation		**(102,476,435)**	(5,252,882)
Taxation charge-Income and education tax		**(6,279)**	-
Loss transferred to retained earnings		**(102,482,714)**	(5,252,882)

The Accounting policies on page herein and the notes on pages herein form part of these Financial Statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2016

	2016	2015
	₦	₦
Cash flows from Operating activities:		
Income	**523,170**	-
Cash payments to Suppliers and Employees	**(101,656,431)**	(11,982,833)
Income Taxes	**(6,279)**	-
Net (Cash Outflow) from Operating activities	**(101,139,540)**	(11,982,833)
Cash flows from Investing activities		
Purchase of Fixed Assts	**(673,680)**	-
Net Cash provided by Investing activities	**(673,680)**	-
Cash flows from Financing activities		
Directors	**122,543,118**	-
Net Cash provided by Financing activities	**122,543,118**	-
Net decrease in cash and cash equivalents	**20,729,898**	(11,982,833)
Cash and cash equivalents at 1 April	**-**	11,982,833
Cash and cash equivalents at 31 March	**20,729,898**	-

STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2016

	Issued share capital	Revaluation reserve	Share premium	Retained earnings	Total equity
	₦	₦	₦	₦	₦
At 1 APRIL 2015	**2,500,000**	**-**	**-**	**(5,085,376)**	**(2,585,376)**
Loss for the year	**-**	**-**	**-**	**(102,482,714)**	**-**
Write-back to retained earnings		**-**		**-**	**-**
Total other comprehensive income/ (Loss) for the year	**-**	**-**	**-**	**-**	**-**
Total comprehensive income/(Loss) for the year	**-**	**-**	**-**	**(102,482,714)**	**(102,482,714)**
Issue of share capital	**-**			**-**	**-**
Transaction costs for equity issue	**-**			**-**	**-**
Share-based payment transaction	**-**			**-**	**-**
Contributions by and to owners of the business	**-**	**-**	**-**	**-**	**-**
At 31 MARCH 2016	**2,500,000**	**-**	**-**	**(107,568,090)**	**(105,068,090)**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. The Entity

1.1 Legal form

Hedonmark Management Services Limited was incorporated in April 2004 and carries on business as management consultants. It commenced business on 6 October 2010.

1.2 Principal activities

The principal activities of the company is management consulting and recharge card vendoring.

2. Basis of preparation

2.1 Statement of compliance

The companies financial statements for the year ended 31 March 2016 have been prepared and approved by the Directors in accordance with International Financial Reporting Standards (IFRSs) as issued by the IASB. Additional information required by local regulators has been included where appropriate.

The financial statements comprise of the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cashflows and notes to the financial statements.

2.2 Basis of measurement

The financial statements have been prepared in accordance with the going concern principle under the historical cost convention, except for financial assets (liabilities) which were measured at fair value. The liability for defined benefit obligations is recognized as the present value of the defined benefit obligation less the total of the plan assets, plus unrecognized actuarial gains, less unrecognized past service cost and unrecognized actuarial losses while the plan assets for defined benefit obligations are measured at fair value.

The financial statements are presented in the Nigerian Naira (NGN), which is the company's chosen currency for presentation.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates, it also requires management to exercise its judgment in the process of applying the group's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate and therefore the company's financial statements present the financial position and results fairly.

3. Summary of significant accounting policies

The significant accounting policies set out below have been applied consistently to all periods presented in the financial statements and in preparing the opening statement of financial position at 31 March 2016, unless otherwise indicated.

3.1 Property, plant and equipment

3.2 Initial recognition

All property, plant and equipment assets are stated at cost less accumulated depreciation less accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

3.3 Subsequent 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 are charged to the income statement during the financial period in which they are incurred.

3.3.1 Depreciation of property, plant and equipment

Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

	%
Computer Equipment	33.33
Plant and Machinery	33.33

The assets' residual values and useful lives are reviewed at the end of each reporting period and adjusted if appropriate. 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 value.

The company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period.

3.3.2 Derecognition

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount, these are included in the income statement under operating income. When revalued assets are sold, the amounts included in the revaluation surplus are transferred to retained earnings.

3.3.3 Reclassification

There were no reclassifications in the periods under review.

3.4 Inventories

Inventories are valued at the lower of cost and net realisable value on a first in first out basis. The cost of inventories includes expenditures incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventory and work in progress, cost includes an appropriate share of production overheads based on normal activity levels.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling.

3.5 Impairment of non-financial assets

The company assesses annually whether there is any indication that any of its assets have been impaired. If such indication exists, the asset's recoverable amount is estimated and compared to its carrying value. Where it is impossible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the smallest cash-generating unit to which the asset is allocated. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount an impairment loss is recognized immediately in profit or loss, unless the asset is carried at a revalued amount, in which case the impairment loss is recognized as revaluation decrease.

3.6 Financial instruments

Financial instruments carried in the statement of financial position includes available for sale assets, loans and receivables, cash and cash equivalents and borrowings. Financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. The various classifications of financial instruments, their measurement subsequent to initial recognition, reclassifications and derecognition are stated as follows:

3.6.1 Financial assets

The company classifies its financial assets into the following categories: at fair value through profit or loss, loans and receivables, held to maturity assets and available for sale assets. The classification is determined by management at initial recognition and depends on the purpose for which the investments were acquired.

a) Classification

Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading and those designated at fair value through profit or loss at inception.

A financial asset is classified into the ‘financial assets at fair value through profit or loss’ category at inception if acquired principally for the purpose of selling in the short term, if it forms part of a portfolio of financial assets in which there is evidence of short-term profit-taking, or if so designated by management. Derivatives are also classified as held for trading unless they are designated as hedges.

Financial assets designated as at fair value through profit or loss at inception are those that are: Held in internal funds to match insurance and investment contracts liabilities that are linked to the changes in fair value of these assets. The designation of these assets to be 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 the gains and losses on them on different bases. Information about these financial assets is provided internally on a fair value basis to the company’s key management personnel.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those that the company intends to sell in the short term or that it has designated as at fair value through profit or loss or available for sale. Receivables arising from insurance contracts are also classified in this category and are reviewed for impairment as part of the impairment review of loans and receivables.

3.6.2 Impairment of financial assets

a) 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 company 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 group 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 group; or
  - national or local economic conditions that correlate with defaults on the assets in the group.

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 company 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.

If there is objective evidence that an impairment loss has been incurred on loans and receivables or held-to-maturity investments carried at amortised cost, 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 been incurred) discounted at the financial asset’s original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement. If a held-to-maturity investment or a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under contract. As a practical expedient, the company may measure impairment on the basis of an instrument’s fair value using an observable market price.

For the purpose of a collective evaluation of impairment, financial assets are company on the basis of similar credit risk characteristics (i.e., on the basis of the company's grading process that considers asset type, industry, geographical location, past-due status and other relevant factors). Those characteristics are relevant to the estimation of future cash flows of such assets by being indicative of the issuer's 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 (such as improved credit rating), the previously recognized impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the income statement.

3.7 Trade and other receivables

Trade receivables are amount due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets, if not they are presented as non-current assets. Where the potential impact of discounting future cash receipts over the short credit period is not considered to be material, trade receivables are stated at their original invoiced value. These receivables are reduced by appropriate allowances for estimated irrecoverable amounts.

3.8 Cash and cash equivalents

Cash equivalents comprises of short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. An investment with a maturity of three months or less is normally classified as being short-term.

For the purpose of presenting the statement of cash flows, cash and cash equivalents are shown net of bank overdrafts.

3.9 Leases

The company did not enter into any lease agreement during the period under review.

3.10 Trade and other payables

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business. Accounts payable are classified as current liabilities if payment is due with one year or less. If not, they are presented as non-current liabilities.

Other payables are stated at their original invoiced value, as the interest that would be recognised from discounting future cash payments over the short payment period is not considered to be material.

3.11 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

Interest-bearing borrowings are stated at amortised cost using the effective interest method. 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.

3.12 Employee benefits

3.12.1 Defined contribution pension plan

The company runs a defined contribution plan in accordance with the Pension Reform Act 2004. The contribution of the employee is 8% while that of the employer is 10% of the employee's basic salary. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. The company has no legal or constructive obligations 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.

Under the defined contribution plans, the company pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due.

3.12.2 Defined benefit pension plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The group's net obligation in respect of defined benefit plan is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods; that benefit is discounted to determine its present value. Any recognized past service costs and fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on AA credit-rated bonds that have maturity dates approximating the terms of the group's obligation and that are denominated in the currency in which the benefit are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected credit unit method.

The company recognizes all actuarial gains or losses arising from defined benefit plans immediately in other comprehensive income and all expenses related to defined benefit plans in personnel expenses in profit or loss.

The group recognizes gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on settlement or curtailment comprises any resulting change in the fair value of the plan asset, any change in the present value of defined benefit obligation, any related actuarial gains or losses and past services cost that had not previously been recognised.

3.12.3 Termination benefit

Termination benefit are recognized as an expense when the company is demonstrably committed without realistic possible withdrawal , to a formal detail plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefit for voluntary redundancies is recognized as expenses if the group has made an offer of voluntary redundancy and it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If the benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

3.12.4 Short term employee benefits

These are measured on an undiscounted basis and are expensed as the related service is provided. A liability is 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.

3.13 Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the group's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate.

3.14 Provisions

Provisions are recognized 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 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.

3.15 Warranty

A provision for warranty is recognized when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated possibilities.

Onerous contract

Provision for onerous contracts is recognized when the expected benefit to be derived by the company from a contract are lower than the unavoidable costs of meeting its obligation under the contract. The provision is measured at the present value of the lower of the expected costs of terminating the contract and the expected net cost of continuing with the contract.

3.16 Equity instruments

There were no equity instruments issud by the company during the periods under review.

3.17 Revenue recognition

3.17.1 Sale of goods

Revenue from the sale of goods in the ordinary course of business is measured at the fair value of consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognized when persuasive evidence persists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, recovery of consideration is probable, the associated cost and possible return of goods can be estimated reliably, there is no continuing involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discount will be granted and the amount can be measured reliably, then the discount is recognized as a reduction of revenue as the sales are recognized.

3.17.2 Investment return

Investment return costs of dividend, interest and rent receivable, movement in amortized cost on debt securities and other loan and receivables, realized gains and losses, and unrealized gains and losses on fair value assets.

3.17.3 Interest income

Interest income is accrued on a time 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 the assets carrying amount.

3.17.4 Realised gains and losses

The realised gains or losses on the disposal of an asset is the difference between proceeds received, net of transaction costs and it original or amortised costs as appropriate

3.18 Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the the client's involved. Monetary items denominated in foreign currencies are retranslated at the exchange rates applying at the reporting date. Nonmonetary 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 that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognized in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings which are regarded as adjustments to interest costs , where those interest costs qualify for capitalization to assets under construction;
- Exchange differences on transactions entered into to hedge foreign currency risks;
- Exchange differences on loans to or form a foreign operation for which settlement is neither planned nor likely to occur and therefore forms part of the net investment in the foreign operation, which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

4. Critical accounting estimates and judgement

The company makes estimate and assumption about the future that affects the reported amounts of assets and liabilities. Estimates and judgment are continually evaluated and based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumption.

The effect of a change in an accounting estimate is recognized prospectively by including it in the comprehensive income in the period of the change, if the change affects that period only, or in the period of change and future period, if the change affects both.

The estimates and assumptions that have a significant risks of causing material adjustment to the carrying amount of asset and liabilities in the next financial statements are discussed below:

a) Defined benefit obligation

The present value of defined benefit obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the defined benefit obligation include the discount rate, the company's determines the discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimate future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the company's considers the interest rates of high- quality corporate bond that are denominated in the currency in which the benefits will be paid, and have terms to maturity approximating the terms of the defined benefit obligation.

b) Impairment of property, plant and equipment and intangible assets.

Management is required to make judgement concerning the cause, timing and amount of impairment. In the identification of impairment indicators, management considers the impact of changes in current competitive conditions, cost of capital, availability of funding, technological obsolescence, discontinuance of services and other circumstances that could indicate impairment exist.

c) Others are:

i. Residual values of items of property, plant and equipment;

ii. Estimated useful lives of item of property, plant and equipment;

iii. Impairment of doubtful receivables.

5. Risk management framework

The company has established a risk management function with clear terms of reference from the board of Directors, its committees and the executive management committees.

This is supplemented with a clear organizational structure with documented delegated authorities and responsibilities from the board of directors to executive management committees and senior managers. Lastly, the Internal Audit unit provides independent and objective assurance on the robustness of the risk management framework, and the appropriateness and effectiveness.

The company's principal significant risks are assessed and mitigated under three broad headings:

Strategic risks – This specifically focused on the economic environment, the products offered and market. The strategic risks arised from a company's ability to make appropriate decisions or implement appropriate business plans, strategies, decision making , resource allocation and its inablity to adapt to changes in its business environment.

Operational risks – These are risks associated with inadequate or failed internal processes, people and systems, or from external events.

Financial risks – Risk associated with the financial operation of the company, including underwriting for appropriate pricing of plans, provider payments, operational expenses, capital management, investments, liquidity and credit.

The board of directors approves the company's risk management policies and meets regularly to approve any commercial, regulatory and organizational requirements of such policies. These policies define the group's identification of risk and its interpretation, limit structure to ensure the appropriate quality and diversification of assets, align underwriting to the corporate goals, and specify reporting requirements to meet.

5.1 Strategic risks

The following capital management objectives, policies and approach to managing the risks which affect its capital position are adopted by the group.

i. To maintain the required level of financial stability thereby providing a degree of security to clients and plan members.

ii. To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and of its shareholders.

iii. To retain financial flexibility by maintaining strong liquidity.

iv. To align the profile of assets and liabilities taking account of risks inherent in the business and regulatory requirements.

v. To maintain financial strength to support new business growth and to satisfy the requirements of the regulators and stakeholders.

Approach to capital management

The company seeks to optimise the structure and sources of capital to ensure that it consistently maximises returns to the shareholders and customers.

The company's approach to managing capital involves managing assets, liabilities and risks in a coordinated way, assessing shortfalls between reported and required capital level on a regular basis.

The company's primary source of capital in 2013 is funding from the banks and local lenders.

There has been no significant changes to its capital structure during the past year from previous years.

5.2 Operational risks

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the company's processes, personnel, technology and infrastructure, and from external factors such as provider tariffs, medical costs, premium review for adequacy, prompt premium payments and collections. Others are legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the group's operations.

The company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each unit. This responsibility is supported by the development of operational standards for the management of operational risk in the following areas:

- requirments for appropriate segregation of duties, including independent authorisation of transactions.
- requirements for the reconciliation and monitoing of transactions.
- compliance with regulatory and other legal requirements.
- documentataion of controls and procedures.
- training and professional development.
- ethical and business standards.

5.3 Financial risks

The company has exposure to the following risks from financial instruments:

- Credit risks
- Liquidity risks
- Market risks

a Credit risks

Credit risks arise from a customer payment delays or outright default; inability to fully meet contractual obligations to providers. Exposure to this risk results from financial transactions with a customer.

The company has policies in place to mitigate its credit risks.

The company's Enterprise risk management policy sets out the assessment and determination of what constitutes credit risk for the company. Compliance with the policy is monitored and exposures and breaches are reported to the company's management. The policy is regularly reviewed for pertinence and for changes in the risk environment.

5.4 Exposure to risk

The company is not exposed to any financial or credit risk during the year under review.

The debtors' age analysis is also evaluated on a regular basis for potential doubtful debts, where this is considered necessary. The company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables.

5.5 Liquidity risks

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial instruments.

The company employs policies and procedures to mitigate the it's exposure to liquidity risk. The company complies with minimum regulatory requirements.

5.6 Market risks

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 three types of risk: foreign exchange rates (currency risk), market interest rates (interest rate risk) and market prices (price risk).

5.7 Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The company's principal transactions are carried out in naira and dollar and its financial assets are primarily denominated in the Naira. Although it has foreign operations. its exposure to foreign exchange risk is minimal as it also has liabilities denominated in foreign currencies to help mitigate risks that may arise.

6. Capital management

In the management of its capital, the company has certain objectives which it intends to achieve, these include:

- the safeguarding of the company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and the provision of an adequate return to shareholders by pricing products and services commensurately with the level of risk.
- consistency with others in the industry, the company monitors capital on the basis of the debt-to-capital ratio. This ratio is calculated as net debt ÷ capital:
- net debt is calculated as total liabilities (as shown in the statement of financial position) less cash and cash equivalents. Capital comprises all components of equity (ie ordinary shares, share premium, retained earnings, and other reserves).

6 Fixed Assets

	Plant & Machinery	Computer Equipment	Total
Cost	₦	₦	₦
At 1 April 2015	4,956,324	-	4,956,324
Additions/Adjustments	-	673,680	673,680
At 31 March 2016	**4,956,324**	**673,680**	**5,630,004**
Depreciation			
At 1 April 2015	4,156,551	-	4,156,551
Charge for the year	653,434	168,420	821,854
At 31 March 2016	**4,809,985**	**168,420**	**4,978,405**
Net Book Value			
At 31 March 2016	**146,339**	**505,260**	**651,599**

7 Trade and Other Payables

	₦	₦
Creditors	**20,870,887**	**3,385,149**
Current Income Tax	**6,279**	**-**
	20,877,166	**3,385,149**

	2016	2015
	₦	₦
8 Share Capital		
Authorised :	**10,000,000**	10,000,000
Issued and fully paid:		
2,500,000 Ordinary shares of N1 each.	**2,500,000**	2,500,000
9 General Reserve		
Balance brought forward	**(5,085,376)**	167,506
Loss for the period transferred	**(102,482,714)**	(5,252,882)
	(107,568,090)	(5,085,376)

		2016	2015
		₦	₦
10	**Administrative Expenses**		
	Salaries,allowances and staff welfare	**24,756,777**	1,732,096
	Legal and Professional Expenses	**1,266,250**	-
	Rent and Service charges	**4,599,666**	1,188,141
	Bank charges	**3,396,015**	-
	Travelling and other costs	**502,882**	-
	Communucations Costs	**1,958,333**	-
	Advert and Sales Promotion	**47,228,738**	-
	Audit fees	**3,000,000**	125,000
	General Expenses	**54,350**	339,913
	Depreciation	**820,004**	1,867,733
		87,583,015	5,252,883

COMVIVA TECHNOLOGIES SINGAPORE PTE. LTD.

Board of Directors

Mr. Manoranjan Mohapatra
Mr. Sriram GopalaKrishnan
Mr. Manish Goenka

Registered Office

180B, Bencoolen Street, #12-05,
The Bencoolen, Singapore 189648

Bankers

Standard Charted Bank

Auditors

Deloitte and 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, 2016.

In the opinion of the directors, the financial statements of the company as set out on pages herein are drawn up so as to give a true and fair view of the financial position of the company as at March 31, 2016 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 report are:

Manish Goenka (Appointed on March 14, 2016)

Manoranjan Mohapatra

Sriram Gopalakrishnan

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.

4 SHARE OPTIONS

(a) Option to take up unissued shares

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

(b) Option 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.

5 AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

Sriram Gopalakrishnan Manish Goenka

Date: 27th May, 2016

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF

COMVIVA TECHNOLOGIES SINGAPORE PTE. LTD.

Report on the Financial Statements

We have audited the accompanying financial statements of Comviva Technologies Singapore Pte. Ltd. (the "company") which comprise the statement of financial position as at March 31, 2016, 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, as set out on pages herein.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements of the company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the company as at March 31, 2016 and the financial performance, changes in equity and cash flows of the company for the year ended on that date.

Other Matter

The financial statements of the company for the year ended March 31, 2015 were audited by another firm of auditors who have expressed an unmodified opinion on those financial statements in their report dated May 14, 2015.

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.

Public Accountants and

Chartered Accountants

Singapore

Date: 27th May, 2016

STATEMENT OF FINANCIAL POSITION MARCH 31, 2016

	Note	**2016**	2015
		$	$
ASSETS			
Current assets			
Cash and cash equivalents	7	**179,446**	56,091
Trade receivables	8	**641,680**	550,360
Other receivables	9	**13,392**	5,555
Total current assets		**834,518**	612,006
Total assets		**834,518**	612,006
LIABILITIES AND EQUITY			
Current liabilities			
Accruals		**101,301**	6,129
Amount due to immediate holding company	10	**715,466**	694,883
Total current liabilities		**816,767**	701,012
Capital and accumulated losses			
Share capital	11	**61,000**	1,000
Accumulated losses		**(43,249)**	(90,006)
Total equity		**17,751**	(89,006)
Total liabilities and equity		**834,518**	612,006

See accompanying notes to financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME YEAR ENDED MARCH 31, 2016

	Note	**2016**	2015
		$	$
Revenue	12	**187,350**	153,594
Change in inventories		**-**	(146,165)
Other operating expenses	13	**(107,689)**	(12,713)
Finance costs		**(32,904)**	(30,190)
Profit (Loss) before taxation	14	**46,757**	(35,474)
Taxation	15	**-**	-
Profit (Loss) for the year, representing total comprehensive income (loss) for the financial year		**46,757**	(35,474)

STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 MARCH 2016

	Share capital	Accumulated profit (losses)	Total
	$	$	$
Balance at April 1, 2014	1,000	54,532	53,532
Loss for the year, representing total comprehensive loss for the financial year	-	(35,474)	(35,474)
Balance at 31 March 2015	1,000	(90,006)	(89,006)
Profit for the year, representing total comprehensive income for the financial year	-	46,757	46,757
Issue of shares representing transaction with owners recognised directly in equity	60,000	-	60,000
Balance at 31 March 2016	**61,000**	**(43,249)**	**17,751**

See accompanying notes to financial statements.

STATEMENT OF CASH FLOWS YEAR ENDED MARCH 31, 2016

	2016	2015
	$	$
Cash flows from operating activities		
Profit (Loss) before income tax	**46,757**	(35,474)
Adjustments for:		
Finance costs	**32,904**	30,190
Operating cash flows before movements in working capital	**79,661**	(5,284)
Other receivables	**(7,837)**	70,497
Trade receivables	**(91,320)**	(197,096)
Inventories	**-**	146,165
Trade payables	**-**	(141,323)
Amount due to holding company	**(970)**	-
Accruals	**95,172**	(975)
Net cash from (used in) operating activities	**74,706**	(128,016)
Financing activities		
Finance costs	**(32,904)**	(30,190)
Issue of ordinary shares	**60,000**	-
Amount due to immediate holding company	**21,553**	(77,760)
Net cash from (used in) financing activities	**48,649**	(47,570)
Net increase (decrease) in cash and cash equivalents	**123,355**	(80,446)
Cash and cash equivalents at beginning of the financial year	**56,091**	136,537
Cash and cash equivalents at end of the financial year	**179,446**	56,091

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS 31 MARCH 2016

1 GENERAL

The company (Registration No. 201127764Z) is incorporated in Republic of Singapore with its registered office and principal place of business at 180B Bencoolen Street, #12-05 The Bencoolen, Singapore l89648. The company's functional currency is in United States dollars. The financial statements are expressed in Singapore dollars.

The principal activities of the company are those of wholesale of computer software and telecommunications equipment.

The financial statements of the company for the year ended March 31, 2016 were authorised for issue by the Board of Directors on 27th May, 2016.

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 provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS").

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, 2015, the company has adopted all the new and revised FRSs, Interpretations of FRS ("INT FRS") and Amendments to FRSs that are effective from that date and are relevant to its operations.

The adoption of these new/revised FRSs, INT FRSs and Amendments to 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.

At the date of authorisation of these financial statements, the following FRSs and Amendments to FRS that are relevant to the company were issued but not effective:

- FRS 109 Financial Instruments (1)
- FRS 115 Revenue from Contracts with Customers (1)
- Amendments to FRS 1 Presentation of Financial Statements: Disclosure Initiative (2)

(1) Applies to annual periods beginning on or after January 1, 2018, with early application permitted.

(2) Applies to annual periods beginning on or after January 1, 2016, with early application permitted.

Consequential amendments were also made to various standards as a result of these new/revised standards.

Management anticipates that the adoption of the above FRSs and amendments to FRS in future periods will not have a material impact on the financial statements of the company in the period of their initial adoption except for the following:

FRS 109 Financial Instruments

FRS 109 was issued in December 2014 to replace FRS 39 Financial Instruments: Recognition and Measurement and introduced new requirements for (i) the classification and measurement of financial assets and financial liabilities (ii) general hedge accounting (iii) impairment requirements for financial assets.

Key requirements of FRS 109:

- All recognised financial assets that are within the scope of FRS 39 are now required to be subsequently measured at amortised cost or fair value through profit or loss (FVTPL). Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at fair value through other comprehensive income (FVTOCI). All other debt investments and equity investments are measured at FVTPL at the end of subsequent accounting periods. In addition, under FRS 109, entities may make an irrevocable election, at initial recognition, to measure an equity investment (that is not held for trading) at FVTOCI, with only dividend income generally recognised in profit or loss.
- With some exceptions, financial liabilities are generally subsequently measured at amortised cost. With regard to the measurement of financial liabilities designated as at FVTPL, FRS 109 requires that the amount of change in fair value of such financial liability that is attributable to changes in the credit risk be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch to profit or loss. Changes in fair value attributable to the financial liability's credit risk are not subsequently reclassified to profit or loss.
- In relation to the 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 an entity 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. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Management is currently evaluating the potential impact of the application of FRS 109 on the financial statements of the company in the period of initial application.

FRS 115 Revenue from Contracts with Customers

In November 2014, FRS 115 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. FRS 115 will supersede the current revenue recognition guidance including FRS 18 Revenue, FRS 11 Construction Contracts and the related Interpretations when it becomes effective.

The core principle of FRS 115 is that an entity should recognise 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. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- 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. Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under FRS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in FRS 115 to deal with specific scenarios. Furthermore, extensive disclosures are required by FRS 115.

Management is currently assessing the effects of FRS 115 in the period of initial adoption.

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

Effective interest method

The effective interest method 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.

Financial liabilities and equity instruments

Classification of 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.

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.

Other financial liabilities

Trade and other payables (including accruals and amount due to immediate holding company) are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or they expire.

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 - 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 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 from contracts priced on a time and material basis is recognised when services are rendered. Revenue from fixed price contracts is recognised as per the proportionate completion method and where there is no uncertainty as to the measurement or collectability of the consideration. Revenue from annual maintenance and annual technical services contracts is recognised on pro-rata basis over the period of the contract.

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 specifi c borrowings pending their expenditure on qualifying assets is reduced from the borrowing costs eligible for capitalisation.

All other borrowing cost 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 group 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 currency of the primary economic environment in which the company operates (its functional currency) is United States dollars ("USD"). However, the financial statements of the company are presented in Singapore dollars ("$") which based on the group's reporting policy to align all the financial statements are expressed in Singapore dollars.

Transactions in currencies other than the USD (foreign currencies) are recorded in the company's functional currency at the rates of exchange prevailing on the dates of the transaction. At end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange differences arising on the settlement of monetary items and on the translation of monetary items are recognised in profit or loss for the year in which they arise.

For the purpose of presenting company's financial statements, the assets and liabilities of the company are expressed in Singapore dollars using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity.

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.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, which are described in Note 2 to the financial statements, 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.

Critical judgements in applying the company's accounting policies

Management is of the opinion that there are no critical judgements in applying the company's accounting policies that are expected to have a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The company does not have any key assumptions concerning the future and other key sources of estimation uncertainty 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, except for those affecting the recovery prospects of aged trade receivables.

<u>Assessment of recoverability of trade receivables</u>

The company makes allowances for bad and doubtful debts based on an assessment of the recoverability of trade receivables. Allowances are applied to trade receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact carrying value of trade receivables and doubtful debts expenses in the period in which such estimate has been changed. The carrying amount of the trade receivables are disclosed in Notes 8 to the financial statements respectively.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

(a) Categories of financial instruments

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

	2016	2015
	$	$
Financial assets		
Loans and receivables (including cash and cash equivalents)	**829,089**	606,451

	2016	2015
	$	$
Financial liabilities		
Payables, at amortised cost	**816,767**	701,012

The company does not have any financial instruments which are subject to enforceable master netting arrangements or similar netting arrangements.

(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

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The company's credit risk is primarily attributable to its cash and bank balance, trade and other receivables, which represents the company's maximum exposure to credit risk.

At the end of the reporting period, 85% (2014 : 100%) of the trade receivables are due from immediate holding company (2014 : immediate holding company). The risk management process includes assessing customers' credit standing and monitoring of collections.

The company places its cash with reputable financial institutions.

(ii) Interest rate risk management

The company has no significant interest rate risk as the company has no significant interest- bearing financial assets or liabilities. Accordingly, no sensitivity analysis has been prepared and disclosed.

(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 transactions are done in the functional currency which is in United States 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.

All financial liabilities in 2016 and 2015 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 approximate their fair values due to the relatively short-term maturity of these financial instruments.

(c) Capital risk management policies and objectives

The company reviews its capital structure at least annually to ensure that it will be able to continue as a going concern. The capital structure of the company comprises only of share capital. 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 Comviva Technologies Limited., incorporated in India. The company's ultimate holding company is Tech Mahindra Limited., incorporated in India. Related companies in these financial statements refer to members of the ultimate holding company's group of companies.

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

During the year, the company entered into the following trading transactions with related companies:

	2016	2015
	$	$
Sale of goods	**-**	153,594

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.

The Company does not have any employee and accordingly, there is no employee benefit expenses (including directors remuneration) as the administrative support is provided by immediate holding company.

7 CASH AND CASH EQUIVALENTS

	2016	2015
	$	$
Cash at bank	**179,446**	56,091

8 TRADE RECEIVABLES

	2016	2015
	$	$
Outside parties	**101,154**	-
Immediate holding company (Note 5)	**540,526**	550,360
	641,680	550,360

The average credit period on sales of goods and services rendered is 30 days. (2015 : 30 days). No interest is charged on the outstanding balance.

The trade receivables that are neither past due nor impaired are with good credit ratings.

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

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

	2016	2015
	$	$
Not past due and not impaired	**101,154**	-
Past due but not impaired (i)	**540,526**	550,360
otal trade receivables, net	**641,680**	550,360

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

	2016	2015
	$	$
More than 1 year	**540,525**	550,360

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 $540,526 (2015 : $550,360) 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 allowance is required.

9 OTHER RECEIVABLES

	2016	2015
	$	$
Prepayment	**5,429**	5,555
Other receivables	**7,963**	-
	13,392	5,555

10 AMOUNT DUE TO IMMEDIATE HOLDING COMPANY

	2016	2015
	$	$
Trade	**53,799**	54,769
Non-trade	**661,667**	640,114
	715,466	694,883

The amount due to immediate holding company is unsecured, bears interest at LIBOR plus 5.55% (2015: LIBOR plus 5.55%) per annum and is payable on demand.

11 SHARE CAPITAL

	2016	2015	**2016**	2015
	Number of ordinary shares		**$**	$
Issued and paid up:				
At the beginning of year	**1,000**	1,000	**1,000**	1,000
Issue of shares	**60,000**	-	**60,000**	-
At the end of the year	**61,000**	1,000	**61,000**	1,000

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.

12 REVENUE

	2016	2015
	$	$
Sale of goods	**-**	153,594
Service income	**187,350**	-
	187,350	153,594

Revenue represents net invoiced value of goods sold and services rendered during the financial year.

13 OTHER OPERATING EXPENSES

	2016	2015
	$	$
Bank charges	258	636
Net foreign exchange loss	3,052	3,892
Professional fee	10,584	8,185
Royalty expenses	93,675	-
Others	120	-
	107,689	12,713

14 PROFIT (LOSS) BEFORE TAXATION

This has been arrived at after charging:

	2016	2015
	$	$
Legal and professional fees	10,584	8,186
Net foreign exchange losses	3,051	3,890

15 TAXATION

Domestic income tax is calculated at 17% (2015 : 17%) of the estimated assessable profit for the year.

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

	2016	2015
	$	$
Profit (Loss) before income tax	46,757	(35,474)
Tax at the domestic income tax rate at	7,949	(6,031)
Utilisation of deferred tax assets previously not recognised	(7,949)	-
Deferred tax benefits not recorded	-	6,031
Tax expense for the year	-	-

As at the end of the reporting period, the company has the following unutilised tax losses available for offsetting against future taxable profits:

	2016	2015
	$	$
Balance at beginning of year	88,282	52,808
Amount in current year	-	35,474
Utilised during the year	(46,757)	-
Balance at end of year	41,525	88,282
Deferred tax benefit on above not recognised	7,059	15,008

The realisation of the future income tax benefits from tax loss carryforwards is available for an unlimited future period subject to the conditions imposed by law including the retention of majority shareholders as defined.

No deferred tax benefit has been recognised due to uncertainty of availability of future taxable profits.

COMVIVA TECHNOLOGIES BV

Directors

Ms. Jantina Catharina Van De Vreede
Mr. Sandeep Phadke
Mr. Syed Tanvir Hussain

Registered Office

Overschiestraat 65,
1062 XD Amsterdam,
The Netherlands

Auditors

Walker Chandiok & Co LLP
(Chartered Accountants)

Bankers

BNP PARIBAS S.A. - THE NETHERLANDS

INDEPENDENT AUDITOR'S REPORT

To the board of directors of Comviva Technologies B.V.

Report on the Financial Statements

1. We have audited the accompanying financial statements of **Comviva Technologies B.V.,** ("the Company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss; the Cash Flow Statement for the period then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the 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 Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) as applicable in India. This responsibility also includes maintenance of adequate accounting records; safeguarding the assets of the Company; preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.

4. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements 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 2016, its profit and its cash flows for the period ended on that date.

Restriction on Distribution and Use

8. These financial statements have been prepared by the company solely to enable its holding company to prepare consolidated financial statements. Accordingly, our report is meant for the purpose mentioned above and is not meant to report on Comviva Technologies B.V. as separate entity and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For **Walker Chandiok & Co LLP**
(Formerly Walker, Chandiok & Co)
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per Anamitra Das
Partner
Membership No.: 062191

Place : Gurgaon

Date : 12th May 2016

BALANCE SHEET
AS AT 31 MARCH 2016

	Note	(Amount in Euros) 31 March 2016
Equity and liabilities		
Shareholders' funds		
Share capital	3	**10,001**
Reserves and surplus	4	**195,282**
		205,283
Non current liabilities		
Other long-term liabilities	5	**2,372,149**
		2,372,149
Current liabilities		
Short-term borrowings	6	**3,514,295**
Trade payables	7	**193,912**
Other current liabilities	8	**792,297**
Short term provisions	9	**58,666**
		4,559,170
TOTAL		**7,136,602**
Assets		
Non current assets		
Fixed assets		
Intangible assets	10	**352,216**
Non-current investments	11	**4,289,388**
Long-term loans and advances	12	**1,254,849**
		5,896,453
Current assets		
Trade receivables	13	**47,309**
Cash and cash equivalents	14	**933,842**
Short-term loans and advances	15	**16,865**
Other current assets	16	**242,133**
		1,240,149
TOTAL		**7,136,602**

All notes form an integral part of these financial statements.
This is the Balance Sheet referred to in our report of even date

For Walker Chandiok & Co LLP
(Formerly Walker, Chandiok & Co.)
Chartered Accountants

per Anamitra Das
Partner
Mem. No.: 062191

Place : Gurgaon
Date : 12th May, 2016

For and on behalf of Comviva Technologies B.V.

Jantina Catharina Van De Vreede
(Director)

Sandeep Phadke
(Director)

Place : Amsterdam
Date : 12th May, 2016

STATEMENT OF PROFIT AND LOSS
FOR THE PERIOD ENDED 31 MARCH 2016

(Amount in Euros)

	Note	For the period ended 31 March 2016
Revenue		
Revenue from operations	17	**290,314**
Other income	18	**226,172**
Total revenue (I+II)		**516,486**
Expenses		
Employee benefits expense	19	**3,024**
Subcontracting cost		**29,768**
Finance costs	20	**12,256**
Amortisation expenses	10	**20,716**
Other expenses	21	**196,774**
Total expenses		**262,538**
Profit before tax		**253,948**
Tax expenses:		
Current tax		**58,666**
		58,666
Profit after tax		**195,282**
Earnings per equity share		
Basic / Diluted	22	**19.53**

All notes form an integral part of these financial statements.
This is the statement of Profit and loss referred to in our report of even date

For Walker Chandiok & Co LLP
(Formerly Walker, Chandiok & Co.)
Chartered Accountants

per Anamitra Das
Partner
Mem. No.: 062191

Place : Gurgaon
Date : 12th May, 2016

For and on behalf of Comviva Technologies B.V.

Jantina Catharina Van De Vreede
(Director)

Sandeep Phadke
(Director)

Place : Amsterdam
Date : 12th May, 2016

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 MARCH 2016

				(Amount in Euros) For the period ended 31 March 2016
A.	**Cash flow from operating activities**			
	Profit before tax			**253,948**
	Adjustments for non cash transactions			
	Amortization expenses		**20,716**	
	Interest expenses		**9,620**	
	Unrealised foreign exchange difference (net)		**(224,351)**	**(194,015)**
	Operating profit before working capital changes			**59,933**
	Adjustments for changes in working capital:			
	Increase in trade payables		**194,739**	
	Increase in other current liabilities		**236**	
	Increase in trade receivables		**(290,314)**	
	Increase in short term loans and advances		**(17,836)**	**(113,175)**
	Cash generated from operations			**(53,242)**
	Direct taxes paid			**-**
	Net cash flows used in operating activities	A		**(53,242)**
B.	**Cash flows from investing activities**			
	Purchase of investments		**(4,289,388)**	
	Advance given to subsidiary		**(1,318,445)**	
	Purchase of fixed assets		**(372,932)**	**(5,980,765)**
	Net cash flows used in investing activities	B		**(5,980,765)**
C.	**Cash flows from financing activities**			
	Proceeds from issuance of equity share capital		**10,001**	
	Change in contractual obligation		**3,283,086**	
	Proceeds from short term borrowings		**3,717,473**	
	Interest paid		**(8,275)**	**7,002,285**
	Net cash flows from/(used in) financing activities	C		**7,002,285**
D.	**Exchange differences on translation of foreign currency cash and cash equivalents**	D		**(34,436)**
	Net increase in cash and cash equivalents	(A+B+C+D)		**933,842**
	Cash and cash equivalents at the beginning of the year			**-**
	Cash and cash equivalents at the end of the year			**933,842**
	Components of cash and cash equivalents as at			**31-Mar-16**
	Balances with banks:			
	- In current accounts			**933,842**
				933,842

This is the cash flow statement referred to in our report of even date.

For Walker Chandiok & Co LLP
(Formerly Walker, Chandiok & Co.)
Chartered Accountants

per Anamitra Das
Partner
Mem. No.: 062191

Place : Gurgaon
Date : 12th May, 2016

For and on behalf of Comviva Technologies B.V.

Jantina Catharina Van De Vreede
(Director)

Sandeep Phadke
(Director)

Place : Amsterdam
Date : 12th May, 2016

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

1. Company Overview

Comviva Technologies B.V. ("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 Comviva Technologies Limited.

2. Significant Accounting Policies

2.1 Basis for preparation of financial statements

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India on accrual basis under the historical cost convention, except for certain financial instruments which are measured at fair value. These financial statements have been prepared in accordance with the Accounting Standards applicable in India and in accordance with the accounting principles generally accepted in India.

2.2 Fixed Assets, depreciation and amortization

a) Tangible

Tangible fixed Assets are stated at the cost of acquisition, less depreciation /amortisation. Cost comprises of the purchase price, borrowings cost and other attributable costs.

b) Intangible

Intangible assets comprises of computer software which are not integral part of the hardware and intangible rights acquired and are stated at cost less accumulated amortisation.

c) Depreciation / Amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation / amortisation on fixed assets including assets taken on lease, other than freehold land is charged based on straight line method on an estimated useful life which has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

2.3 Investments

Investments which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued.

Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

2.4 Revenue recognition

Revenue from sale of equipment and third party software is recognized upon delivery, which is when the title passes to the customer.

Revenue from contracts priced on a time and material basis is recognised when services are rendered.

Revenue from fixed price contracts is recognized as per the proportionate completion method and where there is no uncertainty as to the measurement or collectability of the consideration.

Revenue from annual maintenance and annual technical services contracts is recognised on pro-rata basis over the period of the contract.

Revenue from contracts falling under revenue share is recognized on the basis of reconciled transactions as per agreement with the telecom operators.

Interest income is recognized on time proportion basis.

Dividend income is recognized when the Company's right to receive dividend is established.

2.5 Foreign currency transactions

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Monetary items are translated at the year-end rates and the exchange differences so determined as also the realised exchange differences are recognised in the Statement of Profit and Loss.

2.6 Accounting for Taxes on Income

Tax expense comprises of current tax. Current tax is measured at the amount expected to be paid to/recovered from the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with the local tax laws existing in laws of The Netherlands.

2.7 Earnings per share

Basic earnings per share are computed by dividing the profit for the year after tax by the weighted average number of equity shares outstanding during the year.

2.8 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

2.9 Provisions, Contingent Liabilities and Contingent Assets

The Company recognizes provisions only when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

No Provisions is recognized for –

a) Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

b) Present obligations that arise from past events but are not recognized because-

   1) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

   2) A reliable estimate of the amount of obligation cannot be made.

   Such obligations are recorded as Contingent Liabilities. These are assessed continually and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

   Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

Notes to the financial statements for the period ended 31 March 2016

(Amount In Euros)

Note 3 - Share capital :

Particulars	**As at 31st March 2016**	
	Number	**Amount**
Authorized :		
10001 Equity shares of EUR 1 each	**10,001**	**10,001**
	10,001	**10,001**
Issued, subscribed and fully paid up :		
10001 Equity shares of EUR 1 each fully paid up	**10,001**	**10,001**
	10,001	**10,001**

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 31st March 2016**	
	Number	**Amount**
Equity Shares		
Opening Balance	**-**	**-**
Issued during the year	**10,001**	**10,001**
Closing Balance	**10,001**	**10,001**

(ii) Terms, rights and restrictions attached to:
Equity shares:

The Company has equity shares having par value of EUR 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in EUR. 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 amounts. The distribution will be in proportion to the equity shares held by the shareholders.

(iii) Details of shares held by the Holding company

Particulars	**Number of Shares As at 31st Mar 2016**
Comviva Technologies Limited	**10,001**

(iv) Details of equity shares held by shareholder holding more than 5%:

Name of shareholder	**As at 31st Mar 2016**	
	No of shares	**% of Holding**
Comviva Technologies Limited	**10,001**	**100.00%**

Note 4 - Reserves and surplus :

Particulars	**As at 31st March 2016**
Surplus in the statement of profit and loss	
Opening balance	**-**
Add: profit for the period	**195,282**
Closing balance	**195,282**

Note 5 - Other long-term liabilities :

Particulars	**As at 31st March 2016**
Unsecured	
- Contractual obligations (repayable over period of more than 1 year)	**2,372,149**
	2,372,149

Note 6 - Short-term borrowings :

Particulars	**As at 31st March 2016**
Secured	
Bank of America	**3,514,295**
	3,514,295

The borrowings are secured by the corporate gurantee from the Holding company, Comviva Technologies Ltd.

Note 7 - Trade payables :

Particulars	**As at 31st March 2016**
Trade payables	**193,912**
	193,912

Note 8 - Other current liabilities :

Particulars	**As at 31st March 2016**
Statutory remittances	**236**
Interest accrued but not due	
- Others	**1,345**
Contractual obligations	**790,716**
	792,297

Note 9 - Short term provisions :

Particulars	**As at 31st March 2016**
Provision for income tax	**58,666**
	58,666

Note 10 - Fixed assets

Particulars			**Gross block**	**Accumulated depreciation / amortization**			**Net block**
	Additions during the period	**Disposals during the period**	**As at 31st March, 2016**	**For the period**	**On disposal for the period**	**As at 31st March, 2016**	**As at 31st March, 2016**
Intellectual property rights	372,932	-	**372,932**	20,716	-	**20,716**	**352,216**
	372,932	-	**372,932**	20,716	-	**20,716**	**352,216**

Note 11 - Non-current investments :

Particulars	**Number of shares**	**Face value per share**	**As at 31st March 2016**
Trade investments unquoted (valued at cost unless stated otherwise)			
ATS Advance Technology Solutions do Brasil, Industria, Comercio, Importacao y Exportacao LTDA	**100,000**	**BRL 1**	**576,938**
ATS Advance Technologies Solution SA	**15,800**	**ARS 1**	**3,712,450**
			4,289,388

Note 12 - Long-term loans and advances :

Particulars	**As at 31st March 2016**
Loan to subsidiaries	
- Unsecured considered good	**1,254,849**
	1,254,849

Note 13 - Trade receivables :

Particulars	**As at 31st March 2016**
Trade receivables (unsecured)	
Over six months	
- Considered good	**-**
- Considered doubtful	**-**
Others	
- Considered good	**47,309**
- Considered doubtful	**-**
	47,309•
Less: Provision for doubtful trade receivables	**-**
	47,309

Note 14 - Cash and cash equivalents :

Particulars	**As at 31st March 2016**
Balances with banks:	
- In current accounts	**933,842**
	933,842

Note 15 - Short-term loans and advances :

Particulars	**As at 31st March 2016**
Advances recoverable in cash or kind	
Unsecured, considered good	**15,634**
Other loans and advances	
Balance with Government authorities	**1,231**
	16,865

Note 16 - Other current assets :

Particulars	**As at 31st March 2016**
Unbilled revenue	**242,133**
	242,133

Note 17 - Revenue from operations :

Particulars	**For the period ended 31st March 2016**
Income from rendering of services	
Annual maintenance contract services	**152,537**
Income from sale of equipments and software licenses	
Software sale	**137,777**
	290,314

Note 18 - Other income :

Particulars	**For the period ended 31st March 2016**
Foreign exchange gain (net)	**226,172**
	226,172

Note 19 - Employee benefits expense :

Particulars	**For the period ended 31st March 2016**
Salaries, wages and bonus	**2,580**
Contribution to funds	**444**
	3,024

Note 20 - Finance cost

Particulars	**For the period ended 31st March 2016**
Interest cost	**9,620**
Bank charges	**2,636**
	12,256

Note 21 - Other expenses :

Particulars	**For the period ended 31st March 2016**
Cost of hardware equipment and other items sold	**9,178**
Travelling and conveyance	**4,080**
Repairs and maintenance	**65**
Communication costs	**809**
Legal and professional fees	**179,657**
Auditors remuneration	**2,984**
Miscellaneous expenses	**1**
	196,774

Note 22 - Earning per share :

Particulars	**For the period ended 31st March 2016**
Profit/(loss) attributable to equity shareholders	**195,282**
Weighted average number of equity shares / diluted equity shares	**10,001**
Nominal value of shares (Eur)	**1.00**
Earning per share - basic / diluted	**19.53**

Note 23 -

During the period, Company entered into a definitive agreement on 22nd January 2016 to acquire 100% of Advanced Technology Solutions (ATS) business in Latin America for a consideration upto USD 6.44 million which includes settlement of shareholder loan upto USD 1.4 million. This transaction includes acquisition of 100% Equity shares of legal entities of ATS Group in Argentina and Brazil along with assets and contracts in the other ATS entities in Columbia, Mexico and Uruguay as asset purchase for value upto USD 5.05 million, subject to certain terms and conditions. As per the definitive agreement, an initial purchase consideration of USD 1.45 million has been paid on 22nd January 2016 to the respective stakeholders and balance is required to be paid in four tranches of USD 0.9 Mn each on 31st December 2016, 31st December 2017, 31st December 2018, 31st December 2019.

Note 24 - Related party disclosure :

a) **Name of the related party and nature of relationship:-**

Name of the entity*	Nature of relationship
Comviva Technologies Ltd	**Holding company**
ATS Advance Technology Solutions do Brasil, Industria, Comercio, Importacao y Exportacao LTDA	**Subsidiary**
ATS Advance Technologies Solution SA	**Subsidiary**

*We have disclosed only those related parties with whom Company has transactions during the period.

b) **Transactions with related parties:**

Particulars	Holding company	Subsidiary
Transactions for the period ended 31st March 2016		
Loan given during the period		
ATS Advance Technology Solutions do Brasil, Industria, Comercio, Importacao y Exportacao LTDA	**-**	**830,790**
ATS Advance Technologies Solution SA		**487,655**
Balance as at 31st March, 2016		
Loans & advances	**-**	
ATS Advance Technology Solutions do Brasil, Industria, Comercio, Importacao y Exportacao LTDA		**790,716**
ATS Advance Technologies Solution SA		**464,133**

Note 25 - Particulars of unhedged foreign currency exposure as at the balance sheet date

Particulars	Currency	As at 31 March 2016 (Foreign currency)	As at 31 March 2016 (Reporting Currency)
Payables			
Bank loan	**USD**	**4,000,000**	**3,514,295**
Contractual obligation	**USD**	**3,600,000**	**3,162,865**
Creditors	**USD**	**221,866**	**194,925**
Receivables			
Loans and advances	**USD**	**1,445,280**	**1,269,786**
Debtors	**USD**	**53,848**	**47,309**
Bank balance	**USD**	**1,057,474**	**929,068**
Unbilled revenue	**USD**	**275,720**	**242,133**

Note 26 - These financial statements are prepared in accordance with applicable accounting standards and accounting principles generally accepted in India ('Indian GAAP').

Note 27 - The Company was incorporated on 30 April 2015 and therefore these financial statements are for the period from 30 April 2015 to 31 March 2016. Since this is the first accounting year of the Company, comparative figures are not available.

For Walker Chandiok & Co LLP
(Formerly Walker, Chandiok & Co.)
Chartered Accountants

per Anamitra Das
Partner
Mem. No.: 062191

Place : Gurgaon
Date : 12th May, 2016

For and on behalf of Comviva Technologies B.V.

Jantina Catharina Van De Vreede
(Director)

Sandeep Phadke
(Director)

Place : Amsterdam
Date : 12th May, 2016

TERRA PAYMENT SERVICES (NETHERLANDS) B.V.

Directors
Ms. Jantina Catharina Van De Vreede
Mr. Sandeep Phadke
Mr. Syed Tanvir Hussain

Registered Office
Overschiestraat 65,
1062 XD Amsterdam,
The Netherlands

Auditors
RAA & Co.
Chartered Accountants

Bankers

BNP PARIBAS S.A. - THE NETHERLANDS

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD MEMBERS OF TERRA PAYMENT SERVICES (NETHERLANDS) B.V.

Report on the Financial Statements

We have audited the accompanying financial statements of TERRA PAYMENT SERVICES (NETHERLANDS) B.V. ("the Company"), [Incorporated with Limited Liability under the laws of Netherlands] which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information,

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under section 133 of the Act, as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit/loss and its cash flows for the period ended on that date.

Report on Other Legal and Regulatory Requirements

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 purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account

d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, as applicable.

e) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.

   ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

Rajesh Gupta, FCA
Partner
Membership No.-91660

For RAA & Co.
Chartered Accountants
Firm Regn.No.-022091N

Place : Gurgaon

Date : 12th May, 2016

BALANCE SHEET AS AT 31ST MAR, 2016

Particulars		Note No.	31st Mar, 2016	EUR
A	**Equity and Liabilities**			
1	**Shareholders' funds**			
	(a) Share capital	3	**400,001**	
	(b) Reserves and surplus	4	**(314,812)**	
				85,189
2	**Current Liabilities**			
	(a) Trade payables	5	**50,996**	
				50,996
	TOTAL			**136,185**
B	**Assets**			
1	**Non current assets**			
	(a) Long-term loans and advances	6	**879**	**879**
2	**Current Assets**			
	(a) Cash and cash equivalents	7	**111,648**	
	(b) Short-term loans and advances	8	**23,658**	
				135,306
	TOTAL			**136,185**
	Accounting Policies & Notes to Accounts	1 & 2		

For and on behalf of Terra Payment Services (Netherlands) B.V.

Jantina Catharina Van De Vreede
(Director)

Sandeep Phadke
(Director)

Place : Amsterdam
Date : 12th May, 2016

As per our Report of even date

Rajesh Gupta, FCA
Partner
Memberhsip No.- 91660
For RAA & Co.
Chartered Accoutants
Firm Regn.No. -022091N

Place : Gurgaon
Date : 12th May, 2016

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD FROM 03RD JULY 2015 TO 31ST MAR 2016

	Particulars	Note No.		EUR For the period ended 31st Mar, 2016
I.	Revenue from operations			-
II.	Other income	9		**9,796**
III.	**Total revenue (I+II)**			**9,796**
IV.	**Expenses**			
	(a) Subcontracting cost			**89,504**
	(b) Other Expenses	10		**235,104**
	Total expenses			**324,608**
V.	**Profit/(loss) before tax**			**(314,812)**
VI.	**Tax expenses:**			
	(a) Current tax		-	
	(b) Deferred tax		-	
				-
VII.	**Profit/(loss) after tax**			**(314,812)**
VIII.	**Earnings per Equity share (Refer Note No. 2.2) (Face value of Euro 1 each)**			
	(a) Basic			**(0.79)**
	(b) Diluted			**(0.79)**
	Accounting Policies & Notes to Accounts	1 & 2		

For and on behalf of Terra Payment Services (Netherlands) B.V.

Jantina Catharina Van De Vreede
(Director)

Sandeep Phadke
(Director)

Place : Amsterdam
Date : 12th May, 2016

As per our Report of even date

Rajesh Gupta, FCA
Partner
Memberhsip No.- 91660
For RAA & Co.
Chartered Accoutants
Firm Regn.No. -022091N

Place : Gurgaon
Date : 12th May, 2016

CASH FLOW STATEMENT
FOR THE PERIOD FROM 03RD JULY 2015 TO 31ST MAR, 2016

		For the period ended 31st Mar, 2016	
		EUR	EUR
A]	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Profit before tax		(314,812)
	Unrealised foreign exchange difference (net)	(9,518)	
	Operating Profit before working capital changes		(324,330)
	Adjustments for changes in working capital:		
	Increase / (Decrease) in Trade payables	51,201	
	(Increase) / Decrease in Short term loans and advances	(25,060)	
			26,141
	Cash generated from operations		(298,189)
	Direct Taxes Paid		-
	Net cash flows from/(used in) operating activities (A)		(298,189)
B]	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Proceeds from Issuance of Equity Share Capital	400,001	
	Interest Paid	-	
	Net cash flows from/(used in) financing activities (B)		400,001
C]	**Exchange differences on translation of foreign currency cash and cash equivalents**		9,836
	Net Increase / (decrease) in cash and cash equivalents (A + B+ C)		111,648
	Cash & cash equivalents at close of the year		111,648
	Cash & cash equivalents at beginning of the year		-
	Cash surplus/(deficit) for the year		111,648

For and on behalf of Terra Payment Services (Netherlands) B.V.

Jantina Catharina Van De Vreede
(Director)

Sandeep Phadke
(Director)

Place : Amsterdam
Date : 12th May, 2016

As per our Report of even date

Rajesh Gupta, FCA
Partner
Memberhsip No.- 91660
For RAA & Co.
Chartered Accoutants
Firm Regn.No. -022091N

Place : Gurgaon
Date : 12th May, 2016

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2016

Company Overview

Terra Payment Services (Netherlands) B.V. (“the Company”) is in the business of providing Integrated Value Added Services (VAS) to telecom companies, predominantly in emerging markets.

The company is a subsidiary of ComvivaTechnologies Limited, India.

1. Significant Accounting Policies

i. Basis for preparation of financial statements

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India on accrual basis under the historical cost convention, except for certain financial instruments which are measured at fair value. These financial statements have been prepared in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and in accordance with the accounting principles generally accepted in India.

ii. Foreign currency transactions

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Monetary items are translated at the year-end rates and the exchange differences so determined as also the realized exchange differences are recognized in the Statement of Profit and Loss.

iii. Earnings per share

The Company reports its basic and diluted earnings per share in accordance with Accounting Standard - 20 on Earnings per Share.

Basic earnings per share are computed by dividing the Loss for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the Loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares except where the results are anti-dilutive.

iv. Provisions, Contingent Liabilities and Contingent Assets

As per Accounting Standard (AS) 29, 'Provisions, Contingent Liabilities and Contingent Assets \ the Company recognizes provisions only when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

No Provisions is recognized for -

(a) Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

(b) Present obligations that arise from past events but are not recognized because-

1) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

2) A reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as Contingent Liabilities. These are assessed continually and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

2 Notes to Accounts

2.1 Terra Payment Services (Netherlands) B.V. ("the Company") is a private company with limited liability, established by deed of incorporation executed on 3 July 2015 under the laws of Netherlands and having its seat in Amsterdam. Books of accounts have been prepared from 03/07/2015 to 31/03/2016.

2.2 Basic and Diluted Earning per share

Particulars	Amount in EUR per share **31st March 2016**
Nominal value per equity share	**1**
Profit/(loss) for the period	**(314,812)**
Profit/(loss) attributable to equity shareholders	**(314,812)**
	No. of Shares
Weighted average number of equity shares	**400,001**
Weighted average number of diluted equity shares	**400,001**
Earning Per Share- Basic	**(0.79)**
Earning Per Share- Diluted	**(0.79)**

2.3 The previous year figures are not available as the company was incorporated in the current year.

2.4 There are no pending litigations against the company.

2.5 There are no contingent liabilities for the company.

2.6 The company has not entered into any long-term contracts including derivative contracts and therefore, there is no foreseeable losses in such transactions

Note 3 - Share capital :

Particulars	**As at 31st Mar, 2016**	
	Number	**EUR**
(a) Authorized :		
400,001 Equity shares of EUR 1 each	**400,001**	**-**
(b) Issued, subscribed and fully paid up :		
400,001 Equity shares of EUR 1 each fully paid up	**400,001**	**400,001**
Total	**400,001**	**400,001**

Note 4 - Reserves and surplus :

Particulars	**As at 31st Mar, 2016**	
	EUR	**EUR**
Surplus/(Deficit) in the statement of Profit and loss		
Opening balance	**-**	
Less : Loss for the period	**(314,812)**	
Closing balance		**(314,812)**
Total		**(314,812)**

Note 5 - Trade payables :

Particulars	31st Mar, 2016
	EUR
Trade payables	50,996
Total	**50,996**

Note 6 - Long-term loans and advances :

Particulars	31st Mar, 2016
	EUR
Security deposits	
Considered good	879
Considered doubtful	-
	879
Total	**879**

Note 7 - Cash and cash equivalents :

Particulars	31st Mar, 2016
	EUR
Balances with banks:	
- In current accounts	111,648
Total	**111,648**

Note 8 - Short-term loans and advances :

Particulars	31st Mar, 2016
	EUR
Other Loans and advances	
- Loans and advances to employees	20,085
- Advance to suppliers	3,024
- Balance with Government authorities	549
Total	**23,658**

Note 9 - Other income :

Particulars	For the period ended 31st Mar, 2016
Foreign Exchange gain (net)	**9,796**
Total	**9,796**

Note 10. Other expenses :

Particulars	EUR For the period ended 31st Mar, 2016
Travelling and conveyance	**7,749**
Bank charges	**1,858**
Miscellaneous expenses	**14**
Legal and professional	**225,483**
Total	**235,104**

TECH MAHINDRA BUSINESS SERVICES LIMITED

Board of Directors

Mr. Milind Kulkarni
Mr. Chander Prakash Gurnani
Mr. Sujit Baksi
Mr. Nikhilesh Natvarlal Panchal
Mrs. Ujjwala Girish Apte

Registered Office

Spectrum Towers,
Mindspace Complex,
Off Link Road,
Malad (West), Mumbai- 400 064

Bankers

Kotak Mahindra Bank Limited

Auditors

Deloitte Haskins & Sells LLP

DIRECTORS' REPORT

Your Directors present their Eleventh Annual Report together with the audited Accounts of the Company for the year ended March 31, 2016.

FINANCIAL SUMMARY / RESULTS

(Figures in ₹)

For the year ended	March 31st 2016	March 31st 2015
Income	**7,227,830,482**	7,566,933,023
Expenditure	**5,712,369,037**	5,406,673,312
Depreciation	**229,252,061**	243,976,438
Profit/(Loss) Before Tax & Extra Ordinary items	**1,286,209,384**	1,916,283,273
Provision for Taxation	**417,076,149**	605,620,763
Deferred Taxes Charge/ (Credit)	**3,980,689**	(1,901,225)
Profit/ (Loss) after Tax	**8,65,152,546**	1,312,563,735
Profit /(Loss) Carried forward to Balance Sheet	**8,65,152,546**	1,312,563,735

RESERVES

The Board does not propose to carry any amount to General Reserves of the Company.

DIVIDEND

The Board of directors declared and paid interim dividend of ₹ 2,150/- per equity share on the Face Value of ₹ 10/- each for the financial year 2015-16 to the Shareholders.

BUSINESS OVERVIEW / STATE OF COMPANY'S AFFAIRS

The operational income during the financial year 2015-16 is ₹ 7,228 Mn against the previous year ₹ 7,567. The profit before tax is ₹ 1,286 Mn against the previous year ₹ 1,916 Mn. The Minimum Revenue Commitment (MRC) accrual during the year is ₹ 386 Mn against the previous year ₹ 877 Mn.

The head count of the company has decreased from 6963 in March 2015 to 7076 in March 2016, on account of lower call volumes on account of rationalization of systems and resources and also bringing about significant increase in efficiencies.

During the year the company has earned a dividend income of ₹ 90 Mn current year. The company invests all its surplus assets in debt funds which provide slightly better post tax yield than a traditional FDs or ICDs.

Neither there are any changes in the nature of the business carried out by your Company during the period under review nor there any material changes or commitments affecting the financial position of the company after the closure of the financial year of the Company and till the date of the subject Board Report.

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

FIXED DEPOSITS

Your Company has not accepted any fixed deposits and, as such, no amount of principal or interest was outstanding as on the balance sheet date.

STATUTORY AUDITORS

M/s Deloitte Haskins & Sells LLP, Chartered Accountants [ICAI Registration No. 117366W/W-100018], the Auditors of your Company, hold office up to the conclusion of the forthcoming Annual General Meeting of the Company and have given their consent for re-appointment. The shareholders will be required to elect auditors for the current year and fix their remuneration. Your Company has received a written confirmation from M/s Deloitte Haskins & Sells LLP to the effect that their appointment, if made, would be in conformity with the limits prescribed in Section 139 of the Companies Act, 2013.

The Board recommends the re-appointment of M/s Deloitte Haskins & Sells LLP as the Auditors of the Company.

SHARE CAPITAL

The Company has not issued any equity shares carrying differential rights, sweat equity shares, employee stock options nor provided money for purchase of its own shares by employees or by trustees for the benefit of employees during the financial year. The Company's paid up equity capital is ₹ 10,000,000 comprising of 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 2016 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 wasalso approved by the Board. The policy is uploaded on the web site of the Company.

The disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is forming part of the Board's report as **Annexure 2.**

DIRECTORS

During the year, the shareholders in its Annual General Meeting held on July 28th 2015 appointed Mrs. Ujjwala Girish Apte (DIN: 00403378)and Mr. Nikhilesh Panchal (DIN: 00041080)as Independent Director for a period of five consecutive years pursuant to the provisions of Section 150(2) read with Section 149(10) of the Companies Act, 2013. The Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

Pursuant to the provisions of Section 152 (6) (c) of the Companies Act 2013, Mr. Milind Kulkarni, Director is liable to retire by rotation and being eligible offer himself for reappointment.

BOARD AND COMMITTEE OF BOARD

For the Financial Year 2015-16, the Company held 4 (Four) meetings of the Board of Directors. In accordance with the provisions of Section 177 of the Companies Act, 2013, an Audit Committee of the Board was constituted comprising of Mr. Milind Kulkarni, Chairman, Mr. Nikhilesh Panchal, Member and Mrs. Ujjwala Girish Apte, Member. The terms of reference of the Committee are as prescribed under the Companies Act, 2013 read with relevant Rules.

In accordance with the provisions of Section 178 of the Companies Act, 2013, the Board also constituted a Nomination & Remuneration Committee (NRC). The Committee comprises of Mr. Milind Kulkarni, Chairman, Mr. Nikhilesh Panchal, Member and Mrs. Ujjwala Girish Apte, Member. The terms of reference of the Committee are as prescribed under the Companies Act, 2013 read with relevant Rules.As a measure of good Corporate Governance and in accordance with the provisions of Section 178 of Companies Act, 2013, the Board of directors had approved the Governance Policies comprising of Policy on Appointment and removal of Directors, Policy on Remuneration to the Directors, and other Employees and Policy on Evaluation of performance of the Independent Directors of the Board. The subject policies were also taken on record by the NRC Committee. The subject policy is available on the web site of the Company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The Company has not given any loans or guarantees or investment under Section 186 of the Companies Act, 2013.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All transactions entered into with Related Parties as defined under the Companies Act, 2013 during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements. The particulars of related party transactions in prescribed Form AOC -2 is annexed herewith as **"Annexure 3"**.

SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit Report given by CS. Jayavant Bhave, Partner, M/s J. B. Bhave & Co., Company Secretaries, Pune (FCS No. 4266) is annexed with the Board report as **Annexure 4.**The Secretarial Audit report is unqualified and without any reservation or adverse remark.

RISK MANAGEMENT POLICY

The Company believes that it operates in a business environment that is characterized by increasing globalization of markets, intensifying competition and is exposed to multiple risks in the ordinary course of business. This is inevitable, as there can be no entrepreneurial activity without the acceptance of risks and associated profit opportunities.

The company's risk management objectives are:

- Identify and manage existing and new risks in a planned and coordinated manner with the minimum of disruption and cost.
- Develop a "risk" culture that encourages all 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 controlscommensurate with its size and the nature of it sbusiness. It ensures that transactions are authorized,recorded, and reported correctly apart from safeguarding its assets againstloss 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, yourDirectors, 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 andprudent 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 Actfor 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 theprovisions of all applicable laws and that such systems were adequate andoperating effectively.

HUMAN RESOURCE MANAGEMENT

Employees are the core of our business and our most valuable assets. We have successfully sustained and enhanced our organization culture through employee initiatives such as Engagement Surveys for employees, monthly performance management incentives for advisors and contemporary learning and development initiatives.

The overall engagement score for the organization showed a significant positive uptrend in the last fiscal and we are one amongst the only two Indian organizations who have won the 2016 Gallup Great Place to Work Award globally. This puts us in the league of the top 12 organizations across the world.

During the year we have hired around 3318 employees, with around 51% sourced through internal channels, this having a very positive impact of an overall reduction in recruitment costs. Through our multipronged people management strategy we have been able to nurture talent and have created opportunities for both personal and professional growth across the organization and the group for our employees.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

1. Conservation of Energy& Technology Absorption

The Company being in the service industry, the rules pertaining to conservation of energy does not apply to the Company. The Company is constantly acquiring new hardware and software solutions and upgrading its existing hardware and software to provide more and better services to its customers.

2. Foreign Exchange earnings and outgo

The foreign exchange earnings of your Company during the year were ₹ 7,032 Mn. (Previous Year – ₹ 7,312 Mn.) while the outgoings were ₹ 435 Mn. (Previous Year – ₹ 92 Mn).

PARTICULARS OF EMPLOYEES

The information required under Rule 5(2)& (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided as an Annexure to this Report.In accordance with the exemption provided in the subject Rule, the Annexure is available for inspection at the Registered Office of the Company. If any Member is interested in obtaining a copy thereof, such Member may write to the Company in this regard.

ACKNOWLEDGEMENTS

Your Directors gratefully acknowledge the contributions made by employees towards the success of your Company. Your Directors are also thankful for the co-operation and assistance received from its customers, vendors, bankers, STPI, Excise authorities and other regulatory and governmental authorities in India and abroad and its shareholders.

For and on behalf of the Board of Directors

Place :	Pune	**C P Gurnani**	**Milind Kulkarni**
Date :	May 16, 2016	**Director**	**Director**

ANNEXURE-1

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on March 31, 2016
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Company (Management and 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 Ltd (Formerly Hutchison Global Services Limited)
4.	Category/Sub-category of the Company	Public Ltd
5.	Address of the Registered office & contact details	Spectrum Towers,Mindspace Complex, OffLink Road, Malad (West), Mumbai, Maharashtra, India – 400064 +91 22 66763333
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Information Technology enabled Services – voice based call centre services	9983	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

S. NO.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	% Of Shares Held	Applicable Section
1.	Tech Mahindra Limited Gateway Building, Apollo Bunder, Mumbai-400001	L64200MH1986PLC041370	Holding	100%	Section 2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTER									
(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) Banks / FI	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-
e) 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):-									

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non- Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (2):-	-	-	-	-	-	-	-	-	-
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%**	**-**

(ii) Shareholding of Promoters:

SN	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

SN	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):

SN	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:

SN	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	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	-	900,000,000	-	900,000,000
· Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year	-	-	-	-
i) Principal Amount	-	900,000,000	-	900,000,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	1,972,603	-	1,972,603
Total (i+ii+iii)	Nil	901,972,603	Nil	901,972,603

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: Not Applicable

SN.	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 ₹)

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Nikhilesh Panchal	Mrs. Ujjwala Apte	-	-	-
	1. Independent Directors Fee for attending board /committee meetings Commission Others, please specify	- 30,000 - -	- 50,000 - -	- - - -	- - - -	- **80,000** - -
	Total (1)	30,000	50,000	-	-	80,000
	2. Other Non-Executive Directors Fee for attending board /committee meetings Commission Others, please specify	Mr. C. P. Gurnani - - -	Mr. Sujit Baksi - - -	Mr. Milind Kulkarni - - -	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	30,000	50,000	NIL	-	80,000
	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				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify…	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	**-**	**-**	**-**	**-**

VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board of Directors

Place : Pune	**C. P. Gurnani**	**Milind Kulkarni**
Date : May 16, 2016	**Director**	**Director**

Annexure 2

FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

Tech Mahindra Business Services Limited, FY 2015-16

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.

<table>
<tr><th>Projects</th><th>Description</th></tr>
<tr><td colspan="2">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.</td></tr>
<tr><td colspan="2">School Education: Projects are aimed to improve the quality of school education through infrastructure improvement, capacity building of all stakeholders and supplementary education.</td></tr>
<tr><td>ARISE</td><td>All Round Improvement in School Education</td></tr>
<tr><td>ARISE+</td><td>ARISE for children with disabilities</td></tr>
<tr><td colspan="2">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.</td></tr>
<tr><td>SMART</td><td>Skills-for-Market Training Centres</td></tr>
<tr><td>SMART+</td><td>SMART Centres for youth with disability</td></tr>
<tr><td>SMART-T</td><td>SMART Centres with Technical trades</td></tr>
</table>

A copy of TMBSL's CSR Vision and Policy Document is available online at:http://www.techmbs.in/userfile/news-events/CSR-Policy-TechMBS.pdf

2. Composition of the CSR Committee.-

C P Gurnani, Milind Kulkarni, Nikhilesh Panchal

3. Average net profit of the company for the last three financial years.

Following is the net profit before tax for the last three financial years:

FY 2012-13: ₹ 1,103 Mn

FY 2013-14: ₹ 1,123 Mn

FY 2014-15: ₹ 1,903 Mn

The average net profit before tax comes to: ₹ 1,376.33 Mn

4. Prescribed CSR Expenditure (two per cent, of the amount as in item 3 above).

INR 27.53Mn (2% of Average PBT)

5. Details of CSR spent during the financial year

(a) Total amount to be spent for the financial year: **INR 27.53Mn**

(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)
S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs: (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs-wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency
1	**School Education**	Schedule VII, Item 2 (promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the	**Programme**	**Budget (₹ Mn.)**	**Spent (Unspent) (₹ Mn.)**	**Spent (Unspent)**	100% amount spent through implementing agencies listed below: Naandi Foundation, Masoom, HeleKeler-School, New Resolution India- Kurla, Global Success Foundation, URMEE and ANK
			- ARISE	17.08	17.08(0.00)		
			- ARISE+	3.33	3.33(0.00)		
			- SMART	3.18	3.18(0.00)		
			- SMART +	1.96	1.96(0.00)		
			- SMART T	1.98	1.98(0.00)		
				27.53 Mn (Total)		**27.53 Mn (0.00)**	
				27.53Mn (Grand total)		**27.53 Mn (0.00)**	

* Total Amount Received from TMBSL: - ₹ 27.53Mn

TMF Spent: - ₹ 27.53 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.

TMBS has spent 27.53 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

Place : Pune	**C. P. Gurnani**	**Milind Kulkarni**
Date : May 16, 2016	**Director**	**Director**

ANNEXURE - 3

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies(Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1.	**Details of contracts or arrangements or transactions not at arm's length basis: NIL**		
	(a) Name(s) of the related party and nature of relationship:		
	(b) Nature of contracts/arrangements/transactions		
	(c) Duration of the contracts/arrangements/transactions		
	(d) Salient terms of the contracts or arrangements or transactions including the value, if any		
	(e) Justification for entering into such contracts or arrangements or transactions		
	(f) date(s) of approval by the Board		
	(g) Amount paid as advances, if any:		
	(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188		
2.	**Details of material contracts or arrangement or transactions at arm's length basis**		
		Transaction No 1	**Transaction No 2**
	(a) Name(s) of the related party and nature of relationship :	Tech Mahindra Limited (Holding Company)	Tech Mahindra Foundation (Fellow Subsidiary Company)
	(b) Nature of contracts/arrangements/transactions	Reimbursement of Costs	CSR Contribution
	(c) Duration of the contracts / arrangements/transactions	April 15 - March 16	April 15 - March 16
	(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 - ₹ 23 Million	CSR Contribution as per Companies Act, 2013 Value - ₹ 28 Million
	(e) Date(s) of approval by the Board, if any:	May 25th 2015	May 25th 2015
	(f) Amount paid as advances, if any:	Nil	Nil

For and on behalf of the Board

C.P. Gurnani
Director

Milind Kulkarni
Director

Pune, 16 May, 2016

ANNEXURE 4

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 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 governance practices by**Tech Mahindra Business Services Limited** (Hereinafter called "the Company").

Secretarial Audit was conducted for the period from **1st April 2015 to 31st March 2016**, in a manner that provided me a reasonable basis for evaluating thecorporate 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 2016, 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 2016 according to the provisions of the following list of laws and regulations with my observations on the same:

(i) The Companies Act, 2013 (the Act) and the rules made there under:

The Company has satisfactorily complied with the provisions of the Companies Act 2013 and the Rules made there under and there are no discrepancies observed by 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') 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, 1999and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings are not applicable.

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

(e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

(f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; 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.

During the period under review the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. which are mentioned above.

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, the Company has complied with the following laws applicable specifically to the Company:

a. Information Technology Act, 2000

b. Indian Telegraph Act, 1885

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 July 2015.

I further report that:-

There are adequate systems and processes in the Company commensurate with its size & operation to monitor and ensure compliance with applicable laws including general laws, labour laws, competition law and environmental laws.

The Board of Directors of the Company is duly constituted with proper balance of appointment of Independent Directors and Woman Director as required by Section 149 of the Companies Act, 2013.

Adequate notice is given to all directors about the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting. All decisions at Board Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors.

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 4266CP 3068

Place: Pune
Date: 16th May 2016

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TECH MAHINDRA BUSINESS SERVICES LIMITED

Report on the Financial Statements

We have audited the accompanying standalone financial statements of **TECH MAHINDRA BUSINESS SERVICES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, as applicable. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.

e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 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". Our report expresses 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 our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer note 23 to financial statements.

   ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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)

Sunil S Kothari
Partner
(Membership No. 208238)

Place: Pune
Date: May 16, 2016

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ 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 Act

We have audited the internal financial controls over financial reporting of **TECH MAHINDRA BUSINESS SERVICES LIMITED** (“the Company”) as of March 31, 2016 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

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 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, 2016, 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 Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sunil S Kothari
Partner
(Membership No. 208238)

Place: Pune
Date: May 16, 2016

ANNEXURE B TO THE INDEPENDENT AUDITOR'S 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 substantial portion of 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 and hence reporting under clause 3(i)(c) of the Order is not applicable.

(ii) The Company does not have any inventory and hence reporting under clause 3(ii) of the Order is not applicable.

(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 Companies Act, 2013.

(iv) The Company has not granted any loans, made investments or provide guarantees and hence reporting under clause 3(iv) of the Order is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposits. Therefore, the provisions of the 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 Companies Act, 2013. Therefore the provisions of clause 3(vi) of the Order is not applicable to the Company.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added 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, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2016 on account of disputes are given below:

					(₹ In million)
Name of statute	**Nature of Dues**	**Forum where Dispute is Pending**	**Financial Year to which the Amount Relates**	**Amount Unpaid**	**Amount paid under protest**
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	2007-08	40	40
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	2008-09	315	183
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	2009-10	465	100
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	2010-11	188	69
Finance Act, 1994	Service Tax	Commissioner of Service Tax	2007-08 to 2012-13	32	-
Indian Telegraph Act, 1885	License Fees	Telecom Disputes Settlement and Appellate Tribunal	2007-08 to 2014-15	40	21

(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) 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.

(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 does not have a managing director, whole-time director and manager and hence no managerial remuneration paid/payable to them during the year. Hence the provisions of section 197 of the Companies Act, 2013 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.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(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 persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sunil S Kothari
Partner
(Membership No. 208238)

Place: Pune
Date: May 16, 2016

BALANCE SHEET AS AT MARCH31, 2016

₹ in Million

		Note No.		As at March 31, 2016	As at March 31, 2015
I.	**EQUITY AND LIABILITIES**				
1	**Shareholders' Funds**				
	(a) Share Capital	3	**10**		10
	(b) Reserves and Surplus	4	**2,874**		4,643
				2,884	
2	**Non-Current Liabilities**				
	(a) Long-Term Provisions	5		**85**	105
	(b) Other Long Term Liabilities	6		**1**	-
3	**Current Liabilities**				
	(a) Short- Term Borrowings	7	**900**		-
	(b) Trade Payables	8			
	i) Total Outstanding dues of micro enterprises and small enterprises		**-**		-
	ii) Total Outstanding dues of creditors other than micro enterprises and small enterprises		**816**		466
	(c) Other Current Liabilities	9	**465**		364
	(d) Short-Term Provisions	10	**635**		698
				2,816	
				5,786	6,286
II.	**ASSETS**				
1	**Non-Current Assets**				
	(a) Fixed Assets				
	(i) Tangible Assets	11	**378**		287
	(ii) Intangible Assets	11A	**74**		114
	(iii) Capital Work-in-Progress		**-**	**452**	36
	(b) Deferred Tax Assets [refer note 35]	12	**113**		117
	(c) Long-Term Loans and Advances	13	**1,855**		693
	(d) Non-Current Assets	14	**-**	**1,968**	274
2	**Current Assets**				
	(a) Current Investments	15	**1,060**		3,474
	(b) Trade Receivables	16	**998**		681
	(c) Cash and Cash Equivalents	17	**258**		390
	(d) Short-Term Loans and Advances	18	**390**		220
	(e) Other Current Assets	19	**660**	**3,366**	0
				5,786	6,286
	See accompanying notes forming part of the financial statements	1 To 41			

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Sunil S Kothari
Partner
Pune, Dated: May 16th, 2016

For Tech Mahindra Business Services Limited

C P Gurnani
Director

Sujit Baksi
Director

Milind Kulkarni
Director

Nikhilesh Panchal
Director

Ujjwala Apte
Director

Yogesh Kandalgaonkar
Company Secretary
Pune, Dated: May 16th, 2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

₹ in Million except Earnings per share

		Note No	Year ended **March 31, 2016**	March 31, 2015
I.	Revenue From Operations (Net)		**7,032**	7,312
II.	Other Income	20	**195**	255
III.	**Total Revenue (I + II)**		**7,227**	7,567
IV.	**Expenses:**			
	Employee Benefits Expense	21	**4,260**	3,922
	Finance Cost [refer note 33]		**2**	-
	Depreciation and Amortisation Expense	11 & 11A	**229**	244
	Other Expenses	22	**1,450**	1,484
	Total Expenses		**5,941**	5,650
V.	**Profit before tax (III-IV)**		**1,286**	1,917
VI.	Tax Expense:			
	(1) Current Tax		**417**	606
	(2) Deferred Tax [refer note 35]		**4**	(2)
			421	604
VII.	**Profit after tax (V - VI)**		**865**	1,313
	Earnings per equity share			
	Basic and Diluted [In ₹] [Face Value ₹ 10] - [refer note 31]		**865**	1,313
	See accompanying notes forming part of the financial statements	1 To 41		

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Sunil S Kothari
Partner
Pune, Dated: May 16th, 2016

For Tech Mahindra Business Services Limited

C P Gurnani
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Director

Yogesh Kandalgaonkar
Company Secretary
Pune, Dated: May 16th, 2016

CASH FLOW STATEMENT

		Year ended	
		March 31, 2016	March 31, 2015
		₹ in Million	₹ in Million
A.	**Cash flow from operating activities:**		
	Profit before taxation	**1,286**	1,917
	Adjustments for:		
	Depreciation and Amortization	**229**	244
	Interest Income	**(0)**	(13)
	Dividend Income	**(90)**	(180)
	(Profit)/Loss on Fixed Assets (net)	**(13)**	(14)
	Unrealised foreign exchange loss / (gain) (net)	**(7)**	(3)
	Net gain on sale of Current Investment	**(20)**	(4)
	Sundry balances written back	**(21)**	-
	Operating profit before working capital changes	**1,364**	1,947
	Adjustments for changes in working capital:		
	- (Increase)/Decrease in Trade Receivables	**(303)**	40
	- (Increase)/Decrease in Loans and Advances	**(1,713)**	(234)
	- Increase/(Decrease) in Trade and Other Payables	**409**	(90)
	Cash generated from operations	**(243)**	1,663
	- Taxes Paid	**(491)**	(860)
	Net cash flow from / (used in) operating activities (A)	**(734)**	803
B.	**Cash flow from Investing activities:**		
	Purchase of Fixed Assets (Including Capital Work-in-progress)	**(249)**	(201)
	Purchase of Current Investments	**(6,475)**	(6,635)
	Redemption of Current Investment	**8,998**	5,740
	Proceeds from Sale of fixed assets	**15**	17
	Interest Received	**0**	14
	Net cash flow from / (used in) investing activities (B)	**2,289**	(1,065)
C.	**Cash flow from financing activities:**		
	Dividend Paid	**(2,150)**	-
	Dividend Distribution Tax Paid	**(438)**	-
	Proceeds from borrowings	**900**	-
	Net cash flow / (used in) financing activities (C)	**(1,688)**	-

CASH FLOW STATEMENT

		Year ended	
		March 31, 2016	March 31, 2015
		₹ in Million	₹ in Million
D.	**Exchange differences on translation of foreign currency cash and cash equivalents**	**1**	2
	Net Increase /(Decrease) in Cash and Cash Equivalents (A)+(B)+(C)+(D)	**(132)**	(260)
	Cash and Cash Equivalents at beginning of year	**390**	650
	Cash and Cash Equivalents at end of the year	**258**	390
	Cash and cash equivalents comprise		
	Cash in hand	**0**	0
	Balances with Banks:		
	- Current Accounts	**249**	390
	- Deposits Accounts	**9**	0
	Cash and cash equivalents as per Balance Sheet	**258**	390

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Sunil S Kothari
Partner
Pune, Dated: May 16th, 2016

For Tech Mahindra Business Services Limited

C P Gurnani
Director

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Director

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Nikhilesh Panchal
Director

Ujjwala Apte
Director

Yogesh Kandalgaonkar
Company Secretary
Pune, Dated: May 16th, 2016

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Significant Accounting Policies and Notes to Accounts

1. General Information

Tech Mahindra Business Services Limited (the 'Company') head quartered in Mumbai, Maharashtra, India provides voice based call center services to 'Hutchison 3G UK Limited', 'Vodafone Hutchison Australia Pty Limited' and 'Hutchison 3G Ireland Limited'.

The Company was converted from a Private Limited Company to a Public Limited Company with effect from December 27, 2012 and the name has been changed from Hutchison Global Services Limited to Tech Mahindra Business Services Limited with effect from July 13, 2013.

2. Significant Accounting Policies

2.1 Basis of Preparation of financial statements

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India on accrual basis under the historical cost convention, except for certain financial instruments which are measured at fair value. These financial statements have been prepared in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 in accordance with the accounting principles generally accepted in India. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are known / materialize in statement of profit and loss.

2.3 Revenue Recognition

Revenue net of provision for customer claims is recognized as per terms of contract when it is earned and no significant uncertainty exists as to its ultimate realization or collection.

2.4 Tangible Assets

a) Tangible Assets are stated at their cost of acquisition, including costs directly attributable to bring the assets to their working condition for the intended use and are net of accumulated depreciation / amortisation. Capital Work in Progress is stated at cost.

b) Assets costing upto ₹ 5,000 are fully depreciated in the year of purchase except when they are part of a larger capital investment programme.

c) Leasehold improvements are amortised over the primary period of the lease but not exceeding the period of 6 years.

d) Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation / amortisation on fixed assets including assets taken on lease, other than freehold land is charged based on straight line method on an estimated useful life as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc:

Asset Useful life	
Plant and Machinery	**3 - 4 years**
Computer Hardware	**4 years**
Office Equipments	**3 - 4 years**
Furniture and Fixtures	**3 - 6 years**
Motor Vehicles	**4 years**

2.5 Intangible Assets

a) Intangible Assets are stated at their cost of acquisition, including costs directly attributable to bring the assets to their working condition for the intended use and is net of accumulated amortisation. Intangible assets under development are stated at cost.

b) Amortisation of intangible assets is provided on 4 years on a pro-rata basis using Straight-Line basis.

2.6 Impairment of Assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of mpairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

(a) an intangible asset that is not yet available for use; and

(b) an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

2.7 Investments

Investments which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis.

2.8 Foreign Currency Transactions

(i) Foreign currency transactions and translations:

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. Monetary items are translated at the period end rates. The exchange differences between the rate prevailing on the date of transaction and on the date of settlement / translation of monetary items at the end of the period is recognised as income or expense, as the case may be.

Any premium or discount arising at the inception of the forward exchange contract is recognised as income or expense over the life of the contract, except in the case where the contract is designated as a cash flow hedge.

(ii) Derivative 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. Effective April 1, 2015 the Company designates some of these as cash flow hedges applying the recognition and measurement principles set out in the Accounting Standard 30 “Financial Instruments: Recognition and Measurements” (AS 30).

The use of foreign currency forward contracts is governed by the Company’s policies 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 recognised directly in Hedging Reserve (under Reserves and Surplus) and the ineffective portion is recognised immediately in the Statement of Profit and Loss.

The accumulated gains / losses on the derivatives accounted in Hedging Reserve are transferred to the Statement of Profit and Loss in the same period in which gains / losses on the item hedged are recognized in the Statement of Profit and Loss.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in the Statement of Profit and Loss as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Cumulative gain or loss on the hedging instrument recognised in shareholders' funds is retained there and is classified to Statement of profit and loss when the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in shareholders' funds is transferred to the statement of profit and loss for the period.

2.9 Other Income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Further it includes realised/unrealised exchange gain/losses.

Dividend income is recognised when the Company's right to receive dividend is established.

2.10 Employee Benefits

a) Defined Contribution Plans

The Company contributes on a defined contribution basis to 'Employee's Provident Fund' and 'Employee's State Insurance Fund' towards post-employment benefits, all of which are administered by the respective Government authorities. The Company has no further obligation beyond making its contribution, which is expensed in the period to which it pertains.

b) Defined Benefit Plans

The Company has a defined benefit plan, namely Gratuity, for all its employees. The gratuity plan provides for a lump sum payment to employees at retirement, death, incapacitation or termination of the employment based on the respective employee's salary and the tenure of the employment. The liability for the defined benefit plan of Gratuity is determined on the basis of an actuarial valuation by an independent actuary as at the Balance Sheet date, which is calculated using the projected unit credit method and is unfunded.

Actuarial gains and losses which comprise experience adjustment and the effect of changes in actuarial assumptions are recognised in the statement of Profit and Loss.

c) Compensated absences:

The employees of the Company are entitled to leave as per the leave policy of the Company. The liability in respect of unutilised leave balances is provided based on an actuarial valuation carried out by an independent actuary using the projected unit credit method as at the Balance Sheet date and charged to the Statement of Profit and Loss. Leave balances to be utilised in short term are provided for on the basis of cost to Company and charged to the Statement Profit and Loss.

2.11 Leases

Operating lease

Lease arrangements under which all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease rental under operating lease are recognised in the Statement of Profit and Loss on straight line basis over the lease term.

2.12 Taxation

a) Current Tax

Current tax is measured at the amount expected to be paid to/recovered from the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with the local tax laws existing in the respective countries. Income tax payable in India is made, based on the tax payable under the Income Tax Act, 1961. Minimum Alternative Tax (MAT) credit, which is equal to the excess of MAT (calculated in accordance with provisions of Section 115JB of the Income tax Act, 1961) over normal income tax is recognised as an asset by crediting the Statement of Profit and Loss only when and to the extent there is convincing evidence that the Company will be able to avail the said credit against normal tax payable during the period of 10 succeeding assessment years.

b) Deferred Tax

Deferred tax on timing differences between taxable income and accounting income is accounted for, using the tax rates and the tax laws enacted or substantively enacted as on the balance sheet date. Deferred tax assets on unabsorbed tax losses and unabsorbed tax depreciation are recognised only when there is a virtual certainty of their realisation. Other deferred tax assets are recognised only when there is a reasonable certainty of their realization.

2.13 Provision, Contingent Liabilities and Contingent Assets:

A provision is recognized when the Company has a present obligation as a result of past event and its probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. The provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect current best estimates.

Contingent liabilities are not recognized in the financial statements. A contingent asset is neither recognized nor disclosed in the financial statements.

2.14 Change in accounting policy:

Accounting for Hedge Contracts:

Up to 31st March, 2015, forward exchange contracts which were used to hedge company's risks associated with foreign currency fluctuations were accounted for as per the requirements of Accounting Standard(AS) 11-Effects of Changes in Foreign Exchange Rates. The company was thus amortizing the premium on forward cover over the contract period and any gain and loss arising due to reinstatement of forward cover liability was charged to Statement of Profit & Loss.

Effective from 1st April, 2015, the Company has applied hedge accounting principles in respect of forward exchange contracts as set out in Accounting Standard (AS) 30 – Financial Instruments: Recognition and Measurement. Accordingly, all such contracts outstanding as on 31st March, 2016 that are designated as hedging instruments to hedge the foreign currency cash flow risk of certain firm commitments and forecast transactions are marked to market and the effective portion of notional gain arising on such contracts, has been directly recognized in the Hedging Reserve Account to be ultimately recognized in the Statement of Profit and Loss, depending on exchange rate fluctuations till and when the underlying forecasted transaction occurs. The profit for the period on account of this change is lower by ₹ 3 million.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 3: Share Capital

Share Capital	As at March 31, 2016		March 31, 2015	
	Number	**₹ Million**	Number	₹ Million
Authorised				
67,650,000 (March 31, 2015: 67,650,000) Equity Shares of ₹10 each	**67,650,000**	**677**	67,650,000	677
		677		677
Issued, Subscribed & Paid up				
1,000,000 (March 31, 2015: 1,000,000) Equity Shares of ₹10 each (Out of the above 950,000 Equity shares, fully paid up have been issued in the year ended March 31, 2014 as bonus shares by capitalisation of Capital Redemption Reserve)	**1,000,000**	**10**	1,000,000	10
	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	March 31, 2016		March 31, 2015	
	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	**-**	**-**	-	-
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, 2016 ₹ in million	As at March 31, 2015 ₹ in million
Equity Shares :		
Tech Mahindra Limited, the holding company		
999,994 (March 31, 2015: 999,994) Equity shares of ₹10 each fully paid	**10**	10
Tech Mahindra Limited j/w Vishwanath Kini		
1 (March 31, 2015: 1) Equity share of ₹10 each fully paid	**0**	0
Tech Mahindra Limited j/w Atanu Sarkar		
1 (March 31, 2015: 1) Equity share of ₹10 each fully paid	**0**	0
Tech Mahindra Limited j/w Manoj Bhat		
1 (March 31, 2015: 1) Equity share of ₹10 each fully paid	**0**	0
Tech Mahindra Limited j/w Manoj Joshi		
1 (March 31, 2015: 1) Equity share of ₹10 each fully paid	**0**	0
Tech Mahindra Limited j/w Aniruddha Gadre		
1 (March 31, 2015: 1) Equity share of ₹10 each fully paid	**0**	0
Tech Mahindra Limited j/w Anil Khatri		
1 (March 31, 2015: 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	As at March 31, 2016 No.	As at March 31, 2016 % holding in the class	As at March 31, 2015 No.	As at March 31, 2015 % holding in the class
Tech Mahindra Limited, the holding company (including jointly held shares)	**1,000,000**	**100%**	1,000,000	100%
	1,000,000	**100%**	1,000,000	100%

Note 4: Reserves and Surplus

₹ in Million

	As at March 31, 2016	As at March 31, 2015
Capital Redemption Reserve	**666**	666
Hedging Reserve		
On initial adoption of AS-30 (refer note 2.14)	**-**	-
Less: Change in fair value of forward contract (Net) [refer note 30]	**(46)**	-
Closing Balance	**(46)**	-
Surplus in Statement of Profit and loss		
Opening Balance	**3,977**	2,664
Add: Net Profit for the year	**865**	1,313
Less: Interim Dividend [refer note 37]	**2,150**	-
Less: Tax on Dividend [refer note 37]	**438**	-
Closing Balance	**2,254**	3,977
	2,874	4,643

Note 5: Long-Term Provisions

₹ in Million

	As at March 31, 2016	As at March 31, 2015
Provision for Employee Benefits		
- Gratuity [refer note 24]	**69**	64
- Compensated Absences	**16**	41
	85	105

Note 6: Other Long Term Liabilities

₹ in Million

	As at March 31, 2016	As at March 31, 2015
Fair value of Foreign Currency Forward Contract - (net) [refer note 30]	**1**	-
	1	-

Note 7 : Short- Term Borrowings

	March 31, 2016	March 31, 2015
	₹ in Million	
	As at	
Unsecured Loan		
- Others (repayable over the period of one year with interest) [refer note 33]	**900**	-
	900	-

Note 8: Trade Payables

	March 31, 2016	March 31, 2015
	₹ in Million	
	As at	
Trade Payable other than accrued salaries and benefits		
- Due to Micro , Small and Medium Enterprises [refer note 40]	**-**	-
- Other than due to Micro , Small and Medium Enterprises	**605**	281
Accrued Salary and Benefits	**211**	185
	816	466

Note 9 : Other Current Liabilities

	March 31, 2016	March 31, 2015
	₹ in Million	
	As at	
Customer Payables	**213**	217
Capital Creditors	**71**	66
Statutory Remittances	**91**	75
Fair value of Foreign Currency Forward Contract - (net) [refer note 30]	**53**	-
Unearned Revenue	**27**	-
Others	**10**	6
	465	364

Note 10 : Short-Term Provisions

	March 31, 2016	March 31, 2015
	₹ in Million	
	As at	
Provision for Employee Benefits		
- Gratuity [refer note 24]	**37**	31
- Compensated Absences	**34**	33
Provision for Income Tax (Net of Taxes paid)	**564**	634
	635	698

Note 11 : Tangible Assets

₹ in Million

		Gross Block				Accumulated Depreciation / Amortisation				Net Block	
		Cost as at April 01, 2015	Additions during the year	Deletions during the year	As at March 31, 2016	As at April 01, 2015	For the year	Deductions during the year	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
a	**Tangible Assets**										
	Plant and Machinery	**198**	**52**	**24**	**226**	**163**	**22**	**24**	**161**	**65**	**35**
	(Previous year)	204	31	37	198	176	23	36	163		
	Computers Hardware	**769**	**173**	**91**	**851**	**586**	**112**	**91**	**607**	**244**	**183**
	(Previous year)	710	119	60	769	547	99	60	586		
	Office Equipments	**82**	**7**	**18**	**71**	**76**	**6**	**14**	**68**	**3**	**6**
	(Previous year)	93	1	12	82	74	13	11	76		
	Furniture and Fixtures	**95**	**22**	**13**	**104**	**80**	**11**	**9**	**82**	**22**	**15**
	(Previous year)	110	3	18	95	84	14	18	80		
	Leasehold Improvement	**234**	**11**	**55**	**190**	**187**	**22**	**55**	**154**	**36**	**47**
	(Previous year)	231	34	31	234	195	23	31	187		
	Motor Vehicles	**3**	**9**	**1**	**11**	**2**	**2**	**1**	**3**	**8**	**1**
	(Previous year)	5	2	4	3	4	1	3	2		
	Total	**1,381**	**274**	**202**	**1,453**	**1,094**	**175**	**194**	**1,075**	**378**	**287**
	Previous year	1,353	190	162	1,381	1,080	173	159	1,094	-	

Note 11A : Intangible Assets

₹ in Million

		Gross Block				Accumulated Depreciation / Amortisation				Net Block	
		Cost as at April 01, 2015	Additions during the year	Deletions during the year	As at March 31, 2016	As at April 01, 2015	For the year	Deductions during the year	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
b	**Intangible Assets**										
	(other than internally generated)										
	Trademarks	**32**	**-**	**32**	**-**	**32**	**-**	**32**	**-**	**-**	**-**
	(Previous year)	32	-	-	32	32	-	-	32		
	Goodwill	**2**	**-**	**2**	**-**	**2**	**-**	**2**	**-**	**-**	**-**
	(Previous year)	2	-	-	2	2	-	-	2		
	Computer software	**572**	**14**	**-**	**586**	**458**	**54**	**-**	**512**	**74**	**114**
	(Previous year)	541	31	-	572	387	71	-	458		
	Total	**606**	**14**	**34**	**586**	**492**	**54**	**34**	**512**	**74**	**114**
	Previous year	**575**	**31**	**-**	**606**	**421**	**71**	**-**	**492**	**-**	

Note 12: Deferred Tax Asset

₹ in Million

	As at March 31, 2016	As at March 31, 2015
Deferred Tax Assets [refer note 35]		
arising on account of timing differences on :		
- Depreciation	**57**	59
- Gratuity, Leave Encashment and Bonus	**56**	58
	113	117

Note 13: Long-Term Loans and Advances

₹ in Million

	As at March 31, 2016	As at March 31, 2015
(Unsecured, Considered Good unless otherwise stated)		
Capital Advances	**2**	-
Balances with Government Authorities	**77**	82
Security Deposits	**169**	173
Advance Income Tax (Net of Provision)	**442**	438
Prepaid Expenses	**1,165**	-
	1,855	693

Note 14: Non Current Assets

	₹ in Million	
	As at	
	March 31, 2016	March 31, 2015
Unbilled Revenue	**-**	274
	-	274

Note 15: Current Investments

	₹ in Million	
	As at	
	March 31, 2016	March 31, 2015
Unquoted - at Cost		
Investment in Mutual Funds		
68745 (As at March 31, 2015: 7,776,331) units of ₹ 243.31 (As at March 31, 2015: ₹ 100.30) each fully paid up of Birla Sun Life Savings Fund – Growth	**17**	780
10,000,000 (As at March 31, 2015: 10,000,000) units of ₹ 10 (As at March 31, 2015: ₹ 10) each fully paid up of Birla Sun Life -Fixed Term Plan-Series KJ (400 days) – Growth Direct	**100**	100
Nil (As at March 31,2015: 10,000,000) units of ₹ Nil (As at March 31,2015: ₹ 10) each fully paid up of Tata Fixed Maturity Plan Series 46 Scheme N -Direct Plan - Growth	**-**	100
Nil (As at March 31, 2015: 469,541) units of ₹ 1,002.75 (as at March 31, 2015: ₹ 1926.81) each fully paid up Reliance Money Manager Fund-Daily Direct Dividend Plan.	**-**	905
160,550 (As at March 31, 2015: 431) units of ₹ 3695.02 (As at March 31, 2015: ₹ 1528.74) each fully paid up Reliance-Liquid fund-Treasury Plan Direct Growth Option	**593**	1
10,000,000 (As at March 31,2015: 10,000,000) units of ₹10 (As at March 31,2015: ₹ 10) each fully paid up Reliance Fixed Horizon Fund - XXV - Series 27 - Direct Plan Growth Option	**100**	100
Nil (As at March 31, 2015: 6,052,164) units of ₹ 105.74 (As at March 31, 2015: ₹ 105.74) each fully paid up ICICI Prudential Flexible Income – Direct Plan- Daily Dividend.	**-**	640
1909 (As at March 31, 2015: 81,261) units of ₹ 224.29 (As at March 31, 2015: ₹ 100.06) each fully paid up of ICICI Prudential Liquid - Direct Plan-Growth	**0**	8
10,000,000 (As at March 31,2015: 10,000,000) units of ₹ 10 (As at March 31,2015: ₹ 10) each fully paid up of ICICI Prudential FMP Series 73 - 407 days Plan C Direct Plan	**100**	100
Nil (As at March 31,2015: 73,267,402) units of ₹ Nil (As at March 31,2015: ₹ 10.11) each fully paid ICICI Prudential Ultra Short Term – Growth- Direct	**-**	740
15,000,000 (As at March 31, 2015: ₹ Nil) units of ₹ 10 (As at March 31, 2015: ₹ Nil) each fully paid up of Reliance Quarterly Interval fund - series ii - Direct Dividend plan	**150**	-
0.947 (As at March 31,2015: ₹ Nil) units of ₹ 94.76 (As at March 31,2015: ₹ Nil) each fully paid ICICI Liquid Plan Direct Daily Growth	**0**	-
	1,060	3,474

	₹ in Million	
	As at	
	March 31, 2016	March 31, 2015
Aggregate amount of quoted investments	**-**	-
Aggregate amount of unquoted investments	**1,060**	3,474
Aggregate amount of provision for diminution in value of investments	**-**	-
	1,060	3,474

Note 16: Trade Receivables

	₹ in Million	
	As at	
	March 31, 2016	March 31, 2015
(Unsecured, Considered Good unless otherwise stated)		
Trade Receivables		
(a) Due over six months		
(i) Considered Good	**-**	-
(ii) Considered Doubtful	**-**	-
(b) Others		
(i) Considered Good	**998**	681
(ii) Considered Doubtful	**-**	-
	998	681
Less: Provision for Doubtful Debts	**-**	-
	998	681

Note 17: Cash and Cash Equivalents

	₹ in Million	
	As at	
	March 31, 2016	March 31, 2015
(a) Cash on Hand	**0**	0
(b) Balances with Banks		
(i) In Current Accounts	**249**	390
(ii) In Deposit Accounts	**9**	0
[net of book overdraft of ₹ Nil (As at March 31, 2015: ₹ 0 million) in the linked current account with fixed deposits]		
	258	390

Note 18: Short-Term Loans and Advances

	₹ in Million	
	As at	
	March 31, 2016	March 31, 2015
(Unsecured, Considered Good unless otherwise stated)		
Security Deposits	**0**	13
Balances with Government Authorities	**149**	148
Prepaid Expenses	**210**	25
Loans and Advances to Employees	**2**	15
Others	**29**	19
	390	220

Note 19: Other Current Assets

	₹ in Million	
	As at	
	March 31, 2016	March 31, 2015
Unbilled Revenue	**660**	-
Interest Accrued on Deposits	**0**	0
	660	0

Note 20: Other Income

		₹ in Million	
		For the year ended	
		March 31, 2016	March 31, 2015
(a)	Interest on Deposit with Banks	**0**	13
(b)	Dividend received on Current Investments	**90**	180
(c)	Gain on Sale of Current Investment	**20**	4
(d)	Profit on Sale of Fixed Assets (net)	**13**	14
(e)	Foreign Exchange (loss) / gain - Net	**43**	17
(f)	Sundry Balances Written Back	**21**	14
(g)	Miscellaneous Income	**8**	13
		195	255

Note 21: Employee Benefits Expense

		₹ in Million	
		For the year ended	
		March 31, 2016	March 31, 2015
(a)	Salaries and Incentives	**4,026**	3,727
(b)	Contribution to Provident and Other Funds [refer note 24]	**107**	80
(c)	Gratuity [refer note 24]	**28**	28
(d)	Staff Welfare Expenses	**99**	87
		4,260	3,922

Note 22: Other Expenses

	₹ in Million	
	For the year ended	
	March 31, 2016	March 31, 2015
Network Costs	**67**	108
Rent	**380**	406
Power and Fuel	**150**	155
Repairs and Maintenance		
- Plant and Machinery	**188**	209
- Leased Premises	**27**	33
Recruitment Expenses	**61**	36
Training	**20**	18
Travelling Expenses	**49**	54
Hire Charges	**300**	299
Communication	**13**	12
Advertising,Marketing and Selling Expenses	**9**	6
Professional and Legal Fees [refer note 25]	**58**	42
Insurance	**39**	41
Claims and Warranties [refer note 36]	**-**	(30)
General Office Expenses	**61**	72
Corporate Social Responsibility [refer note 39]	**28**	22
Miscellaneous Expenses	**0**	1
	1,450	1,484

23. Capital commitments and Contingent Liabilities

i. Capital commitments

Estimated amount of contracts remaining to be executed on capital account (net of capital advances), and not provided for as at March 31, 2016 ₹ 11 million (March 31, 2015: ₹ 42 million).

Contingent liabilities

ii. Income Tax matters

Assessment Year 2008-09

The assessing officer had passed a draft assessment order and had raised a demand of ₹ 180 million mainly on account of transfer pricing adjustments against which the Company filed an objection with the Dispute Resolution Panel (DRP). On November 30, 2012 the AO, in accordance with the order of the DRP, passed the final order and raised a demand of ₹ 80 million against which the Company had filed an appeal to the honorable Income Tax Appellate Tribunal, Mumbai. The company has paid an amount of ₹ 40 million against the outstanding demand and the department has given a stay for the balance amount till the disposal of the appeal by the Tribunal. The Tribunal hearing is scheduled on May 24, 2016

Assessment Year 2009-10

The assessing officer had passed draft assessment order making adjustments of ₹ 1,057 million mainly on account of transfer pricing adjustments against which the Company filed an objection with the Dispute Resolution Panel (DRP).On January 30, 2014 the AO, in accordance with the order of the DRP, passed the final order and raised a demand of ₹ 498 million against which the Company had filed an appeal to the honorable Income Tax Appellate Tribunal, Mumbai. The company has paid an amount of ₹ 183 million against the outstanding demand and the department has given a stay for the balance amount till the disposal of the appeal by the Tribunal. The Tribunal hearing is scheduled on July 20, 2016.

Assessment Year 2010-11

The assessing officer had passed a draft assessment order making adjustments of ₹ 1,305 million mainly on account of transfer pricing adjustments against which the Company filed an objection with the Dispute Resolution Panel (DRP). On December 9th, 2016 the AO, in accordance with the order of the DRP, passed the final order and raised a demand of ₹ 565 million against which the Company had filed an appeal to the honourable Income Tax Appellate Tribunal, Mumbai. The company has paid an amount of ₹ 100 million against the outstanding demand and the department has given a stay for the balance amount till the disposal of the appeal by the Tribunal. The Tribunal hearing is scheduled on October 5, 2016.

Assessment Year 2011-12

The assessing officer had passed a draft assessment order making adjustments of ₹ 1,024 million mainly on account of transfer pricing adjustments against which the Company filed an objection with the Dispute Resolution Panel (DRP). On January 29th, 2016 the AO, in accordance with the order of the DRP, passed the final order and had raised a demand of ₹ 257 million. The Company has paid ₹ 69 million till March 31, 2016 against the said order under protest and the department has given a stay for the balance amount till the disposal of the appeal by the Tribunal. The Company has filed an appeal against the order of AO to Income Tax Appellate Tribunal, Mumbai. The Income Tax Appellate Tribunal hearing is yet to come up for hearing.

iii. Service Tax

The Company has received show cause cum demand notice from Commissioner of Service Tax for non-payment of service tax ₹ 32 million for receiving import services (reverse charge basis) for the period 2007-08 to 2012-13. The company has filed the reply to show cause notice on March 27, 2014.

iv. Department of Telecommunications (DOT)

DOT has raised a demand on the company for an amount of ₹ 61 million in July 2014 claiming that the company has availed services of bandwidth link between two of its premises from other than authorized service providers. The company filed an appeal to the Telecom Disputes Settlement and Appellate Tribunal (TDSAT) against the said demand order. The Company has paid ₹ 21 million against the said order under protest and accounted the same under Balances with Government Authorities under Long-Term Loans and Advances. Vide an order dated July 1, 2015 Telecom Disputes Settlement and Appellate Tribunal (TDSAT) has directed DOT to recalculate the demand amount and issue fresh demand notice to the Company. Against the Telecom Disputes Settlement and Appellate Tribunal (TDSAT) order the DOT has filed Special

Leave Petition (SLP) in Supreme Court on November 20, 2015. On January 15, 2016, court hearing was adjourned sine dine. However the matter is now listed for hearing on July 1, 2016

v. The company vide letter dated November 2, 2015 has received a demand amounting to ₹14 million from the legal advisors of Rentworks India Private Limited (Rentworks) towards VAT tax dues raised by the VAT authorities on Rentworks for disallowing VAT exemptions claimed by Rentworks on rentals charged to the company for providing assets on lease during FY 2008-09. The legal advisor of the company have given a relevant reply to legal advisor of Rentworks denying all the allegations as set out in their letter dated November 2, 2015.

vi. Bank Guarantees

Bank Guarantees given by a bank to custom authority on behalf of the Company ₹ 1 million (March 31, 2015: ₹ 1 million).

24. Employee Benefits

i. Defined Contribution Plan

Contribution to Defined Contribution Plans recognized as expenses for the year ended are as under:

Amount in ₹ Million

Particulars	**For year ended March 31, 2016**	For year ended March 31, 2015
Employer's Contribution to Provident Fund	**79**	80
Employer's Contribution to Employee's State Insurance	**0**	0

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.

a) Change in Benefit Obligation

Amount in ₹ Million

Particulars	**For year ended March 31, 2016**	For year ended March 31, 2015
Defined benefit obligation at the beginning of the year	**95**	92
Interest cost	**7**	7
Current Service Cost	**13**	13
Benefit Paid	**(17)**	(25)
Actuarial (Gain)/ loss	**8**	8
Projected benefit obligation, at the end of the year	**106**	95

b) Components of expenses recognized in the Statement of Profit and Loss for the year ended March 31, 2016:

Amount in ₹ Million

Particulars	**For year ended March 31, 2016**	For year ended March 31, 2015
Interest cost	**7**	7
Service cost	**13**	13
Actuarial (Gain)/Loss	**8**	8
Total	**28**	28

c) **Experience Adjustments**

Amount in ₹ Million

Particulars	**March 31, 2016**	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Defined Benefit Obligation at the end of the period	**(106)**	(95)	(92)	(103)	(68)
Plan Assets at the end of the period			-	-	-
Surplus / (Deficit)	**(106)**	(95)	(92)	(103)	(68)
Experience Adjustment On Plan liabilities gain / (Loss)	**(7)**	(6)	(3)	(27)	16
Experience Adjustment On Plan Assets Gain /(Loss)	**-**	-	-	-	-
Actuarial Gain / (Loss) due to change on assumption	**(1)**	(3)	2	(3)	-

d) **Actuarial Assumptions**

Particulars	**March 31, 2016**	March 31, 2015
Discount Rate (per annum)	**7.6%**	7.8%
Salary Escalation Rate (per annum)	**7%**	7%
Attrition Rate	**0% to 55%**	0% to 55%
Mortality Rate	**Indian Assured Lives Mortality (2006-08) Ult**	Indian Assured Lives Mortality (2006-08) Ult

The estimates of future salary escalations considered in actuarial valuation, takes into account inflation, seniority, promotions and other relevant factors, such as demand and supply in the employment market.

25. Payment to auditors (net of service tax for which input credit is availed)

Amount in ₹ Million

Particulars	**For year ended March 31, 2016**	For year ended March 31, 2015
Audit Fees (including quarterly audits)	**4**	4
For Other services	**1**	0
Total	**5**	4

26. Value of imports calculated on C.I.F. basis in respect of:

Amount in ₹ Million

Particulars	**For year ended March 31, 2016**	For year ended March 31, 2015
Capital Goods	**128**	49

27. Expenditure in Foreign Currency:

Amount in ₹ Million

Particulars	**For year ended March 31, 2016**	For year ended March 31, 2015
Traveling and Conveyance	**5**	33
Employee Benefits	**368**	29
Professional Fees	**11**	6
Rent	**12**	6
Repair & Maintenance	**10**	7
Others	**29**	11
Total	**435**	92

Note: The above expenditure includes the expense incurred for the company’s overseas branch office in Waterford, Ireland.

28. Earnings in Foreign Currency:

	Amount in ₹ Million	
Particulars	**For year ended March 31, 2016**	For year ended March 31, 2015
Income from Operations	**7,032**	7,312

29. Foreign currency exposures that have not been hedged by any derivative instrument or otherwise

Amount in Million

Particulars	**Foreign Currency Amount**		**Indian Rupees Equivalent**	
	As at March 31, 2016	As at March 31, 2015	**As at March 31, 2016**	As at March 31, 2015
Trade Payable	**USD 0**	USD 0	**5**	5
Trade Payable	**EUR 1**	EUR 1	**68**	59
Trade Payable	**GBP 3**	-	**306**	-
Trade Receivables	**AUD 0**	AUD 2	**11**	103
Trade Receivables	**EUR 2**	EUR 1	**132**	70
Trade Receivables	**GBP 4**	GBP 4	**377**	346

30. Exchange gain/(loss)(net) accounted during the period

a) The Company enters into Foreign Currency 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. The company has taken plain vanilla forward contract (sell) for GBP billing. Forward Exchange contracts are in AUD and Euro exposures. Euro exposures are split into two legs, which are EUR to USD and USD to INR. These contracts are for a period of 2 years.

b) The following are the various outstanding foreign currency exchange forward contracts (sell) entered into by the Company which have been designated as Cash Flow Hedges:

Type of cover	**Amount outstanding in Foreign Currency (₹ in Million)**	Fair Value Gain / (Loss) (₹ in Million)
Forward	**EUR: USD 2 (March 31, 2015: Nil)**	3 (March 31, 2015: Nil)

c) The following are the outstanding foreign currency to INR currency Forward Contracts (sell) entered into by the Company which have been designated as Cash Flow Hedges:

Type of cover	**Amount outstanding in Foreign currency (₹ in Million)**	Fair Value Gain / (Loss) (₹ in Million)
Forward	**USD 2 (March 31, 2015: Nil)**	(3) (March 31, 2015:Nil)
	EUR 2 (March 31, 2015: Nil)	0 (March 31, 2015: Nil)
	AUD 23 (March 31, 2015 : Nil)	55 (March 31, 2015: Nil)
	GBP4 (March 31,2015: Nil)	(1) (March 31.2015: Nil)

d) The movement in hedging reserve during the year ended March 31, 2016 for derivatives designated as Cash Flow Hedges is as follows.

₹ in Million

Particulars	As at	
	March 31, 2016	March 31, 2015
Credit/(Debit) Balance at the beginning of the year	**-**	-
Gain/(Loss) net transferred to income statement on occurrence of forecasted hedge transaction	**(7)**	-
Changes in the fair value of effective portion of outstanding cash flow derivative	**(39)**	-
(Debit)/Credit Balance	**(46)**	-

Net loss on derivative instruments of ₹ 0 million (March 31, 2015; Nil) recognized in hedging reserve as of March 31, 2016 is expected to be reclassified to the statement of Profit and Loss by March 31, 2017.

31. Earnings Per Share is calculated as follows:

₹ in Million except earnings per share

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Net Profit / (Loss) attributable to shareholders	**865**	1,313
Equity Shares outstanding as at the end of the year (in nos.)	**1,000,000**	1,000,000
Weighted average Equity Shares outstanding as at the end of year (in nos.)	**1,000,000**	1,000,000
Weighted average number of Equity Shares used as denominator for calculating Basic Earnings Per Share	**1,000,000**	1,000,000
Number of Equity Shares used as denominator for calculating Diluted Earnings Per Share	**1,000,000**	1,000,000
Nominal Value per Equity Share (in ₹)	**10.00**	10.00
Earnings / (Loss) Per Share		
Earnings Per Share (Basic) (in ₹)	**865**	1,313
Earnings Per Share (Diluted) (in ₹)	**865**	1,313

32. Segment Reporting

Primary Segment:

The Company is engaged in the business of providing voice based call center services. As the Company is engaged in only one business segment, the Balance Sheet as at March 31, 2016 and Statement of Profit and Loss for the year pertain to only one business segment.

Secondary Segment: Based on the geographical location the Revenue is as under:

Amount in ₹ Million

Sr. No.	Particulars	Within India	Outside India	Total
1	Segment revenue by location of customers	- [-]*	7,032 [7,312]*	7,032 [7,312]*
2	Carrying amount of segment asset (Gross)	2,576 [5,254]*	3,210 [1,032]*	5,786 [6,286]*
3	Additions to tangible and intangible assets	255 [162]*	33 [59]*	288 [221]*

* Figures in bracket refer to balances as at March 31, 2015.

33. Related Party Disclosures

As required under Accounting Standard 18 "Related Party Disclosures" (AS – 18), following are details of transactions during the period with the related parties of the Company as defined in AS – 18:

Names of related parties and nature of relationship:

Name of the Entity*	**Relationship**
Tech Mahindra Limited	Holding Company
Tech Mahindra Foundation	Fellow Subsidiary (Section 8 Company)

* We have disclosed only those related parties where control exists and other related parties with whom the Company has transactions during the year.

Related Party transactions for the year ended March 31, 2016

Amount in ₹ Million

Nature of Transactions	**Name of the Party**	**Year ended March 31, 2016**	Year ended March 31, 2015
Revenue	Tech Mahindra Limited	**160**	-
Inter Corporate Loan (Taken)	Tech Mahindra Limited	**900**	-
Interest Payable	Tech Mahindra Limited	**2**	
Dividend Paid	Tech Mahindra Limited	**2,150**	-
Employee Stock Options granted to the Employees	Tech Mahindra Limited	**8**	-
Purchase of Fixed Assets	Tech Mahindra Limited	**-**	59
Reimbursement of Expenses (Net)-Paid / (Receipt)	Tech Mahindra Limited	**(7)**	2
Donation	Tech Mahindra Foundation	**28**	22

Related Party Balances as at March 31, 2016

Amount in ₹ Million

Balances As on	Name of the Party	**As at March 31, 2016**	As at March 31, 2015
Capital Creditors	Tech Mahindra Limited	**65**	59
Trade Payables	Tech Mahindra Limited	**25**	-
Trade Receivable	Tech Mahindra Limited	**51**	-
Other Receivable	Tech Mahindra Limited	**11**	-
Short Term Borrowings – Unsecured Loans	Tech Mahindra Limited	**900**	-
Unearned Revenue	Tech Mahindra Limited	**7**	-
Interest Payable	Tech Mahindra Limited	**2**	

34. Operating Lease

i. Premises

The Company's significant leasing arrangements are in respect of office/ residential premises taken on leave and license basis. The aggregate lease rentals incurred are charged to the Statement of Profit and Loss as Rent under note 19 - Operating and other expenses.

The leasing arrangement, which is cancellable, ranges for a period up to nine years and is renewable by mutual consent on mutually agreeable terms. Under this arrangement, refundable interest free deposit has been given aggregating ₹ 164 million (March 31, 2015: ₹ 181 million).

The lease rentals recognized in the Statement of Profit and Loss for the year ended March 31, 2016 are ₹ 380 million (year ended March 31, 2015: 406 million)

Future minimum lease payments under non-cancellable agreements are as follows

Particulars		**Amount in ₹ Million** **As at March 31, 2016**	As at March 31, 2015
(a)	Not later than one year	**-**	113
(b)	Later than one year and not later than five years	**-**	-
(c)	More than 5 years	**-**	-

35. The tax effect of significant timing differences that has resulted in deferred tax assets are given below:

Particulars	**Amount in ₹ Million** **As at March 31, 2016**	As at March 31, 2015
Gratuity and Leave Encashment and Bonus	**56**	58
Depreciation	**57**	59
Total Deferred Tax Asset	**113**	117

36. The company makes provision for Claims and Warranties on a need basis. The details of provision for claims and warranties are as follows:

Particulars	**Amount in ₹ Million** **For the year March 31, 2016**	For the year March 31, 2015
Opening balance	**-**	52
Provision / (Reversal) made during the year	**-**	(30)
Paid during the year	**-**	(22)
Closing balance	**-**	-

Note:

Provision for claims / warranties is estimated and made based on technical estimates of the management and is expected to be settled over the period of next one year.

37. The Board of Directors through a circular resolution dated June 25, 2015 approved the interim dividend of ₹ 2,150 per equity share. This interim dividend was paid on June 30, 2015.

38. Tech Mahindra Limited has given stock option to certain employees of the company. Tech Mahindra Limited has charged ₹ 8 million relating to stock option granted to the employees of the company which is accounted as ESOP cost.

39. Corporate Social Responsibility :

    a) Gross amount required to be spent by the Company ₹ 28 million during the year.

    b) Amount spent during the year ₹ 28 million.

40. Based on the information available with the Company, no creditors have been identified as "supplier" within the meaning of "Micro, Small and Medium Enterprises Development (MSMED) Act, 2006".

41. The previous year figures have been reclassified to confirm to this year's classification.

For Tech Mahindra Business Services Limited

C P Gurnani **Director**	Sujit Baksi **Director**	Milind Kulkarni **Director**
Nikhilesh Panchal **Director**	Ujjwala Apte **Director**	

Yogesh Kandalgaonkar
Company Secretary
Pune, Dated: May 16th, 2016

TECH MAHINDRA TECHNOLOGIES INC.

Board of Directors

Mr.Arvind Malhotra

Mr. Manish Vyas

Mr. Lakshmanan Chidambaram

Registered Office

1220 N., Market Street,

806, Wilmington 19801,

Delaware

Bankers

HSBC Bank, USA

Auditors

Chugh LLP, USA

California

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors present their Report together with the audited accounts of your Company for the year ended March 31, 2016.

For the year ended March 31,	**2016**	2015
	US$	US$
Income	**12,166,068**	12,674,753
Profit/(Loss) before tax	**223,167**	276,707
Profit/(Loss) after tax	**202,574**	177,279

Review of Operations:

During the year under review, your company recorded an income of US$ 12,166,068, decrease of 4% over the previous year. Profit after tax for the current year was US$ 202,574 as against US$ 177,279 compared to the previous year.

Board

During the year under review the sole shareholder withdrew the nominations of Mr Hari T and Mr Rakesh Soni & proposed Mr Arvind Malhotra,Mr Manish Vyas and Mr Lakshmanan Chidambaram as the Directors w.e.f. 24th August, 2015.

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

Place: Delaware

Date: 17th May, 2016

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of Tech Mahindra Technologies Inc., a Delaware corporation, which comprise the balance sheets as of March 31, 2016 and 2015 and the related statements of income, stockholder's equity, and cash flows for the years ended March 31, 2016 and 2015, 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 Technologies Inc. as of March 31, 2016 and 2015, and the results of its operations and its cash flows for the years ended March 31, 2016 and 2015, in accordance with accounting principles generally accepted in the United States of America.

Chugh CPA's LLP

Cerritos, California

April 20, 2016

BALANCE SHEETS MARCH 31, 2016 AND 2015

	2016	2015
	$	$
ASSETS		
CURRENT ASSETS		
Cash and cash in bank	**1,006,684**	751,478
Accounts receivable	**2,275,187**	2,745,455
Receivable from related party	**499,874**	339,267
Prepaid expenses and other current assets	**76,083**	31,228
Deferred tax asset	**56,227**	74,365
TOTAL ASSETS	**3,914,053**	3,941,792
LIABILITIES AND STOCKHOLDER'S EQUITY		
CURRENT LIABILITIES		
Accounts payable	**1,304**	-
Accounts payable to related party	**2,418,565**	2,693,074
Accrued expenses and other current liabilities	**329,781**	286,988
Deferred tax liability	**2,995**	2,896
TOTAL CURRENT LIABILITIES	**2,752,645**	2,982,958
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 (deficit)	**161,408**	(41,166)
TOTAL STOCKHOLDER'S EQUITY	**1,161,408**	958,834
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	**3,914,053**	3,941,792

See independent auditors' report and accompanying notes to financial statements.

STATEMENTS OF INCOME FOR THE YEARS ENDED MARCH 31, 2016 AND 2015

	2016 $	2015 $
REVENUE	**12,166,068**	12,674,753
LESS: COST OF REVENUE	**(11,579,843)**	(12,212,263)
GROSS PROFIT	**586,226**	462,490
LESS: OPERATING EXPENSES		
Selling, general and administrative expenses	**(364,953)**	(185,783)
INCOME (LOSS) FROM OPERATIONS	**221,273**	276,707
Other Income	**1,895**	-
INCOME (LOSS) BEFORE INCOME TAX PROVISION	**223,168**	276,707
LESS: PROVISION FOR INCOME TAX		
Income tax - current	**2,356**	14,800
Income tax - deferred	**18,237**	84,629
	20,593	99,429
NET INCOME	**202,574**	177,279

See independent auditors’ report and accompanying notes to financial statements.

STATEMENTS OF STOCKHOLDER'S EQUITY
FOR THE YEAR ENDED MARCH 31, 2016

	Common Stock				
	Shares	**Amount**	**Additional Paid In Capital**	**Accumulated Earnings (Deficit)**	**Total Stockholder's Equity**
		$	**$**	**$**	**$**
Balance at March 31, 2014	100,000	1,000	999,000	(218,444)	781,556
Net Income				177,279	177,279
Balance at March 31, 2015	100,000	1,000	999,000	(41,166)	958,834
Net Income				202,574	202,574
Balance at March 31, 2016	**100,000**	**1,000**	**999,000**	**161,408**	**1,161,408**

See independent auditors' report and accompanying notes to financial statements.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2016 AND 2015

	2015 $	2014 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**202,574**	177,279
Adjustments to reconcile net income to net cash provided by operating activities:		
Deferred tax	**18,238**	84,628
(Increase) decrease in assets:		
Accounts receivable (related and non related)	**309,662**	342,745
Prepaid expenses and other current assets	**(44,855)**	(15,407)
Increase (decrease) in liabilities:		
Accounts payable (related and non related)	**(273,206)**	(334,533)
Accrued expenses and other current liabilities	**42,793**	(46,323)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	**255,206**	208,388
Net increase(decrease) in Cash and cash in bank	**255,206**	208,388
Cash and cash in bank, beginning of year	**751,478**	543,091
Cash and cash in bank, end of period	**1,006,684**	751,478
Supplementary disclosures:		
Income taxes paid	**58,808**	8,358

See independent auditors' report and accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2016 AND 2015

1. Nature of Operations

Tech Mahindra Technologies Inc. the "Company" was incorporated as a Delaware corporation on September 28, 2000. The Company was formed to provide software development, professional engineering and information services. The Company is now a wholly owned subsidiary of Tech Mahindra Limited (the parent company). During 2014, the Company changed its name from Satyam Technologies Inc. to Tech Mahindra Technologies Inc.

2. Summary of Significant Accounting Policies

This summary of significant accounting policies of Tech Mahindra Technologies Inc. is presented to assist in understanding the Company's financial statements.

Basis of Accounting

The Company uses the accrual method of accounting for both financial and income tax reporting.

Basis of Presentation

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as detailed in the Financial Accounting Standards Board's Accounting Standards Codification.

Accounts Receivable

The Company carries it accounts receivable at cost less an allowance for doubtful accounts. Allowance for doubtful accounts is maintained with respect to accounts determined to be uncollectible in the current period. Management determines the allowance for doubtful accounts based upon historical experience and assessment of the collectability of existing specific accounts. Accounts are written off against the allowance when they are deemed uncollectible. At March 31, 2016, the Company considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less when purchased to be cash equivalents. As at March 31, 2016 and March 31, 2015, there were no cash equivalents.

2. Summary of Significant Accounting Policies (continued)

Income Taxes

The Company accounts for income taxes in accordance with the FASB ASC 740 (formerly SFAS No. 109, "Accounting for Income Taxes"), which requires an asset and liability approach to financial accounting and reporting of income taxes. Deferred income tax assets and liabilities are computed annually for differences between the financial statement and tax basis of assets and liabilities that will result in taxable or deductible amounts in the future based on the enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowance is established when necessary to reduce deferred tax assets to the amount expected to be realized

Financial Accounting Standards Board issued FIN 48 now known as ASC No. 740–10 "Accounting for Uncertainty in Income Taxes". Beginning April 1, 2008, the Company adopted FIN 48, thereafter, recognizes the tax benefits from uncertain tax positions only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such positions are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement.

The Company may be subject to potential examination by various taxing authorities. The Company's open audit periods are 2012-2015. In evaluating the Company's tax provisions and accruals, future taxable income, and the reversal of temporary differences, interpretations and tax planning strategies are considered. The Company believes their estimates are appropriate based on current facts and circumstances.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

The Company earns revenue from software development and consulting services. Revenue from software development and consulting services is recognized on time and material basis, provided that no uncertainties regarding customer acceptance exist and collection of the related receivable is probable.

3. Concentration of Risks and Significant Customers and Subcontractors

In the normal course of business, the Company maintains its cash balances in a financial institution, which at times may exceed federally insured limits. The Company has not experienced any losses in such account and believes it is not subject to any significant credit risk as all its deposits are maintained in a high quality financial institution.

The Company operates in the computer industry. The fluctuations in information technology spending caused by market conditions or availability of qualified personnel to complete the projects may have significant effect on the profitability of the Company.

Major Customers

Accounts receivable balances are typically unsecured and are derived from revenues earned from customers. For years ended March 31, 2016 and 2015, the Company had one major customer which accounted for 69% and 67%, respectively, of revenue and 82% and 89% respectively of accounts receivable.

Major Subcontractors

For the years ended March 31, 2016 and March 31, 2015, the Company had one major supplier which is related party described in Note 4 Related Party transactions. This supplier represents approximately 95% and 99% respectively of cost of revenue and accounts payable for years ended March 31, 2016 and 96% and 100% respectively for years ended March 31, 2015.

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 and Tech Mahindra Americas, Inc., which are both subsidiaries of Tech Mahindra Ltd. (parent Company).

Transactions based upon terms agreed between the parties during the years ended March 31, 2016 and 2015 are as follows:

	March 31, 2016	March 31, 2015
	$	$
Service Received/Operating Expense from:		
Satyam Venture Engineering Services for consultants and other operating expenses	**8,357368**	8,466,836
Complex IT Solutions Consultoria EM Informatica S.A. for consultants and other operating expenses	**-**	27,274
Tech Mahindra America Inc. for Other Operating Expenses	**284,555**	288,840

Related party accounts receivable and payable as at March 31, 2016 and March 31, 2015 as follows:

	March 31, 2016	March 31, 2015
	$	$
Accounts receivable:		
Tech Mahindra Ltd	**499,874**	339,267
Accounts payable:		
Satyam Venture Engineering Services (Includes provision of $ 6,250 and $37,130 respectively)	**2,401,999**	2,688,744
Tech Mahindra Americas Inc.	**22,815**	41,459
	2,424,814	2,730,203

5. Income Taxes

Deferred tax assets and liability consist of the following as of March 31, 2016 and 2015:

	2016	2015
	$	$
Deferred Tax Assets:		
Net operating Loss Carryover	**1,617**	16,999
State income tax current	**-**	4,564
Vacation Accrual	**54,610**	52,801
Total Deferred tax Assets	**56,227**	74,365
Deferred Tax Liability:		
State Tax Deferred	**2,996**	2,896
Net Deferred Tax Assets	**53,231**	71,469

Income tax (benefit)/expense consist of the following:

	2016	2015
	$	$
Federal and state income tax	**2,356**	14,800
- Current		
- Deferred	**18,237**	84,629
	$20,593	$99,429

As of March 31, 2016, the Company had federal net operating loss carryover of $5,241 available to reduce future taxable income. In the event of certain ownership changes in the Company, the ability to utilize the tax benefits from the Company's net operating loss carryover may subsequently be limited.

6. 401(k) Savings plan

The Company has established a defined contribution savings plan under Section 401(k) of the Internal Revenue Code, which covers substantially all employees who meet minimum age and services requirements and allows participants to defer a portion of their annual compensation on a pre-tax basis. Company contributions to the plan may be made at the discretion of the Board of Directors. For the years ended March 31, 2016 and 2015, the Company did not make any contribution to the plan.

7. Accrued Compensated Absences

Employees of the Company are entitled to paid vacation and sick days depending on length of service and other factors. As at March 31, 2016 and March 31, 2015, the Company accrued total $145,560 and $140,740 respectively, of unused vacation and sick leave. This accrued compensated absences account is included in the accrued expenses and other liabilities account.

8. Common Stock

Each share of common stock is entitled to one vote. The holders of common stock are also entitled to receive dividends whenever funds are legally available and when declared by the Board of Directors, subject to the prior rights of holders of all classes of stock outstanding. To date, no dividends on common stock have been declared.

9. Commitments and Contingencies

There are no pending legal actions, including arbitrations, class actions and other litigation, arising in connection with the Company's activities.

10. Subsequent Events

Subsequent events have been evaluated through April 20, 2016, which is the date the financial statements were available to be issued.

TECH MAHINDRA ICT SERVICES (MALAYSIA) SDN. BHD.

Board of Directors

Mr. Manish Goenka
Mr. Suresh Bhat
Mr. Anil Khatri
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 Haskins & Sells LLP

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 2016.

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.

There have been no significant changes in the nature of these activities during the financial year.

RESULTS OF OPERATIONS

The results of operations of the Company for the financial year are as follows:

	RM
Profit for the year	**18,735,203**

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

No dividend has been paid or declared by the Company since the end of the previous financial year.

The directors also do not recommend any 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

During the financial year, the authorised share capital of the Company was increased from RM1,000,000 to RM25,000,000 by the creation of an additional 24,000,000 ordinary shares of RM1.00 each.

During the financial year, the issued and fully paid-up share capital of the Company was increased from RM654,000 comprising 654,000 ordinary shares of RM1.00 each, to RM10,654,000 comprising 10,654,000 ordinary shares of RM1.00 each, by way of:

(i) allotment of 10,000,000 new ordinary shares of RM1.00 each in the capital of the Company at a par of RM1.00 per share for working capital purposes, for cash consideration totalling RM10,000,000.

The new ordinary shares issued rank pari passu with the then existing ordinary shares of the Company.

The Company did not issue any 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 no known bad debts need 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 realise their book values in the ordinary course of business had been written down to their estimated realisable values.

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 render the amount of 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.

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 succeeding financial year.

DIRECTORS

The following directors served on the Board of the Company since the date of the last report:

Manish Goenka

Suresh Bhat

Anil Khatri

Chong Li Khuen

Sabrina Ong Lee Leigh

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 (other than the benefits included in the aggregate amount of emoluments received or due and receivable by directors as disclosed in the financial statements or the fixed salary of a full time employee of the Company) 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.

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.

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, Messrs. Deloitte, have indicated their willingness to continue in office.

Signed on behalf of the Board

in accordance with a resolution of the directors,

ANIL KHATRI **SURESH BHAT**

17 May 2016

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, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31 March 2016 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,

ANIL KHATRI **SURESH BHAT**

Pune India,

17 May 2016

DECLARATION BY THE DIRECTOR PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, SURESH BHAT, 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 Statutory Declarations Act, 1960.

SURESH BHAT

Subscribed and solemnly declared by the
abovenamed **SURESH BHAT**
at **INDIA** this 17 May 2016.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TECH MAHINDRA ICT SERVICES (MALAYSIA) SDN. BHD.

(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of TECH MAHINDRA ICT SERVICES (MALAYSIA) SDN. BHD., which comprise the statement of financial position as at 31 March 2016 and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages herein.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform 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' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 March 2016 and of its financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

The financial statements of the Company for the preceding financial year ended 31 March 2015 were audited by another firm of auditors whose report dated 30 April 2015 expressed an unmodified opinion on these financial statements.

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility towards any other person for the contents of this report.

DELOITTE
AF 0080
Chartered Accountants

LAI CAN YIEW
Partner - 2179/11/16 (J)
Chartered Accountant

17 May 2016

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2016

	Note	**2016**	2015
		RM	RM
Revenue	5	**103,209,172**	57,897,207
Cost of services		**(56,548,265)**	(37,868,680)
Gross profit		**46,660,907**	20,028,527
Other income		**55,189**	7,976
Administrative expenses		**(27,967,648)**	(13,998,645)
Finance costs		**-**	(17,500)
Profit before taxation	6	**18,748,448**	6,020,358
Taxation	8	**(13,245)**	(178,946)
Profit for the year		**18,735,203**	5,841,412
Other comprehensive income, net of tax		**-**	-
Total comprehensive income		**18,735,203**	5,841,412

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

STATEMENT OF FINANCIAL POSITION
AS OF 31 MARCH 2016

	Note	2016 RM	2015 RM
ASSETS			
Non-Current Asset			
Property, plant and equipment	9	**1,555,196**	873,348
Current Assets			
Trade and other receivables	10	**24,174,986**	9,026,158
Amount due from an immediate holding company	15	**4,752,314**	3,995,896
Cash and bank balances	11	**13,035,627**	699,274
Total Current Assets		**41,962,927**	13,721,328
TOTAL ASSETS		**43,518,123**	14,594,676
EQUITY AND LIABILITIES			
Equity Attributable to Equity Holders of the Company			
Share capital	14	**10,654,000**	654,000
Retained earnings		**25,192,481**	6,457,278
TOTAL EQUITY		**35,846,481**	7,111,278
Non-Current Liabilities			
Other payables	12	**697,660**	474,040
Current Liabilities			
Trade payables	13	**1,353,608**	4,132,613
Other payables and accrued expenses	12	**5,513,078**	2,709,740
Tax liabilities		**107,296**	167,005
Total Current Liabilities		**6,973,982**	7,009,358
TOTAL LIABILITIES		**7,671,642**	7,483,398
TOTAL EQUITY AND LIABILITIES		**43,518,123**	14,594,676

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2016

	Note	Share capital	Distributable reserve - Retained earnings	Total
		RM	RM	RM
At 1 April 2014		**654,000**	**615,866**	**1,269,866**
Total comprehensive income		**-**	**5,841,412**	**5,841,412**
At 31 March 2015		**654,000**	**6,457,278**	**7,111,278**
At 1 April 2015		**654,000**	**6,457,278**	**7,111,278**
Total comprehensive income		**-**	**18,735,203**	**18,735,203**
Shares issued during the year	14	**10,000,000**	**-**	**10,000,000**
At 31 March 2016		**10,654,000**	**25,192,481**	**35,846,481**

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

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 MARCH 2016

	Note	2016 RM	2015 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		**18,748,448**	6,020,358
Adjustments for:			
Depreciation of property, plant and equipment		**1,122,975**	799,110
Allowance for doubtful debts		**3,208,776**	-
Net unrealised foreign exchange loss		**498,865**	45,584
Interest expense		**-**	17,500
Operating Profit Before Working Capital Changes		**23,579,064**	6,882,552
Changes in working capital:			
(Increase)/Decrease in:			
Amount due from immediate holding company		**(756,418)**	280,303
Trade and other receivables		**(18,902,360)**	(8,650,040)
Increase/(Decrease) in:			
Trade payables		**(2,661,936)**	1,723,175
Other payables and accrued expenses		**3,057,390**	236,326
Amount due to related company		**-**	(2,500,000)
Cash Generated/(Used In) From Operations		**4,315,740**	(2,027,684)
Tax paid		**(72,954)**	(288,645)
Net Cash From/(Used In) Operating Activities		**4,242,786**	(2,316,329)
CASH FLOWS USED IN INVESTING ACTIVITY			
Purchase of property, plant and equipment		**(1,804,823)**	(858,234)
Net Cash Used In Investing Activity		**(1,804,823)**	(858,234)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of shares		**10,000,000**	-
Interest paid		**-**	(17,500)
Net Cash From/(Used In) Financing Activities		**10,000,000**	(17,500)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**12,437,963**	(3,192,063)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**699,274**	3,875,163
Effect of foreign exchange differences		**(101,610)**	16,174
CASH AND CASH EQUIVALENTS AT END OF YEAR	11	**13,035,627**	699,274

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

NOTES TO THE FINANCIAL STATEMENTS

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.

There have been no significant changes in the nature of these activities during the financial year.

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 17 May 2016.

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, 1965 in Malaysia.

The financial statements are presented in Ringgit Malaysia (RM). The financial statements of the Company have been prepared under the historical cost convention except as disclosed in the accounting policies below.

Application of new and revised MFRSs

In the current financial year, the Company has applied a number of new and revised MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatorily effective for accounting period that begins on or after 1 April 2015 as follows:

Amendments to MFRS 132	Financial Instruments: Presentation (Amendments relating to Offsetting Financial Assets and Financial Liabilities)
Amendments to MFRS 136	Impairment of Assets (Amendments relating to Recoverable Amount Disclosures for Non-Financial Assets)
Amendments to MFRS 139	Financial Instruments: Recognition and Measurement (Amendments relating to Novation of Derivatives and Continuation of Hedge Accounting)
Amendments to MFRS 119	Employee Benefits (Amendments relating to Defined Benefit Plans: Employee Contributions)
Amendments to MFRSs contained in the document entitled Annual Improvements to MFRSs 2010 - 2012 Cycle	
Amendments to MFRSs contained in the document entitled Annual Improvements to MFRSs 2011 - 2013 Cycle	

The adoption of the above new and revised Standards has no material impact on the financial statements of the Company during the financial year.

Standards and Amendments in issue but not yet effective

At the date of authorisation for issue of these financial statements, the new and revised Standards which were in issue but not yet effective and not early adopted by the Company are as listed below:

MFRS 9	Financial Instruments[2]
MFRS 14	Regulatory Deferral Accounts[1]
MFRS 15	Revenue from Contracts with Customers[2]
Amendments to MFRS 10, MFRS 12 and MFRS 28	Investment Entities: Applying the Consolidation Exception[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 11	Accounting for Acquisitions of Interests in Joint Operations[1]
Amendments to MFRS 101	Disclosure Initiative[1]

Amendments to MFRS 116	Clarification of Acceptable Methods of Depreciation and MFRS 138 and Amortisation[1]
Amendments to MFRS 116 and MFRS 141	Agriculture: Bearer Plants[1]
Amendments to MFRS 127	Equity Method in Separate Financial Statements[1]
	Amendments to MFRSs contained in the document entitled Annual Improvements to MFRSs 2012 - 2014 Cycle[1]

[1] Effective for annual periods beginning on or after 1 April 2016

[2] Effective for annual periods beginning on or after 1 April 2018

[3] Effective date deferred to a date to be determined and announced, with earlier application still permitted.

The directors anticipate that the abovementioned Standards and Amendments will be adopted in the annual financial statements of the Company when they become effective and that the adoption of these Standards will have no material impact on the financial statements of the of the Company in the period of initial application.

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.

Revenue

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.

Consultancy services are provided either on a time or on a fixed fee basis. Revenue from time-based contracts is recognised as services are provided. Revenue from fixed-fee projects is recognised by reference to the stage of completion of the transaction at the statement of financial position date determined by costs incurred to date as a percentage of total estimated project costs. Losses on consulting services are recognised during the year in which the loss becomes probable and the amount of loss can be reasonably estimated. Losses are determined to be the amount by which the estimated costs of the project exceed the estimated total revenue that will be generated for the work.

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:

Currency	**2016 RM**	2015 RM
1 United States Dollar (USD)	**3.9084**	3.7052
1 Singapore Dollar (USD)	**2.9054**	2.6954
1 Indian Rupee (INR)	**0.0590**	0.0593
1 Euro (EUR)	**4.4486**	3.9842
1 Australian Dollar (AUD)	**3.0088**	2.8174

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 income statement in the period to which they relate. 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 profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or 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 profit 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 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

Gain or loss arising from the disposal of an asset is determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset, and is recognised in the income statement.

The estimated useful lives, residual values and depreciation method are reviewed at each balance sheet date, with the effect of any changes in estimates accounted for on a prospective basis.

Impairment of Assets

At each balance sheet date, the Company reviews the carrying amounts of plant and equipment 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 income statement.

Payables

Trade and other payables are stated at the nominal value of the consideration to be paid for goods and services received.

Financial Instruments

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.

<u>Effective interest method</u>

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 FVTPL

Financial assets are classified as at FVTPL when the financial asset is designated as at FVTPL.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if it forms part of a contract containing one or more embedded derivatives, and MFRS 139 Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss.

(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.

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. Ordinary shares are classified as equity.

(iii) Financial Liabilities

Financial liabilities are classified as either financial liabilities "at FVTPL" or "other financial liabilities".

(iv) (iv) Financial Liabilities at FVTPL

Financial liabilities are classified as at FVTPL where the financial liability is designated as at FVTPL.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if it forms part of a contract containing one or more embedded derivatives, and MFRS 139 Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss.

(v) 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.

(vi) 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 balance sheet 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.

Cash Flow Statement

The Company adopts the indirect method in the preparation of the cash flow statement.

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 JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

(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 is no instance of application of judgments 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.

- **Allowance for doubtful debts**

  The Company makes allowance for doubtful debts based on assessment of the recoverability of trade and other receivables. Allowances are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of doubtful debts requires use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed. As at 31 March 2016, the carrying amount of trade receivables was RM19,581,082 and allowance for doubtful debts has been made as stated in Note 10.

5. REVENUE

	2016 RM	2015 RM
Rendering of services	**103,209,172**	57,897,207

6. PROFIT BEFORE TAXATION

The following amounts have been included in arriving at profit before taxation:

	2016 RM	2015 RM
After charging:		
Staff costs (Note 7)	**56,064,014**	37,769,404
Allowance for doubtful debts (Note 10)	**3,208,776**	-
Depreciation of property, plant and equipment	**1,122,975**	799,110
Foreign exchange losses:		
Unrealised	**498,865**	45,584
Realised	**363,421**	486,569
Auditors' remuneration	**25,786**	51,000
Finance costs	**-**	17,500

Staff costs include salaries, bonuses, contributions to EPF and other staff related costs. During the financial year, the Company contributed RM3,637,988 (2015: RM3,054,725) to EPF.

7. STAFF COSTS

	2016 RM	2015 RM
Salaries and allowances	**48,544,511**	32,745,926
Defined contribution plan	**3,637,988**	3,054,725
Other staff related expenses	**3,881,515**	1,968,753
	56,064,014	37,769,404

8. TAXATION

	2016 RM	2015 RM
Malaysian income tax		
Current year	**13,245**	167,005
Overprovision in prior years	**-**	(339,069)
	13,245	(172,064)
Deferred taxation		
Relating to originating temporary differences (Note 7)	**-**	351,010
	13,245	178,946

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:

	2015 RM	2014 RM
Profit before taxation	**18,748,448**	6,020,358
Tax at Malaysian statutory tax rate of 24% (2015:25%)	**4,499,628**	1,505,090
Tax effects of expenses not deductible for tax purposes	**1,039,620**	333,702
Exempt income	**(5,526,003)**	(2,010,856)
Reversal of deferred tax assets not recognised in the previous financial year due to pioneer status	**-**	351,010
	13,245	178,946

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 Finance (No. 2) Act 2014 gazetted on 30 December 2014 enacts the reduction of corporate income tax rate from 25% to 24% with effect from year of assessment 2016. Accordingly, the applicable tax rates used for the measurement of any applicable deferred tax will be the expected rates.

9. PROPERTY, PLANT AND EQUIPMENT

	Office equipment	Computer	Plant and equipment	Lease improvement	Furniture and fixtures	Total
	RM	RM	RM	RM	RM	RM
Carrying amount						
At 1 April 2014	39,364	219,484	336,182	218,709	485	814,224
Additions	93,923	555,257	171,054	-	38,000	858,234
Depreciation charge	(22,262)	(283,219)	(283,487)	(204,591)	(5,551)	(799,110)
At 31 March 2015	111,025	491,522	223,749	14,118	32,934	873,348
At 1 April 2015	111,025	491,522	223,749	14,118	32,934	873,348
Additions	37,514	1,714,600	25,109	-	27,600	1,804,823
Depreciation charge	(30,661)	(1,010,025)	(59,520)	(9,889)	(12,880)	(1,122,975)
At 31 March 2016	**117,878**	**1,196,097**	**189,338**	**4,229**	**47,654**	**1,555,196**
At 31 March 2015						
Cost	134,455	788,983	551,785	255,783	38,593	1,769,599
Accumulated depreciation	(23,430)	(297,461)	(328,036)	(241,665)	(5,659)	(896,251)
Carrying amount	111,025	491,522	223,749	14,118	32,934	873,348
At 31 March 2016						
Cost	**171,969**	**2,503,583**	**576,894**	**255,783**	**66,193**	**3,574,422**
Accumulated depreciation	**(54,091)**	**(1,307,486)**	**(387,556)**	**(251,554)**	**(18,539)**	**(2,019,226)**
Carrying amount	**117,878**	**1,196,097**	**189,338**	**4,229**	**47,654**	**1,555,196**
Net Book Value						
At 31 March 2015	111,025	491,522	223,749	14,118	32,934	873,348
At 31 March 2016	**117,878**	**1,196,097**	**189,338**	**4,229**	**47,654**	**1,555,196**

10. TRADE AND OTHER RECEIVABLES

	2016 RM	2015 RM
Trade receivables:		
External	**22,782,333**	6,342,987
Related company	**7,515**	7,936
	22,789,848	6,350,923
Allowance for doubtful debts	**(3,208,766)**	-
	19,581,082	6,350,923
Unbilled revenue	**3,546,056**	1,970,464
Staff loan and advances	**341,899**	676,617
Other receivables:		
External	**690,314**	28,154
Related company	**15,635**	-
	24,174,986	9,026,158

Unbilled revenue represent invoices not issued to customers of which goods and/or services sold have been completed and have been included under trade payables.

The currency exposure profile of trade receivables of the Company is as follows:

	2016 RM	2015 RM
Ringgit Malaysia	**18,640,610**	8,452,946
Australian Dollar	**76,402**	179,351
Euro	**252,884**	385,925
United States Dollar	**5,205,090**	7,936
	24,174,986	9,026,158

The ageing analysis of the trade receivables is as follows:

	2016 RM	2015 RM
Neither past due nor impaired	**11,947,660**	1,847,241
Past due, not impaired		
Past due 1 - 30 days	**3,995,330**	1,006,247
Past due 31 - 60 days	**512,754**	657,354
Past due 61 - 90 days	**186,309**	1,888,997
Past due 91 - 120 days	**735,372**	154,308
Past due 120 days and above	**2,203,657**	796,776
	7,633,422	4,503,682
Past due and impaired	**3,208,766**	-
	22,789,848	6,350,923

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 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

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:

	2016 RM	2015 RM
At beginning of year	-	-
Allowance for the year (Note 6)	3,208,766	-
At end of year	3,208,766	-

The aging analysis of the Company's trade receivables that are impaired is as follows:

	2015 RM	2015 RM
Past due 120 days and above	3,208,766	-

11. CASH AND BANK BALANCES

Cash and cash equivalents included in the cash flow statement consists the following amounts in the statement of the financial position:

	2016 RM	2015 RM
Cash at bank	13,035,627	699,274

The foreign currency profile of cash and cash equivalents is as follows:

	2016 RM	2015 RM
Ringgit Malaysia	11,608,023	477,728
United States Dollars	1,427,604	221,546
	13,035,627	699,274

12. OTHER PAYABLES AND ACCRUED EXPENSES

	2016 RM	2015 RM
Current		
Other payables	1,365,407	543,570
Accrued expenses	3,551,501	1,725,890
Provision for leave encashment	596,170	440,280
	5,513,078	2,709,740
Non-current liabilities		
Provision for leave encashment	697,660	474,040

The currency exposure profile of other payables and accrued expenses is as follows:

	2016 RM	2015 RM
Ringgit Malaysia	4,611,381	2,051,207
United States Dollar	305,527	218,253
	4,916,908	2,269,460

13. TRADE PAYABLES

	2016 RM	2015 RM
Amount due to immediate holding/related companies:		
Tech Mahindra Limited	**553,815**	3,573,016
Tech Mahindra (Malaysia) Sdn. Bhd.	**85,953**	65,925
Tech Mahindra (Singapore) Pte. Ltd.	**-**	21,358
	639,768	3,660,299
External	**713,840**	472,314
	1,353,608	4,132,613

Amount due to related companies are unsecured, interest free and repayable upon demand.

Amount due from immediate holding company is unsecured, interest free and repayable upon demand.

The currency exposure profile of trade payables of the Company is as follows:

	2016 RM	2015 RM
Ringgit Malaysia	**733,893**	3,665,875
Singapore Dollar	**-**	21,358
Indian Rupee	**9,424**	1,368
United States Dollar	**560,566**	444,012
Euro	**31,273**	-
Great Britain Pound	**18,452**	-
	1,353,608	4,132,613

14. SHARE CAPITAL

	Amount 2016 RM	2015 RM
Authorised:		
Ordinary shares of RM1 each	**1,000,000**	1,000,000
Issued during the year	**24,000,000**	-
	25,000,000	1,000,000

	Amount 2016 RM	2015 RM
Issued and fully paid:		
654,000 Ordinary Shares of RM1 each	**654,000**	654,000
Issued during the year	**10,000,000**	-
	10,654,000	654,000

15. AMOUNT DUE FROM IMMEDIATE 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.

16. 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.

Significant transactions with the immediate holding company and related companies during the year consist of:

	2016 RM	2015 RM
Revenue		
Service income charged to immediate holding company	**69,207,820**	44,892,788
Other income charged to related company	**14,750**	-
Expenses		
Interest charged by related company	**-**	17,500
Reimbursement of expenses		
Charged to/(by) related companies	**(92,612)**	123,612
Charged by immediate holding company	**(3,015,088)**	(1,229,768)

17. FAIR VALUE OF THE FINANCIAL INSTRUMENTS

The fair value of the financial instruments of the Company as at 31 March 2015 are not materially different from their carrying values.

18. 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 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.

(b) (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 Euro (EUR) and 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) 2016 RM	Increase/ (Decrease) in the Company's results) 2015 RM
Effects on profit before taxation:		
USD		
- strengthened by 5%	**218,287**	(32,716)
- weakened by 5%	**(218,287)**	32,716
EUR		
- strengthened by 5%	**11,081**	19,496
- weakened by 5%	**(11,081)**	(19,496)
AUD		
- strengthened by 5%	**3,820**	8,968
- weakened by 5%	**(3,820)**	(8,968)
SGD		
- strengthened by 5%	**-**	(1,068)
- weakened by 5%	**-**	1,068
INR		
- strengthened by 5%	**(471)**	(68)
- weakened by 5%	**471**	68
GBP		
- strengthened by 5%	**(923)**	-
- weakened by 5%	**923**	-

(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.

19. CATERGORIES OF FINANCIAL INSTRUMENTS

The table below provides an analysis of financial instruments categorised as follows:

(a) Loans and receivables ["L&R"]

(b) Other financial liabilities ["OFL"]

	Carrying Amount RM	L&R RM	OFL RM
2016			
Financial assets			
Trade and other receivables	**24,174,986**	**24,174,986**	**-**
Amount due from immediate holding company	**4,752,314**	**4,752,314**	
Cash at bank	**13,035,627**	**13,035,627**	**-**
At 31 March 2016	**41,962,927**	**41,962,927**	**-**
Financial liabilities			
Trade payables	**1,353,608**	**-**	**1,353,608**
Other payables	**1,365,407**	**-**	**1,365,407**
At 31 March 2016	**2,719,015**	**-**	**2,719,015**
2015			
Financial assets			
Trade and other receivables	**9,026,158**	**9,026,158**	**-**
Amount due from immediate holding company	**3,995,896**	**3,995,896**	**-**
Cash at bank	**699,274**	**699,274**	**-**
At 31 March 2015	**13,721,328**	**13,721,328**	**-**
Financial liabilities			
Trade payables	**4,132,613**	**-**	**4,132,613**
Other payables	**543,570**	**-**	**543,570**
At 31 March 2015	**4,676,183**	**-**	**4,676,183**

TECH MAHINDRA (SHANGHAI) CO., LTD.

Board of Directors

Mr. Achutuni Sreenivasa Murthy
Mr. Amitava Ghosh
Mr. Ravikanth Karne

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.

DIRECTOR'S REPORT TO THE SHAREHOLDERS

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

Financial Results (Local currency RMB)

For the year ended December 31	2015	2014
	RMB	RMB
Income	**108,745,035.71**	86,860,316.29
Profit/(Loss) before tax	**7,123,268.44**	7,876,985.15
Profit/(Loss) after tax	**7,123,268.44**	7,876,985.15

Outlook for the current year:

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

Acknowledgements:

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

Review of operations:

During the year under review, your company recorded an income of RMB 108,745,035.71 an increase of 25.20% over the previous year. Profit after tax was RMB 7,123,268.44 decrease of 9.57% over the last year. The Company continues to invest in strengthening its marketing infrastructure in China. During the year under review the name of the Company has been changed toTech Mahindra (Shanghai) Co. Ltd.

Mr. Achutuni Sreenivasa Murthy	Mr. Amitava Ghosh	Mr. Ravikanth Karne
Director	Director	Director

Place : Shanghai, April 15, 2016

REPORT OF THE AUDITORS

To the Board of Directors of
Tech Mahindra (Shanghai) Co., Ltd.

We have audited the accompanying financial statements of Tech Mahindra (Shanghai) Co., Ltd. (the "Company"), which comprise the balance sheet as at 31 December 2015, the income statement, cash flow statement and statement of changes in equity for the year then ended and notes to these financial statements.

1. Management's Responsibility for the Financial Statements

The Company's management is responsible for preparation and fair presentation of these financial statements, such responsibility includes: (i) ensuring that the Financial Statements are properly prepared in conformity with the Accounting Standards for Business Enterprises and the "Accounting System for Business Enterprises" and are presented fairly (ii) designing, implementing and maintaining internal control relevant to the preparation of financial statements to ensure the financial statements are free of material misstatement, whether caused by fraud or error.

2. Auditor's Responsibility

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

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

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

3. Audit opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Tech Mahindra (Shanghai) Co., Ltd. as of 31 December 2015, and its financial performance and its cash flows for the year then ended in accordance with the Accounting Standards for Business Enterprises and the "Accounting System for Business Enterprises"

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

April 15, 2016

BALANCE SHEET AS AT 31 DECEMBER 2015

(All amounts in RMB Yuan unless otherwise stated)

ASSETS	Notes	2015.12.31	2014.12.31
Current assets:			
Cash at bank and in hand	5	**15,421,535.11**	8,922,596.36
Accounts receivable	6	**51,603,035.82**	42,407,471.16
Prepayments		**361,407.31**	183,088.24
Interest receivable		**15,110.00**	-
Other receivables	7	**1,061,740.90**	689,978.69
Total current assets		**68,462,829.14**	52,203,134.45
Non-current assets:			
Fixed assets - cost	8	**9,267,573.24**	8,676,871.06
Less: Accumulated depreciation	9	**8,497,347.52**	8,184,473.96
Fixed assets - net	10	**770,225.72**	492,397.10
Long-term deferred expenses (deferred assets)	11	**206,095.72**	157,347.27
Total non-current assets		**976,321.44**	649,744.37
TOTAL ASSETS		**69,439,150.58**	52,852,878.82
LIABILITIES AND OWNER'S EQUITY			
Current liabilities			
Accounts payable	12	**15,174,061.81**	5,328,491.29
Advances	13	**1,246,817.15**	315,565.83
Accrued payroll		**1,677,597.97**	2,898,171.35
Incl.: Wages payable		**1,677,597.97**	2,898,171.35
Taxes payable	14	**1,610,113.92**	1,112,050.66
Incl.: Tax payable	14	**1,554,386.64**	1,076,225.23
Other payables	15	**10,054,962.75**	10,646,271.15
Total current liabilities		**29,763,553.60**	20,300,550.28
Non-current liabilities			
Total non-current liabilities		**-**	-
TOTAL LIABILITIES		**29,763,553.60**	20,300,550.28
Owner's equity			
Paid-in capital	16	**102,818,436.17**	102,818,436.17
Undistributed profits	17	**(63,142,839.19)**	(70,266,107.63)
Total owner's equity		**39,675,596.98**	32,552,328.54
TOTAL LIABILITIES AND OWNER'S EQUITY		**69,439,150.58**	**52,852,878.82**

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

Legal Representative: SREENIVASA MURTY ACHUTUNI
Person in charge of accounting function: RAVIKANTH KARNE
Person in charge of accounting department: XIA MEI

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

(All amounts in RMB Yuan unless otherwise stated)

	Notes	**Year ended 2015.12.31**	Year ended 2014.12.31
Total operating revenues		**108,745,035.71**	86,860,316.29
Incl.: Operating revenues		**108,745,035.71**	86,860,316.29
Incl.: Revenues from main operation	18	**108,745,035.71**	86,860,316.29
Less: Total operating costs		**101,565,532.77**	79,795,789.93
Incl.: Operating costs		**83,301,261.74**	65,520,722.45
Incl.: Costs of main operation		**83,301,261.74**	65,520,722.45
Operating tax and its additions		**330,859.29**	270,368.27
Selling and distribution expenses		**4,401,832.75**	2,921,558.31
General and administrative expenses		**14,013,726.32**	11,314,812.21
Finance expenses	19	**(482,147.33)**	(231,671.31)
Operating Profit		**7,179,502.94**	7,064,526.36
Add: Non-operating revenues		**28,565.36**	817,245.93
Incl.: Government grants		**24,463.36**	596,639.43
Less: Non-operating expenses		**84,799.86**	4,787.14
Total profit		**7,123,268.44**	7,876,985.15
less: Income tax expenses		**-**	-
Net profit		**7,123,268.44**	7,876,985.15

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

Legal Representative:	SREENIVASA MURTY ACHUTUNI
Person in charge of accounting function:	RAVIKANTH KARNE
Person in charge of accounting department:	XIA MEI

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

(All amounts in RMB Yuan unless otherwise stated)

		Year ended 2015.12.31	Year ended 2014.12.31
1.	**Cash Flows from Operating Activities :**		
	Cash received from sales of goods or rendering of services	**105,860,608.95**	71,600,874.66
	Tax refund	**-**	235,873.00
	Cash received relating to other operating activities	**326,414.91**	771,657.02
	Sub-total of Cash Inflows	**106,187,023.86**	72,608,404.68
	Cash paid for goods and services	**10,668,229.79**	11,823,977.93
	Cash paid to and on behalf of employees	**58,607,512.29**	51,829,064.61
	Payments of taxes and levies	**5,477,216.31**	4,738,601.35
	Cash paid relating to other operating activities	**24,143,497.56**	7,435,186.85
	Sub-total of Cash Outflows	**98,896,455.95**	75,826,830.74
	Net Cash Flows from Operating Activities	**7,290,567.91**	(3,218,426.06)
2.	**Cash Flows from Investing Activities:**		
	Cash paid to acquire fixed assets, intangible assets and other long-term assets	**791,618.18**	568,877.00
	Sub-total of Cash Outflows	**791,618.18**	568,877.00
	Net Cash Flows from investing Activities	**(791,618.18)**	(568,877.00)
3.	**Cash Flows from Financing Activities**		
	Net Cash Flows from Financing Activities	**-**	-
4.	**Effect of Foreign Exchange Rate Fluctuation on Cash**	**(10.98)**	(3.55)
5.	**Net Increase (decrease) in Cash and Cash Equivalents**	**6,498,938.75**	(3,787,306.61)
	Add: Cash and cash equivalents at the beginning of the reporting period	**8,922,596.36**	12,709,902.97
6.	**Cash and Cash Equivalents at the End of the Reporting Period**	**15,421,535.11**	8,922,596.36

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

Legal Representative:	SREENIVASA MURTY ACHUTUNI
Person in charge of accounting function:	RAVIKANTH KARNE
Person in charge of accounting department:	XIA MEI

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

(All amounts in RMB Yuan unless otherwise stated)

	PAID-IN CAPITAL	CAPITAL SURPLUS	SURPLUS RESERVE	RETAINED EARNINGS	TOTAL
Closing Balance at 31 December 2013	102,818,436.17	-	-	(78,143,092.78)	24,675,343.39
Beginning Balance at 1 January 2014	102,818,436.17	-	-	(78,143,092.78)	24,675,343.39
Net profit	-	-	-	7,876,985.15	7,876,985.15
Movements in year 2014	-	-	-	7,876,985.15	7,876,985.15
Closing Balance at 31 December 2014	102,818,436.17	-	-	(70,266,107.63)	32,552,328.54
Closing Balance at 31 December 2014	102,818,436.17	-	-	(70,266,107.63)	32,552,328.54
Beginning Balance at 1 January 2015	**102,818,436.17**	**-**	**-**	**(70,266,107.63)**	**32,552,328.54**
Net profit	**-**	**-**	**-**	**7,123,268.44**	**7,123,268.44**
Movements in year 2015	**-**	**-**	**-**	**7,123,268.44**	**7,123,268.44**
Closing Balance at 31 December 2015	**102,818,436.17**	**-**	**-**	**(63,142,839.19)**	**39,675,596.98**

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

Legal Representative:	SREENIVASA MURTY ACHUTUNI
Person in charge of accounting function:	RAVIKANTH KARNE
Person in charge of accounting department:	XIA MEI

ADDITIONAL INFORMATION

SUPPLIED BY THE MANAGEMENT OF TECH MAHINDRA (SHANGHAI) CO., LTD.

(All amounts 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 invested by Tech Mahindra Limited. Established on December 23, 2002, the Company was registered at Shanghai Administration of Industry and Commerce and obtained the Business License of Legal Person No. 310115400111596. The registered capital of the Company was USD13,900,000 . The registered address is: Suite 23102, 23104, 23204, Pudong Software Park, No. 498 Guoshoujing Road, Zhangjiang Hi-tech Park, Shanghai. The Company has an approved operating period of 20 years.

The Company's approved scope of business operations includes software designing, developing, production, testing and maintenance (including embedded system software, computer aid design, manufactory and engineering service software, enterprise resource solution software, enterprise integrating software, custom relationship management software etc.); sales of the self-produced products and the related technical consulting services. Provision of outsourcing design, research and development service in the fields of machinery and electronics. Provision of comprehensive logistics solution design. Wholesale, import & export and commission agency of electronic equipment, machinery and parts, steel products, computer hardware and software, and provide related technical and auxiliary services.

2 BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises and "Accounting System for Business enterprises" as promulgated by the State of the People's Republic of China.

3 PRINCIPAL ACCOUNTING POLICIES

(a) Accounting period

The Company's accounting year starts on 1 January and ends on 31 December.

(b) Recording currency

The recording currency of the Company is the Renminbi (RMB).

(c) Basis of accounting and measurement bases

The Company follows the accrual basis of accounting. Assets are initially recorded at actual costs on acquisition and subsequently adjusted for impairment, if any.

(d) Foreign currency translation

Except for the accounting treatment of paid-in capital, foreign currency transactions are translated into RMB at the exchange rates stipulated by the People's Bank of China ("the stipulated exchange rates") on the day the transactions took place. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into RMB at the stipulated exchange rates at the balance sheet date. Exchange differences arising from these translations are recognised in profit or loss for the current period.

Contributions to paid-in capital made in foreign currencies are translated into the RMB denominated paid-in capital account at the stipulated exchange rates at the contribution dates.

(e) Cash and cash equivalents

For the purposes of the cash flow statement, cash refers to all cash in hand and all deposits. Cash equivalents refer to short-term and highly-liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(f) Receivables and provision for bad debts

Receivables comprise accounts receivable and other receivables. The provision method is used to account for potential bad debts identified by management. Receivables are presented at actual amounts net of provision for bad debts.

(1) Accounts receivable

Specific provisions are made for accounts receivable on an individual basis.

(2) Other receivable

Specific provisions are made for other receivables on an individual basis.

(3) Recognition criteria of bad debts loss

Where evidence exists that balances cannot be recovered due to the debtor's de-registration, bankruptcy, insolvent and death, etc., bad debts are recognized and corresponding provision for bad debts is written off after the approval of the Company's general manager or the board pursuant to the authorization policies established in the Company.

(g) Fixed assets and depreciation

Fixed assets are tangible assets that are used in production, including sales of goods, rendering of services and leases, or held for management purposes, which have useful lives of more than one year and have relatively high unit price.

Fixed assets purchased or constructed by the Company are recorded at cost.

Fixed assets are depreciated using the straight-line method to allocate the cost of the assets to their estimated residual values over their estimated useful lives. For the fixed assets being provided for impairment loss, the related depreciation charge is prospectively determined based upon the adjusted carrying amounts over their remaining useful lives.

(g) Fixed assets and depreciation

The estimated useful lives, estimated residual values expressed as a percentage of cost and annual depreciation rates are as follows:

	`Estimated Useful Lives	**Estimated Residual Value**	**Annual Depreciation Rate**
Computer and electronic equipment	3 yrs	0%	33.33%
Office equipment	3 yrs	0%	33.33%
Furniture	5 yrs	0%	20.00%

When fixed assets are sold, transferred, disposed of or damaged, gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the assets, adjusted by related taxes and expenses, and are included in non-operating income or expenses.

The repair and maintenance expenses of fixed assets should be expensed directly for the current period. Subsequent expenditures for major reconstruction, expansion, improvement and renovation are capitalized when it is probable that future economic benefits in excess of the original assessment of performance will flow to the Company; the other subsequent expenditures should be recognized as costs or expenses for the current period. Capitalized expenditures arising from major reconstruction, expansion and improvement are depreciated using the straight-line method over the remaining useful lives of the fixed assets. The renovation expenses are depreciated using the straight-line method over the shorter of the interval of renovation and the estimated useful lives.

(h) Long-term deferred expenses

Long-term deferred expenses are expenses paid by an enterprise, for which the amortization period is more than one year (excluding one year), including land royalty and maintenance, etc. long-term deferred expenses should be amortized evenly over the respective beneficial periods and presented at an amount net of accumulated amortization.

Leasehold improvements

Leasehold improvements should be amortized evenly over the shorter of the lease term and the useful lives / respective beneficial periods of the leased asset, and presented at an amount net of accumulated amortization.

(i) Impairment of assets

In addition to the recognition of provisions for impairment loss on receivables and inventories which have been described in their respective accounting policies, individual assets for which there are indications that the carrying values are higher than their recoverable amounts, arising from the occurrence of events or changes in circumstances, are reviewed for impairment. If the carrying value of such assets is higher than the recoverable amount, the excess is recognized as an impairment loss.

The recoverable amount of an individual asset is the higher of its net selling price and its value in use. The net selling price is the amount obtainable from the sale of the asset in an arm's length transaction between knowledgeable and will parties, after deducting any incremental direct disposal costs. Value in use is the present value of estimated future cash flows expected being derived from continuing use of the asset and from its disposal at the end of its useful life.

When there is an indication that the need for an impairment provision recorded in a prior period no longer exists or has decreased, the provision for impairment loss is reversed. The increased carrying amount of the assets should not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years.

(j) Revenue recognition

Revenue from the rendering of services shall be recognized at the time of service provided and consideration received or receivable.

Interest income should be measured based on the period between the acquisition date and the maturity date and the applicable interest rate.

Subsidy income shall be recognized at the time of receipt.

(k) Employee benefits

The full-time employees of the Company are entitled to staff welfare benefits under existing PRC legislation, including pension benefits, medical care, unemployment insurance, housing fund and other benefits.

The Company is required to accrue for these benefits based on certain percentages of the employees' salaries, subject to certain ceilings, in accordance with the relevant PRC regulations, these benefits are levied by the human resource and social security bodies. The contributions are expensed as incurred.

(l) Accounting for income taxes

The Company accounts for enterprise and local income taxes using the tax payable method. Under the tax payable method, tax expense is recognized based on current period taxable income and tax rates.

4 TAXATION

(a) Corporate income tax

The applicable enterprise income tax rate of the Company is 25%.

(b) Value added tax

The Company's rendering of services is subject to Value Added Tax (VAT) instead of Business tax since January 1,2012. The applicable tax rate for domestic sales is 6%.

(c) Individual income tax

Employees' income is subject to individual income tax, and the Company withhold amounts from employees and send the withheld amounts to the tax authorities.

5 MONETARY ASSETS

	2015.12.31	2014.12.31
Cash at bank	**15,421,535.11**	8,922,596.36
Total	**15,421,535.11**	8,922,596.36

6 ACCOUNTS RECEIVABLE

	2015.12.31	2014.12.31
	51,603,035.82	42,407,471.16

The ageing as at year end are as follows:

	2015.12.31		2014.12.31	
	Amount	**%**	Amount	%
Within 1 yr	**51,603,035.82**	**100.0%**	42,407,471.16	100.0%
Total	**51,603,035.82**	**100%**	42,407,471.16	100%

7 OTHER RECEIVABLES

	2015.12.31	2014.12.31
	1,061,740.90	689,978.69

The ageing as at year end are as follows:

	2015.12.31		2014.12.31	
	Amount	**%**	Amount	%
Within 1 yr	**661,038.90**	**62.3%**	339,366.71	49.2%
1-2 ys	**67,992.08**	**6.4%**	-	-
Over 3 ys	**332,709.92**	**31.3%**	350,611.98	50.8%
Total	**1,061,740.90**	**100%**	689,978.69	100%

8 FIXED ASSETS – COST

	2015.1.1	Increase	Decrease	2015.12.31
Computer and electronic equipment	6,903,327.77	122,200.66	13,600.01	**7,011,928.42**
Office equipment	1,245,496.02	479,368.02	-	**1,724,864.04**
Furniture	528,047.27	2,733.51	-	**530,780.78**
Total	8,676,871.06	604,302.19	13,600.01	**9,267,573.24**

9 ACCUMULATED DEPRECIATION

	2015.1.1	Increase	Decrease	2015.12.31
Computer and electronic equipment	6,521,008.12	187,447.82	13,600.01	**6,694,855.93**
Office equipment	1,145,135.86	134,975.66	-	**1,280,111.52**
Furniture	518,329.98	4,050.09	-	**522,380.07**
Total	8,184,473.96	326,473.57	13,600.01	**8,497,347.52**

10 FIXED ASSETS – NET

	2015.12.31	2014.12.31
Computer and electronic equipment	**317,072.49**	382,319.65
Office equipment	**444,752.52**	100,360.16
Furniture	**8,400.71**	9,717.29
Total	**770,225.72**	492,397.10

11 LONG-TERM DEFERRED EXPENSES

	2015.1.1	Increase	Decrease	2015.12.31
Software and maintenance	**61,911.73**	**128,205.12**	**66,871.79**	123,245.06
Leasehold improvements	**95,435.54**	**-**	**12,584.88**	82,850.66
Total	**157,347.27**	**128,205.12**	**79,456.67**	206,095.72

12 ACCOUNTS PAYABLE

2015.12.31	2014.12.31
15,174,061.81	5,328,491.29

Creditors with large amounts:	Ending balance	Description
Tech Mahindra Limited.	**12,309,506.85**	Service fee
CIIC SHANGHAI	**2,089,154.68**	Payroll, wages

13 ADVANCES

2015.12.31	2014.12.31
1,246,817.15	315,565.83

14 TAX PAYABLE

Taxes	2015.12.31	2014.12.31
Value added tax	**789,125.80**	610,586.60
Individual income tax	**765,260.84**	465,638.63
Subtotal	**1,554,386.64**	1,076,225.23
Others	**55,727.28**	35,825.43
Total	**1,610,113.92**	1,112,050.66

15 OTHER PAYABLES

	2015.12.31	2014.12.31
Total	**10,054,962.75**	10,646,271.15

Creditors with large amounts:	Ending balance	Description
Tech Mahindra Limited	977,770.81	Current account

16 PAID-IN CAPITAL

	2015.12.31		2014.12.31	
Name of Investor	**Registered Capital (USD)**	**Registered Capital**	Registered Capital (USD)	Registered Capital
Tech Mahindra Limited.	**13,900,000.00**	**102,818,436.17**	13,900,000.00	102,818,436.17
Total	**13,900,000.00**	**102,818,436.17**	13,900,000.00	102,818,436.17

The paid-in capital has been verified by Shanghai Linfang CPA Co., Ltd with the Capital Verification Report(2011) No.BY0116.

17 UNDISTRIBUTED PROFITS

	2015.12.31	2014.12.31
Undistributed profits at beginning of year	**(70,266,107.63)**	(78,143,092.78)
Current year net profit	**7,123,268.44**	7,876,985.15
Distributable profit	**(63,142,839.19)**	(70,266,107.63)
Undistributed profits at the end of year	**(63,142,839.19)**	(70,266,107.63)

18 REVENUES FROM MAIN OPERATION

Item	**2015**	2014
Software designing, developing and maintenance (Domestic)	**85,137,807.87**	73,139,037.78
Software designing, developing and maintenance (Exports)	**23,326,765.84**	13,601,080.51
sales goods	**280,462.00**	120,198.00
Total	**108,745,035.71**	86,860,316.29

19 FINANCE EXPENSES

	2015	2014
Interest income	**(181,662.12)**	(275,870.12)
Exchange losses/gains-net	**(300,664.99)**	33,074.11
Other finance expenses	**179.78**	11,124.70
Total	**(482,147.33)**	**(231,671.31)**

20 RELATED PARTY TRANSACTION

Related party relationships

Name of Entity	Relationship with the Company
Tech Mahindra Limited	Investor
Tech Mahindra (Nanjing) Co.,Ltd	Controlled by the same party

Related party transactions

Name of Entity	Description	Transactions in 2015
Tech Mahindra Limited	Render of services	8,913,832.62
Tech Mahindra Limited	Paid on behalf of	25,258.44
Tech Mahindra Limited	Receipt of services	7,747,739.87
Tech Mahindra Limited	Associate advance	977,770.81

Ending Balance of related party transaction

Name of Entity	Account Name	Description	Ending balance
Tech Mahindra Limited	Accounts receivable	Render of services	622,090.13
Tech Mahindra Limited	Other receivable	Paid on behalf of	54,938.44
Tech Mahindra Limited	Accounts payable	Receipt of services	12,309,506.85
Tech Mahindra Limited	Accrued expenses	Subcontract expense	5,167,866.19
Tech Mahindra Limited	Other payable	Associate advance	977,770.81

SUPPLEMENTARY INFORMATION PROVIDED BY THE MANAGEMENT

(All amounts in RMB Yuan unless otherwise stated)

ADJUSTMENTS TO INCOME BEFORE TAX

Detailed adjustments and corresponding account name	**Interpretation**		**Adjusted**	**Remarks**
	(Reference included)		**amounts**	
Taxable amounts				
Administrative expenses	Accrued but unpaid expenses		**8,836,858.39**	
Non-operation expenses	tax overdue penalty		**1,626.76**	
Non-operation expenses	loss of uncollectable AR		**83,162.95**	
Administrative expenses	Entertainment expenses exceed deductible limit		**40,951.12**	
Payroll Payables	Accrued but unpaid expenses		**439,122.36**	Leave encashment
Total taxables			**9,401,721.58**	
Deductible amounts				
Payroll Payables	wages accrued in prior year and paid in current year		**2,898,171.35**	
Administrative expenses	Expenses accrued in prior year and paid in current year		**10,491,494.67**	
Total deductibles			**13,389,666.02**	
Adjustments - net				(3,987,944.44)
Audited income before tax				7,123,268.44
Adjusted income before tax				3,135,324.00

Note: The taxable income shall be finally settled by tax authorities.

TECH MAHINDRA (NANJING) COMPANY LTD.

Board of directors

Mr. Achutuni Sreenivasa Murthy
Mr. Ravikanth Karne
Mr. Amitava Ghosh

Registered Office

Suite 413-246,
Business Building,
Nanjing New & HighTechnology Industry Development Zone
Nanjing, P.R. China.

Bankers

Standard Chartered Bank
China Merchant Bank

Auditors

Shanghai Linfang Certified Public Accountants Co.,Ltd.

DIRECTORS' REPORT TO THE SHAREHOLDERS

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

Financial Results (Local currency RMB)

For the year ended December 31	2015	2014
	RMB	RMB
Income	**8,132,502.55**	7,992,650.36
Profit/(Loss) before tax	**978,138.88**	1,011,645.67
Profit/(Loss) after tax	**978,138.88**	1,011,645.67

Review of Operations:

During the year under review, your company recorded an income of RMB 8,132,502.55 increase of 1.75% over the previous year. Profit after tax was RMB 978,138.88 decrease of 3.31% over the last 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.

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.

Mr. Achutuni Sreenivasa Murthy	**Mr. Ravikanth Karne**	**Mr. Amitava Ghosh**
Director	**Director**	**Director**

Nanjing, March 25, 2016

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 2015, the income statement, cash flow statement and statement of changes in equity for the year then ended and notes to these financial statements.

1. Management's Responsibility for the Financial Statements

The Company's management is responsible for preparation and fair presentation of these financial statements, such responsibility includes: (i) ensuring that the Financial Statements are properly prepared in conformity with the Accounting Standards for Business Enterprises and the "Accounting System for Business Enterprises" and are presented fairly (ii) designing, implementing and maintaining internal control relevant to the preparation of financial statements to ensure the financial statements are free of material misstatement, whether caused by fraud or error.

2. Auditor's Responsibility

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

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

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

3. Audit opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Tech Mahindra (Nanjing) Co., Ltd. as of 31 December 2015, and its financial performance and its cash flows for the year then ended in accordance with the Accounting Standards for Business Enterprises and the "Accounting System for Business Enterprises".

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
March 25, 2016

BALANCE SHEET AS AT 31 DECEMBER 2015

(All amounts in RMB Yuan unless otherwise stated)

ASSETS	Notes	2015.12.31	2014.12.31
Current assets:			
Cash at bank and in hand	5	**6,528,219.17**	6,575,385.22
Accounts receivable	6	**775,086.46**	1,116,026.04
Prepayments	7	**20,264.66**	99,536.71
Interest receivable		**5,759.18**	-
Other receivables	8	**227,726.40**	15,259.93
Total current assets		**7,557,055.87**	7,806,207.90
Non-current assets:			
Fixed assets - cost	9	**7,808,765.74**	7,808,765.74
Less: Accumulated depreciation	10	**7,805,249.72**	7,778,924.90
Fixed assets - net	11	**3,516.02**	29,840.84
Long-term deferred expenses (deferred assets)	12	**17,677.54**	44,393.35
Total non-current assets		**21,193.56**	74,234.19
TOTAL ASSETS		**7,578,249.43**	7,880,442.09
LIABILITIES AND OWNER'S EQUITY			
Current liabilities			
Accounts payable	13	**235,849.06**	508,887.36
Advances	14	**48,280.88**	896,325.13
Accrued payroll	15	**154,366.58**	159,986.44
Taxes payable	16	**(1,402.61)**	64,800.84
Other payables	17	**38,593.35**	126,019.03
Total current liabilities		**475,687.26**	1,756,018.80
Non-current liabilities			
Total non-current liabilities		**-**	-
TOTAL LIABILITIES		**475,687.26**	1,756,018.80
Owner's equity			
Paid-in capital	18	**52,646,896.26**	52,646,896.26
Undistributed profits	19	**(45,544,334.09)**	(46,522,472.97)
Total owner's equity		**7,102,562.17**	6,124,423.29
TOTAL LIABILITIES AND OWNER'S EQUITY		**7,578,249.43**	7,880,442.09

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 2015

(All amounts in RMB Yuan unless otherwise stated)

	Notes	**Year ended 2015.12.31**	Year ended 2014.12.31
Total operating revenues		**8,132,502.55**	7,992,650.36
Incl.: Operating revenues		**8,132,502.55**	7,992,650.36
Incl.: Revenues from main operation	20	**8,132,502.55**	7,992,650.36
Less: Total operating costs		**7,154,359.91**	7,018,159.96
Incl.: Operating costs		**4,107,539.13**	5,565,912.17
Incl.: Costs of main operation		**4,107,539.13**	5,565,912.17
Operating tax and its additions		**14,064.92**	6,629.38
General and administrative expenses		**3,215,230.99**	1,470,168.71
Finance expenses	21	**(182,475.13)**	(24,550.30)
Operating Profit		**978,142.64**	974,490.40
Add: Non-operating revenues		**-**	37,155.27
Less: Non-operating expenses		**3.76**	-
Total profit		**978,138.88**	1,011,645.67
less: Income tax expenses		**-**	-
Net profit		**978,138.88**	1,011,645.67

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 2015

(All amounts in RMB Yuan unless otherwise stated)

		Year ended 2015.12.31	Year ended 2014.12.31
1.	**Cash Flows from Operating Activities:**		
	Cash received from sales of goods or rendering of services	**7,717,560.23**	8,699,851.65
	Tax refund	**-**	12,361.44
	Cash received relating to other operating activities	**248,888.81**	197,635.18
	Sub-total of Cash Inflows	**7,966,449.04**	8,909,848.27
	Cash paid for goods and services	**600,599.65**	-
	Cash paid to and on behalf of employees	**4,753,460.69**	5,599,244.25
	Payments of taxes and levies	**166,132.95**	100,046.51
	Cash paid relating to other operating activities	**2,490,561.80**	1,683,849.85
	Sub-total of Cash Outflows	**8,010,755.09**	7,383,140.61
	Net Cash Flows from Operating Activities	**(44,306.05)**	1,526,707.66
2.	**Cash Flows from Investing Activities**		
	Net cash received from disposal of fixed assets, intangible assets and other long-term assets	**-**	25,280.00
	Sub-total of Cash Inflows	**-**	25,280.00
	Cash paid to acquire fixed assets, intangible assets and other long-term assets	**2,860.00**	4,650.00
	Sub-total of Cash Outflows	**2,860.00**	4,650.00
	Net Cash Flows from investing Activities	**(2,860.00)**	20,630.00
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**	**-**	-
5.	**Net Increase (decrease) in Cash and Cash Equivalents**	**(47,166.05)**	1,547,337.66
	Add: Cash and cash equivalents at the beginning of the reporting period	**6,575,385.22**	5,028,047.56
6.	**Cash and Cash Equivalents at the End of the Reporting Period**	**6,528,219.17**	6,575,385.22

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 2015

(All amounts in RMB Yuan unless otherwise stated)

	PAID-IN CAPITAL	CAPITAL SURPLUS	SURPLUS RESERVE	RETAINED EARNINGS	TOTAL
Closing Balance at 31 December 2013	52,646,896.26	-	-	(47,534,118.64)	5,112,777.62
Beginning Balance at 1 January 2014	52,646,896.26	-	-	(47,534,118.64)	5,112,777.62
Net profit	-	-	-	1,011,645.67	1,011,645.67
Capital contribution or reduction by owners	-	-	-	-	-
Movements from Jan to Dec, 2014	-	-	-	1,011,645.67	1,011,645.67
Closing Balance at 31 December 2014	52,646,896.26	-	-	(46,522,472.97)	6,124,423.29
Closing Balance at 31 December 2014	52,646,896.26	-	-	(46,522,472.97)	6,124,423.29
Beginning Balance at 1 January 2015	**52,646,896.26**	**-**	**-**	**(46,522,472.97)**	**6,124,423.29**
Net profit	**-**	**-**	**-**	**978,138.88**	**978,138.88**
Movements from Jan to Dec, 2015	**-**	**-**	**-**	**978,138.88**	**978,138.88**
Closing Balance at 31 December 2015	**52,646,896.26**	**-**	**-**	**(45,544,334.09)**	**7,102,562.17**

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

Legal Representative: SREENIVASA MURTY ACHUTUNI
Person in charge of accounting function: RAVIKANTH KARNE
Person in charge of accounting department: TAO WANZHU

ADDITIONAL INFORMATION SUPPLIED BY THE MANAGEMENT OF TECH MAHINDRA (NANJING) COMPANY LIMITED

(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 the Business License of Juridical Person No. 320100400039957. The registered capital of the Company is USD 7.65 million.The registered address is Suite 413-246, Business Building, Nanjing High-tech Industry Developing Zone and the operating period is 50 years.

The Company's approved scope of business operations includes software designing, developing, writing, testing, maintenance (of embedded system software, computer aid design, manufactory and engineering service software, enterprise resource solution software, enterprise integrating software, custom relationship management software etc.), sales of the self-produced products and related technical consulting. (Activities related to administrative permission should be operated with approval).

2 BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises and "Accounting System for Business enterprises" as promulgated by the State of the People's Republic of China.

3 PRINCIPAL ACCOUNTING POLICIES

(a) Accounting period

The Company's accounting year starts on 1 January and ends on 31 December.

(b) Recording currency

The recording currency of the Company is the Renminbi (RMB).

(c) Basis of accounting and measurement bases

The Company follows the accrual basis of accounting. Assets are initially recorded at actual costs on acquisition and subsequently adjusted for impairment, if any.

(d) Foreign currency translation

Except for the accounting treatment of paid-in capital, foreign currency transactions are translated into RMB at the exchange rates stipulated by the People's Bank of China ("the stipulated exchange rates") on the day the transactions took place. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into RMB at the stipulated exchange rates at the balance sheet date. Exchange differences arising from these translations are expensed.

Contributions to paid-in capital made in foreign currencies are translated into the RMB denominated paid-in capital account at the stipulated exchange rates at the contribution dates.

(e) Cash and cash equivalents

For the purposes of the cash flow statement, cash refers to all cash in hand and all deposits. Cash equivalents refer to not more than 3 months and highly-liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(f) Receivables and provision for bad debts

Receivables comprise accounts receivable and other receivables. The provision method is used to account for potential bad debts identified by management. Receivables are presented at actual amounts net of provision for bad debts.

Accounts receivable

Specific provisions are made for accounts receivables on an individual basis.

Other receivable

Specific provisions are made for other receivables on an individual basis.

Recognition criteria of bad debts loss

Where evidence exists that balances cannot be recovered due to the debtor's de-registration, bankruptcy, insolvent and death, etc., bad debts are recognized and corresponding provision for bad debts is written off after the approval of the Company's general manager or the board pursuant to the authorization policies established in the Company.

(g) Fixed assets and depreciation

Fixed assets are tangible assets that are used in production, including sales of goods, rendering of services and leases, or held for management purposes, which have useful lives of more than one year and have relatively high unit price.

Fixed assets purchased or constructed by the Company are recorded at cost.

Fixed assets are depreciated using the straight-line method to allocate the cost of the assets to their estimated residual values over their estimated useful lives. For the fixed assets being provided for impairment loss, the related depreciation charge is prospectively determined based upon the adjusted carrying amounts over their remaining useful lives.

The estimated useful lives, estimated residual values expressed as a percentage of cost and annual depreciation rates are as follows:

	Estimated Useful Lives	Estimated Residual Value	Annual Depreciation Rate
electronic equipment	5yrs	0%	20%
office supplies	3/5 yrs	0%	20%/33.33%
furniture	5 yrs	0%	20.00%

When fixed assets are sold, transferred, disposed of or damaged, gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the assets, adjusted by related taxes and expenses, and are included in non-operating income or expenses.

(h) Long-term deferred expenses

Long-term deferred expenses are expenses paid by an enterprise, for which the amortization period is more than one year (excluding one year), including land royalty and maintenance, etc. long-term deferred expenses should be amortized evenly over the respective beneficial periods and presented at an amount net of accumulated amortization.

Leasehold improvements

Leasehold improvements should be amortized evenly over the shorter of the lease term and the useful lives / respective beneficial periods of the leased asset, and presented at an amount net of accumulated amortization.

(i) Impairment of assets

In addition to the recognition of provisions for impairment loss on receivables and inventories which have been described in their respective accounting policies, individual assets for which there are indications that the carrying values are higher than their recoverable amounts, arising from the occurrence of events or changes in circumstances, are reviewed for impairment. If the carrying value of such assets is higher than the recoverable amount, the excess is recognized as an impairment loss.

The recoverable amount of an individual asset is the higher of its net selling price and its value in use. The net selling price is the amount obtainable from the sale of the asset in an arm's length transaction between knowledgeable and will parties, after deducting any incremental direct disposal costs. Value in use is the present value of estimated future cash flows expected being derived from continuing use of the asset and from its disposal at the end of its useful life.

When there is an indication that the need for an impairment provision recorded in a prior period no longer exists or has decreased, the provision for impairment loss is reversed. The increased carrying amount of the assets should not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years.

(j) Revenue recognition

Revenue from the sale of goods is recognized when significant risks and rewards of ownership of the goods are transferred to the buyer, the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and it is probable that the economic benefit associated with the transaction will flow to the Company and the relevant revenue and costs can be measured reliably.

Revenue from the rendering of services shall be recognized at the time of service provided and consideration received or receivable.

Interest income should be measured based on the period between the acquisition date and the maturity date and the applicable interest rate.

Subsidy income shall be recognized at the time of receipt.

(k) Employee benefits

The full-time employees of the Company are entitled to staff welfare benefits under existing PRC legislation, including pension benefits, medical care, unemployment insurance, housing fund and other benefits.

The Company is required to accrue for these benefits based on certain percentages of the employees' salaries, subject to certain ceilings, in accordance with the relevant PRC regulations, these benefits are levied by the human resource and social security bodies. The contributions are expensed as incurred.

(l) Accounting for income taxes

The Company accounts for enterprise and local income taxes using the tax payable method. Under the tax payable method, tax expense is recognized based on current period taxable income and tax rates.

4 TAXATION

(a) Corporate income tax

The applicable enterprise income tax rate is 25%.

(b) Value added tax

The Company's revenue from rendering of services subject to Value Added Tax (VAT) instead of Business tax since Oct.1st, 2012, and the applicable tax rate of output VAT is 6% on rendering of services.

Input VAT on purchases of goods and services can be deducted from output VAT, and VAT payable is the net difference between output and deductible input VAT.

(c) Individual income tax

Employees' income is subject to individual income tax, and the Company withhold amounts from employees and send the withheld amounts to the tax authorities.

5 MONETARY ASSETS

	2015.12.31	2014.12.31
Cash at bank	**6,528,219.17**	6,575,385.22
Total	**6,528,219.17**	6,575,385.22

6 ACCOUNTS RECEIVABLE

	2015.12.31	2014.12.31
	775,086.46	1,116,026.04

The ageing as at year end are as follows:

	2015.12.31		2014.12.31	
	Amount	**%**	Amount	%
Within 1 yr	**775,086.46**	**100.0%**	1,116,026.04	100.0%
Total	**775,086.46**	**100%**	1,116,026.04	100%

Debtors with large amounts:

Name of Debtors	Ending Balance	Description	Ageing
Tech Mahindra Limited	**503,990.58**	**service fee**	**Within 1 yr**

7 PREPAYMENTS

	2015.12.31		2014.12.31	
	Amount	**%**	Amount	%
Prepaid expenses	**20,264.66**	**100.0%**	99,536.71	100.0%
Total	**20,264.66**	**100%**	99,536.71	100%

8 OTHER RECEIVABLES

	2015.12.31	2014.12.31
	227,726.40	15,259.93

The ageing as at year end are as follows:

	2015.12.31		2014.12.31	
	Amount	**%**	Amount	%
Within 1 yr	**225,226.40**	**98.9%**	12,759.93	83.6%
2-3 ys	**-**	**-**	2,500.00	16.4%
Over 3 ys	**2,500.00**	**1.1%**	-	-
Total	**227,726.40**	**100%**	15,259.93	100%

Debtors with large amounts:

Name of Debtors	Ending Balance	Ageing
Rental deposit	224,726.40	Within 1 yr

9 FIXED ASSETS – COST

	2014.12.31	Increase	Decrease	**2015.12.31**
Electronic equipment	7,015,745.09	-	-	**7,015,745.09**
Office equipment	740,510.65	-	-	**740,510.65**
Furniture	52,510.00	-	-	**52,510.00**
Total	7,808,765.74	-	-	**7,808,765.74**

10 ACCUMULATED DEPRECIATION

	2014.12.31	**Increase**	Decrease	2015.12.31
Electronic equipment	7,011,926.56	818.74	-	**7,012,745.30**
Office equipment	715,042.97	25,090.11	-	**740,133.08**
Furniture	51,955.37	415.97	-	**52,371.34**
Total	7,778,924.90	26,324.82	-	**7,805,249.72**

11 FIXED ASSETS – NET

	2015.12.31	2014.12.31
Electronic equipment	**2,999.79**	3,818.53
Office equipment	**377.57**	25,467.68
Furniture	**138.66**	554.63
Total	**3,516.02**	29,840.84

12 LONG-TERM DEFERRED EXPENSES

	2014.12.31	Increase	Decrease	2015.12.31
Leaseholding improvement	44,393.35	2,805.23	29,521.04	**17,677.54**
Total	44,393.35	2,805.23	29,521.04	**17,677.54**

13 ACCOUNTS PAYABLE

2015.12.31	2014.12.31
235,849.06	508,887.36

Creditors with large amounts:	**Ending balance**	**Description**
Tech Mahindra Limited	**225,849.06**	**service fee**

14 ADVANCES

2015.12.31	2014.12.31
48,280.88	896,325.13

Creditors with large amounts:	**Ending balance**	**Description**
GE energy	**48,280.88**	**service fee**

15 ACCRUE PAYROLL

	2015.12.31	2014.12.31
Wages payable	**154,366.58**	159,986.44
Total	**154,366.58**	159,986.44

16 TAX PAYABLE

Taxes	**2015.12.31**	2014.12.31
Value added tax	**(18,044.78)**	47,028.44
Individual income tax	**16,642.17**	17,772.40
Subtotal	**(1,402.61)**	64,800.84
Total	**(1,402.61)**	64,800.84

17 OTHER PAYABLES

	2015.12.31	2014.12.31
Total	**38,593.35**	126,019.03

18 PAID-IN CAPITAL

	2015.12.31		2014.12.31	
Name of Investor	**Registered Capital (USD)**	**Registered Capital**	Registered Capital (USD)	Registered Capital
Tech Machindra Limited	**7,650,000.00**	**52,646,896.26**	7,650,000.00	52,646,896.26
Total	**7,650,000.00**	**52,646,896.26**	7,650,000.00	52,646,896.26

The paid-in capital has been verified by Jiangsu Zhongtianxin CPA Co., Ltd with the Capital Verification Report No.22[2013].

19 UNDISTRIBUTED PROFITS

	2015.12.31	2014.12.31
Undistributed profits at beginning of year	**(46,522,472.97)**	(47,534,118.64)
Current year net profit	**978,138.88**	1,011,645.67
Undistributed profits at the end of year	**(45,544,334.09)**	(46,522,472.97)

20 REVENUES FROM OTHER OPERATION

Item	**2015**	2014
Software designing, developing and maintenance (Domestic)	**1,103,237.30**	1,498,920.71
Software designing, developing and maintenance (Exports)	**7,029,265.25**	6,493,729.65
Total	**8,132,502.55**	7,992,650.36

21 FINANCE EXPENSES

	2015	2014
Interest income	**(137,989.57)**	(23,332.18)
Exchange losses/gains-net	**(51,151.49)**	(8,928.64)
Other finance expenses	**6,665.93**	7,710.52
Total	**(182,475.13)**	(24,550.30)

22 RELATED PARTY TRANSACTION

Related party relationships

Name of Entity	Relationship with the Company
Tech Mahindra Limited	Investor
Tech Mahindra (Shanghai) Co.,Ltd	Controlled by the same party

Related party transactions

Name of Entity	Description	Transactions in 2015
Tech Mahindra Limited	Renders of service	7,029,265.25
Tech Mahindra Limited	Receives of services	377,279.05
Tech Mahindra Limited	Withholding tax	23,576.35

Ending Balance of related party transaction

Name of Entity	Account Name	Description	Ending balance
Tech Mahindra Limited	Accounts Receivable	Renders of service	**503,990.58**
Tech Mahindra Limited	Accounts Payable	Receives of service	**225,849.06**

SUPPLEMENTARY INFORMATION PROVIDED BY THE MANAGEMENT

(All amounts in RMB Yuan unless otherwise stated)

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ADJUSTMENTS TO INCOME BEFORE TAX

Detailed adjustments and corresponding account name	Interpretation (Reference included)	Adjusted amounts	Remarks
Taxable amounts			
Accrued expenses	Accrued but unpaid expenses	**33,506.45**	
Non-operating expenses	Tax overdue charge	**3.76**	
Administrative expenses	Entertainment expenses exceed deductible limit	**18.00**	
Accrued Payroll	Accrued but unpaid wagws and salaries	**87,457.78**	
	Total taxables	**120,985.99**	
Deductible amounts			
Accrued expenses	Accrued expenses of the prior period paid in the current period	**121,900.63**	
Accrued Payroll	Accrued wages of the prior period paid in the current period	**159,986.44**	
	Total deductibles	**281,887.07**	
Adjustments - net			(160,901.08)
Audited income before tax			978,138.88
Adjusted income before tax			817,237.80

Note: The taxable income shall be finally settled by tax authorities.

CITISOFT PLC

Board of Directors

J H Clark
V N Nair
L Chidambaram

Company Secretary

S Williams

Registered Office

63 Queen Victoria Street
London
EC4N 4UA

Auditors

Deloitte LLP

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2016.

The directors present their annual report and financial statements for the year ended 31 March, 2016.

Principal activities

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 computer and business process consulting company with a wholly owned subsidiary, Citisoft Inc., operating in the United States of America. Citisoft operates worldwide from these two major financial jurisdictions.

Results for the year

The results for the company for the year show a pre-tax loss of £ 33,435 (2015: Profit £290,608) excluding dividend income received from Citisoft Inc. for £953,652 (2015: Nil) on a turnover of £1,955,546 (2015: £2,982,659).

Going Concern

The Company has considerable 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 have 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.

Dividends

Interim dividend rate of £ 0.604929 to all holders of "A" Ordinary shares of £ 0.01 each amounting to £ 1,700,000 in respect of the financial year ended 31 March 2016 was declared on 26 June 2015 and paid on 1 July 2015.

The directors do not recommend the payment of any final dividend in respect of the current financial year.

Events since the balance sheet date

There have been no significant events since 31 March 2016 that need to be disclosed or accounted for in the financial statement.

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 (2015: 30 days).

Directors:

The directors who served during the year were as follows:

J. H. Clark	Executive
V. N. Nair	Non-executive
L Chidambaram	Non-executive

During the year under review, Mr J. H. Clark expressed his intention to resign from the Directorship of the company which has not yet become effective on the date of this report.

Directors' Responsibilities statement

The directors are responsible for preparing the Directors' report, the Strategic Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), 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;
- 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.

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 in order 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.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them as auditors will be proposed at the forthcoming Annual General Meeting.

This report was approved by the Board and signed on its behalf.

Approved by the Board of Directors and signed on behalf of the Board

J. H. Clark

Director

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2016.

The Directors present their strategic report for the year ended 31 March 2016.

Review of the business and future developments

At a group level Citisoft comprise Citisoft Plc, it's UK trading entity, and Citisoft Inc, a subsidiary company conducting business in North America. Citisoft Inc has been showing healthy growth for the last few years and has, once again, achieved record revenues and profitability at $24,185,941 and $1,793,534 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 are less pleasing.

2015 continued to prove a challenging time for Citisoft in the UK, with fewer client firms undertaking big programmes of change relative their North American counterparts. In our view this has typically been caused by UK firms having to continue spending large amounts of their budget on mandatory regulatory changes rather than the more discretionary business improvement changes.

Towards the end of the calendar year, however, there were early signs that this trend may be drawing to a close as there were a small number of firms who were beginning to kick off, or at least starting to consider, some quite large strategic change programmes. Once such organisation conducted a RfP process to select a preferred consultant to work with them on a strategic global data programme. Citisoft was successful in winning the engagement and we are now working with this client on what we expect to be a multi-year programme of change.

Since the above, we have been invited by two other firms to participate in similar RfP processes and, in each case, Citisoft has successfully got through the first round and been shortlisted for further, more detailed evaluation. Both of these RfP processes are still running at the time of writing this report.

Principal risks and uncertainties facing the company

In our view, the risks our business faces in the UK and Europe are the same as in the previous year. We continue to be concerned that client firms may refrain from embarking on large change programmes due to continued investment in regulatory change, with MiFID II currently at the top of the list, compounded by the uncertainty surrounding "Brexit" and the impact of the final result of the referendum in June 2016.

Key performance indicators considered by the company

We continued to take rigorously control our cost base, and operate as efficiently as possible. The main drivers of our business are utilisation and fee rates. Rates appear to be holding at a reasonable level but they are down on historical levels, especially when allowing for inflationary pressures on salaries and other costs. We are cautiously projecting growth this year and, whilst we will typically continue to resource engagements through an Associate model, we are hopeful of adding to our permanent headcount later in the year as demand for our services grows.

This report was approved by the Board and signed on its behalf.

Approved by the Board of Directors and signed on behalf of the Board

J. H. Clark

Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

We have audited the financial statements of Citisoft Plc for the year ended 31 March 2016 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

Respective responsibilities of directors and auditor

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

CITISOFT PLC

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records ; 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.

Matthew Hall FCA (Senior statutory auditor)

for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Cambridge, United Kingdom

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2016

	Note	2016 £	2015 £
Turnover	3	**1,955,546**	2,982,659
Cost of sales		**(1,357,801)**	(2,152,427)
Gross Profit		**597,746**	830,232
Administrative expenses		**(668,975)**	(539,815)
Other operating income		**37,689**	45
Income from subsidiary undertaking		**953,652**	-
Operating profit	4	**920,112**	290,462
Other interest receivable and similar income	7	**105**	146
Profit on ordinary activities before taxation		**920,217**	290,608
Tax on profit on ordinary activities	8	**-**	(52,924)
Profit for the financial year		**920,217**	237,684

Turnover and operating profit derive wholly from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

BALANCE SHEET AT 31 MARCH 2016

	Note	£	2016 £	£	2015 £
Fixed assets					
Tangible fixed assets	9	**2,467**		4,187	
Investments	10	**3,125**	**5,592**	3,125	7,312
Current assets					
Debtors	11	**818,912**		1,094,049	
Cash at bank and in hand		**578,170**		1,226,522	
		1,397,082		2,320,571	
Creditors: Amounts falling due within one year	12	**(309,632)**		(455,058)	
Net current assets			**1,087,450**		1,865,513
Net assets			**1,093,041**		1,872,825
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	**610,926**		1,390,709	
Shareholders' funds			**1,093,041**		1,872,825

Approved by the Board and authorised for issue and signed on its behalf by:

J.H. Clark

Director

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2016

	Called up share capital	Share premium account	Profit and loss account	Total
	£	£	£	£
At 1 April 2014	**112,410**	**369,706**	1,153,025	1,635,141
Profit for the year	-	-	237,684	237,684
Balance at 31 March 2015	**112,410**	**369,706**	**1,390,709**	**1,872,825**
Profit for the year	-	-	920,217	920,217
Dividend		-	(1,700,000)	(1,700,000)
Balance at 31 March 2016	**112,410**	**369,706**	**610,926**	**1,093,041**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

1. **General information and basis of accounting**

Citisoft Plc. (‘the Company’) is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on pages herein. The nature of the Company’s operations and its principal activities are set out in the strategic report on pages herein.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

‘The prior year financial statements were restated for material adjustments on adoption of FRS 102 in the current year. For more information see note 15.

‘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 Company 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.

The Company is consolidated in the financial statements of its parent, Tech Mahindra Ltd incorporated in India, which may be obtained at www.techmahindra.com. Exemptions have been taken in these separate Company financial statements in relation to presentation of a cash flow statement and remuneration of key management personnel.

The directors have satisfied themselves that the parent company, Tech Mahindra Limited, prepares group accounts in line with the requirements of the EU 7th Directive. The Company has therefore taken advantage of the exemption provided by Section 401 of the Companies Act, 2006 not to prepare consolidated financial statements.

1.1 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for Services rendered, 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.

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

Interest income

Interest income is recognised using the effective interest rate method.

Dividend income

Dividend income is recognised when the right to receive payment is established.

1.2 **Depreciation**

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value, of each asset over its expected useful life, as follows:

Asset class	**Depreciation method and rate**
Furniture and Fixtures and equipment	over 5 years straight line

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1.3 **Fixed asset investments**

Investments are included at cost less amounts written off. Profits or losses arising from disposals of fixed asset investments are treated as part of the result from ordinary activities.

1.4 **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.

1.5 **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.

1.6 **Hire purchase and leasing**

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

1.7 **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 statement of financial position 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 period or prior periods.

(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.

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.

(ii) Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

(iii) Equity instruments

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

1.8 **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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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.

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 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.

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.

Critical judgements in applying the Company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), 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.

2.1 Impairment of tangible assets and useful lives

The Company's management tests annually whether tangible and intangible assets have suffered impairment in accordance with accounting policies. The recoverable amount of an asset is determined based on value-in-use method. This method uses estimated cash flow projections over the estimated useful life of the asset discounted using market rates.

The Company's management determines the useful lives of property and equipment and the related depreciation charge. The depreciation and amortisation charge for the year will change significantly if the actual life is different from the estimated useful life of the asset.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

The review carried out by management with current period, did not indicate any necessarily for change in the useful lives of tangible assets.

2.2 Impairment of financial assets

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. Turnover

An analysis of turnover by geographical location is given below:

	2016	2015
	£	£
Sales - UK	**424,571**	971,335
Sales - Europe	**30,500**	10,210
Sales - Rest of world	**1,500,475**	2,001,114
	1,955,546	2,982,659

All sales derive from the Company's principal activity.

4. Operating profit

Operating profit is stated after charging:

	2016	2015
	£	£
Auditor's remuneration for audit services	**10,000**	34,000
Auditor's remuneration for other services	**-**	3,125
Foreign currency (gains)/losses	**36,096**	(191,623)
Depreciation of owned assets	**2,665**	2,853

5. Particulars of employees

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2016	2015
	No.	No.
Administration and support	**1**	1
Production	**5**	9
Sales	**1**	2
	7	12

The aggregate payroll costs were as follows:

	2016	2015
	£	£
Wages and salaries	**871,392**	1,325,874
Social security costs	**107,343**	168,438
Staff pensions	**91,194**	205,674
	1,069,928	1,699,986

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

6. **Particulars of directors**

The directors' remuneration for the year was as follows:

	2016	2015
	£	£
Remuneration	**290,263**	301,025
Company contributions paid to money purchase schemes	**19,526**	30,103

During the year the number of directors who were receiving benefits was as follows:

	2016	2015
	No.	No.
Accruing benefits under money purchase pension scheme	**1**	1

In respect of the highest paid director:

	2016	2015
	£	£
Remuneration	**290,263**	301,025
Company contributions paid to money purchase schemes	**19,526**	30,103

7. Other interest receivable and similar income

	2016	2015
	£	£
Bank interest receivable	**105**	146

8. Taxation

Tax on profit on ordinary activities

	2016	2015
	£	£
Current tax		
Corporation tax charge	**-**	59,204
Adjustments in respect of previous years	**-**	(6,280)
UK Corporation tax	**-**	52,924

Factors affecting current tax charge for the year:

Tax on profit on ordinary activities for the year is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 21%).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

The differences are reconciled below:

Particulars	**2016**	2015
	£	£
Profit on ordinary activities before taxation	**920,217**	290,608
Corporation tax charge at 20% (2015: 21%)	**184,043**	61,028
Depreciation for period in excess of capital allowances	**13**	23
Other short term timing differences	**(5,909)**	(7,846)
Expenses not deductible for tax purposes	**1,662**	4,688
Adjustments in respect of previous years	**-**	(6,280)
Changes in tax rates	**-**	1,311
Income not taxable	**(190,730)**	-
Utilisation of losses	**10,921**	-
	-	52,924

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 18% effective from 1 April 2020.

The closing deferred tax assets and liabilities have been calculated at 18%, on the basis that this is the rate at which those assets and liabilities are expected to unwind.

A reduction to the UK corporation tax rate was announced in the 2016 Budget to further reduce the tax rate to 17% (to be effective from 1 April 2020). Existing temporary differences on which deferred tax has been provided may therefore unwind in future periods subject to this reduced rate. This rate change is to be included in the Finance Bill 2016 but this has not been substantively enacted at the balance sheet date.

9. Tangible fixed assets

Particulars	**Furniture and fixtures and equipment**
	£
Cost or valuation	
At 1 April 2015	106,820
Additions	1,085
Disposals	(448)
At 31 March 2016	**107,457**
Depreciation	
At 1 April 2015	102,633
Charge for the year	2,665
Eliminated on disposal	(308)
At 31 March 2016	**104,990**
Net book value	
At 31 March 2016	2,467
At 31 March 2015	4,187

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

10. Investments held as fixed assets

Particulars	**2016**	2015
	£	£
Shares in group undertakings	**3,125**	3,125

Shares in group undertakings	**Subsidiary undertakings**
	£
Cost	
At 1 April 2015	3,125
At 31 March 2016	3,125
Net book value	
At 31 March 2016	3,125
At 31 March 2015	3,125

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Holding	Proportion of voting rights and shares held	Principal activity
Subsidiary undertaking Citisoft Inc. (incorporated in USA)	Ordinary	100%	Provision of Management consultancy and implementation services to the asset management industry

The profit for the financial period of Citisoft Inc (incorporated in USA) was $ 1,793,534 (2015: $ 1,533,252) and the aggregate amount of capital and reserves at the end of the period was $ 5,497,969 (2015: $ 5,204,435)

11. Debtors

Particulars	**2016**	2015
	£	£
Trade debtors	**14,040**	24,899
Amounts owed by group undertakings	**798,849**	1,059,507
Other debtors	**-**	76
Prepayments and accrued income	**6,023**	9,567
	818,912	1,094,049

Debtors includes £ Nil (2015 - £457,403) receivable after more than one year.

This can be analysed as follows:

Particulars	**2016**	2015
	£	£
Amounts owed by group undertakings	**-**	457,403

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

12. Creditors: Amounts falling due within one year

Particulars	**2016**	2015
	£	£
Trade creditors	**76,848**	63,574
Amounts owed to group undertakings	**44,596**	44,414
Corporation tax	**-**	59,204
Other taxes and social security	**23,784**	69,639
Accruals and deferred income	**164,404**	218,227
	309,632	455,058

13. Share Capital

Allotted, called up and fully paid shares

Particulars	**2016**		**2015**	
	No.	**£**	No.	£
Ordinary shares of £0.01 each	**8,430,752**	**84,308**	8,430,752	84,308
A Ordinary shares of £0.01 each	**2,810,248**	**28,102**	2,810,248	28,102
	11,241,000	**112,410**	11,241,000	112,410

The rights attaching to the ordinary shares and to the A ordinary shares are identical. Both classes of shares rank pari passu.

14. Reserves

(i) The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

(ii) The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

15. Explanation of transition to FRS 102

This is the first year that the Company has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The following disclosures are required in the year of transition. The last financial statements under previous UK GAAP were for the year ended March 31, 2015 and the date of transition to FRS 102 was therefore April 1, 2014. As a consequence of adopting FRS 102, there are no material adjustments to accounting policies to comply with that standard.

16. Pension Scheme

Defined contribution pension scheme

The Company operates a defined contribution pension scheme. The Pension cost charge for the year represents contribution payable by the company to the scheme and amounted to £ 91,194 (2015 -£ 205,674)

17. Controlling party

The immediate parent company and ultimate parent company is Tech Mahindra Limited.

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 from the Company Secretary at Rajiv Gandhi Infotech Park, Phase III, Pune, India.

CITISOFT INC.

Board of Directors

Mr. Vikram Nair
Mr. Thomas Secaur
Mr. Lakshmanan Chidambaram

Registered Office

343 Congress Street,
Boston, MA 02210
USA

Bankers

Bank of America

Auditors

Mocera, Visconti & Company CPAs LLP

DIRECTORS' REPORT

TO THE SHAREHOLDERS

This report together with the audited accounts of CITISOFT, INC for the year ended March 31, 2016.

Financial Results (US$)

For the year ended March 31,	**2016**	2015
	US $	US $
Income	**24,185,941**	21,448,569
Profit/(Loss) before tax	**3,045,403**	2,447,502
Profit/(Loss)after tax	**1,793,534**	1,533,252

Review of Operations:

During the year under review, Citisoft, Inc. recorded an income of US$ 24,185,941 with an increase of 12.76% over the previous year. Profit after tax was US$1,793,534 with an increase of 16.98% over the last year. 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, the Directors have recommended a dividend of USD 1.5 million and paid the same to its parent company Citisoft Plc.

Directors:

During the year under review there were no changes to the Board of Directors.

Outlook for the current year:

Business has been encouraging in US and the Company is cautiously optimistic of the future with expected growth to continue in the12-15% range.

Acknowledgements:

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

THOMAS SECAUR

Director

Place : Boston, USA

Date: 20th April, 2016

REPORT OF INDEPENDENT AUDITORS

Board of Directors and Stockholders

Citisoft, Inc.

Boston, Massachusetts

We have audited the accompanying financial statements of Citisoft, Inc., a Delaware corporation and wholly-owned subsidiary of Citisoft Plc, (the “Company”), which comprise the balance sheet as of March 31, 2016 and 2015, and the related statements of income and retained earnings and cash flows for the years then ended and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements

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

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the 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, 2016 and 2015, and the results of its operations and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Mocera, Visconti & Company CPAs LLP

Woburn, Massachusetts

April 20, 2016

CITISOFT INC.

BALANCE SHEET AS AT 31ST MARCH,

	2016 $	2015 $
Assets		
Current assets:		
Cash	**3,675,190**	4,564,823
Accounts receivable, trade, net of allowance for doubtful accounts of $15,000 as of March 31, 2016 and 2015	**4,210,209**	3,625,086
Prepaid expenses	**105,649**	24,489
Deferred income taxes	**239,728**	233,171
Total current assets	**8,230,776**	8,447,569
Property and equipment, net of accumulated depreciation	**152,155**	58,607
Security deposits	**25,466**	25,466
Goodwill	**867,633**	867,633
Total assets	**9,276,030**	9,399,275
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	**183,638**	164,743
Accounts payable, affiliates	**272,751**	634,870
Income taxes payable	**275,600**	363,298
Accrued expenses	**1,886,388**	1,445,386
Customer deposits	**127,484**	611,624
Total current liabilities	**2,745,861**	3,219,921
Advances from stockholder	**679,105**	679,105
Deferred income taxes	**353,095**	295,814
Total liabilities	**3,778,061**	4,194,840
Stockholders' equity		
Common stock, $0.01 par value; 1,000 shares authorized and 1,000 shares issued and outstanding	**10**	10
Additional paid in capital	**4,790**	4,790
Retained earnings	**5,493,169**	5,199,635
Total stockholders' equity	**5,497,969**	5,204,435
Total liabilities and stockholders' equity	**9,276,030**	9,399,275

See report of independent auditors and notes to financial statements.

INCOME STATEMENT FOR THE YEAR ENDED 31ST MARCH,

	2016 $	2015 $
Revenue		
Consulting revenue	**24,185,941**	21,448,569
Consulting revenue - consulting affiliates	**2,241,556**	3,229,604
	26,427,497	24,678,173
Cost of revenue		
Cost of revenue - consulting	**14,265,651**	12,961,105
Cost of revenue - consulting affiliates	**2,241,556**	3,229,604
	16,507,207	16,190,709
Gross profit	**9,920,290**	8,487,464
Selling, general and administrative expenses	**6,874,956**	6,040,031
Income from operations	**3,045,334**	2,447,433
Other income		
Interest income	**69**	59
	69	59
Income before provision for income taxes	**3,045,403**	2,447,492
Provision for income taxes	**1,251,869**	914,250
Net income	**1,793,534**	1,533,242
Retained earnings, beginning of period	**5,199,635**	3,666,393
Less: dividends paid	**1,500,000**	-
Retained earnings, end of period	**5,493,169**	5,199,635

See report of independent auditors and notes to financial statements.

CITISOFT INC.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,

	2016 $	2015 $
Operating activities		
Net income	**1,793,534**	1,533,242
Adjustments to reconcile net income to net		
cash provided by operating activities:		
Depreciation and amortization	**61,406**	34,327
Loss on disposal of property and equipment	**617**	-
Deferred income taxes	**50,724**	(135,813)
Changes in operating assets and liabilities:		
Accounts receivable, trade	**(585,123)**	380,290
Accounts receivable, affiliates	**-**	8,885
Prepaid expenses	**(81,160)**	1,451
Accounts payable	**18,895**	(12,406)
Accounts payable, affiliates	**(362,119)**	(245,031)
Income taxes payable	**(87,698)**	602,584
Accrued expenses	**441,002**	442,865
Customer deposits	**(484,140)**	481,073
Net cash provided by operating activities	**765,938**	3,091,467
Investing activities		
Purchases of property and equipment	**(155,571)**	(22,589)
Net cash used in investing activities	**(155,571)**	(22,589)
Financing activities		
Dividends paid	**(1,500,000)**	-
Net cash used in financing activities	**(1,500,000)**	-
(Decrease) increase in cash	**(889,633)**	3,068,878
Cash, beginning of period	**4,564,823**	1,495,945
Cash, end of period	**3,675,190**	4,564,823

See report of independent auditors and notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Years Ended March 31, 2016 and 2015

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, 2016 and 2015. 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.

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, 2016 and 2015.

The Company places its temporary cash investments in high credit financial institutions. However, portions of temporary cash investments may exceed FDIC insured levels from time to time. Management monitors, on a regular basis, the financial condition of the financial institutions, along with their balances, to reduce the risk of balances exceeding FDIC insured limits.

Property and Equipment

Property and equipment are stated at actual cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives which are three to five years for computer equipment and five years for furniture and fixtures. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in income for the period. The cost of maintenance and repairs is charged to income as incurred; significant renewals and betterments are capitalized.

At March 31, 2016 and 2015, property and equipment, at cost, and accumulated depreciation consisted of the following:

	2016	2015
	$	$
Cost	**353,064**	198,151
Less: accumulated depreciation	**(200,909)**	(139,544)
Net book value	**152,155**	58,607

Depreciation expense for the years ended March 31, 2016 and 2015 amounted to $61,406 and $34,327, respectively.

Goodwill and Other Intangibles

Goodwill represents the difference between the purchase price and the fair value of assets and liabilities acquired in a business combination. The Company accounts for goodwill in accordance with Accounting Standards Codification Topic 350, "Intangible-Goodwill and Other" (ASC 350). ASC 350 states certain intangible assets are not subject to amortization but are tested for impairment annually.

The entire balance of goodwill at March 31, 2016 and 2015 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, 2016 and 2015, the Company performed a qualitative assessment of factors to determine whether it was necessary to perform impairment testing. Based on the results of the qualitative assessment, management has concluded that no impairment loss is warranted at March 31, 2016 and 2015. Qualitative factors considered in this assessment include industry considerations, overall financial performance and other relevant events. Additional impairment analyses at future dates may be performed to determine if indicators of impairment are present, and if so, such amount will be determined and reflected in the Statement of Income and Retained Earnings.

Accounting for the Impairment of Long-Lived Assets

The Company accounts for impairment or disposal of long-lived assets in accordance with Accounting Standards Codification Topic 360, "Property, Plant, and Equipment" (ASC 360). ASC 360 requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the book value of the asset may not be recoverable. The Company evaluates at each balance sheet date whether events and circumstances have occurred that indicate possible impairment. Impairment is measured by comparing the undiscounted future cash flows for the carrying value of the assets held at the Company's location. If the total expected undiscounted future cash flows are less than the carrying amount of the asset, the Company records an impairment charge. Management believes no event has occurred that would impair the value of long-lived assets recorded in the accompanying financial statements.

Use of Estimates

The preparation of financial statements, in conformity with 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.

Fair Value of Financial Instruments

The Company's financial instruments consist primarily of cash and cash equivalents, accounts receivable and accounts payable. The carrying amounts of the Company's cash and cash equivalents, accounts receivable and accounts payable approximate fair value due to their short-term nature.

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.

Advertising Costs

The Company expenses the costs of advertising as incurred. Advertising costs for the years ended March 31, 2016 and 2015 amounted to approximately $127,000 and $102,000, respectively, and are included in selling, general and administrative expenses in the accompanying statements of income and retained earnings.

Variable Interest Entities

Variable Interest Entities ("VIE's") are entities to which the usual condition of consolidation (ownership of a majority voting interest) does not apply. This interpretation focuses on financial interests that indicate control. Variable interests are rights and obligations that convey economic gains or losses from changes in the values of the VIE's assets and liabilities.

If a company holds a majority of the variable interests of an entity, it would be considered the primary beneficiary. The primary beneficiary would be required to include assets, liabilities and the results of operations of the VIE in its financial statements. Management has determined that no variable interest entities exist which would require disclosure or consolidation in the financial statements as of March 31, 2016 and 2015.

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, 2016 and 2015, 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, 2016 and 2015. Generally, the three preceding tax years are subject to examination by federal and state taxing authorities. There are no income tax examinations currently in process.

Subsequent Events

Management has evaluated subsequent events through the date the financial statements were issued. For the year ended March 31, 2016, there were no material subsequent events noted during the evaluation.

Note 2 – Accrued Expenses

Accrued expenses as of March 31, 2016 and 2015 consisted of the following:

	2016	2015
	$	$
Employee bonus and vacation	**1,717,981**	1,345,863
Payroll Tax	**143,757**	77,023
Employee 401(k) contribution	**700**	-
Professional fees	**23,950**	22,500
	1,886,388	1,445,386

Note 3 – Income Taxes

The provision for (benefit from) income taxes for the years ended March 31, 2016 and 2015 is comprised of the following:

	2016	2015
	$	$
Current provision:		
Federal	**901,769**	790,063
State	**299,376**	260,000
	1,201,145	1,050,063
Deferred benefit:		
Federal	**38,231**	(106,524)
State	**12,493**	(29,289)
	50,724	(135,813)
Total	**1,251,869**	914,250

Significant components of activities that gave rise to the deferred tax assets and liabilities included in the financial statements are as follows:

	2016	2015
	$	$
Deferred tax asset (liabilities) :		
Accrued expenses and allowance for doubtful accounts	**239,728**	233,171
Depreciation and amortization	**(353,095)**	(295,814)
Net deferred tax liability	**(113,367)**	(62,643)

Note 4 – Related Party Transactions

The Company obtained consulting support services and related expenses from its parent company, Citisoft Plc, during the years ended March 31, 2016 and 2015 totaling $2,241,556 and $3,229,604, 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, 2016 and 2015, the Company was indebted to its parent company Citisoft Plc in the amount of $951,856 and $1,313,975 in connection with consulting support services, the 2002 acquisition of the Rowan Group, charges for inter-company loaned staff and other working capital advances. At March 31, 2016 and 2015, the Company had the following related party balances due to Citisoft Plc:

	2016	2015
	$	$
Intercompany advances	**679,105**	679,105
Accounts payable	**272,751**	634,870
Amount due to Citisoft Plc	**951,856**	1,313,975

Note 5 – Contingencies and Commitments

Real Estate Lease Agreement

The Company has an operating lease for its office premises through April 30, 2016. The Company is contingently liable for the performance of certain customary obligations associated with office premise leases and that performance is secured by a collateralized letter of credit issued by the Company's primary bank. The collateral is included on the balance sheet at March 31, 2016 and 2015 as part of security deposits in the amount of $25,466, for both years. Management fully expects to comply with all of the related lease obligations and provisions. Total rent expense for the years ended March 31, 2016 and 2015 amounted to approximately $175,000 and $172,000, respectively.

Future minimum rental payments required under the real estate lease agreement through April 30, 2016 is $14,214. The Company is currently in negotiation to extend the lease agreement.

Note 6 – Common Stock

As of March 31, 2016 and 2015, the Company has authorized 1,000 shares of common stock with a $0.01 par value, of which 1,000 shares were issued and outstanding. All of the outstanding shares are held by the parent company, Citisoft Plc.

Note 7 – Significant Customers

During the years ended March 31, 2016 and 2015, approximately $16,400,000 and $17,000,000 of the Company's sales, excluding amounts billed for consulting revenue by affiliate, were to three and four customers, respectively. Amounts due from these customers and included in accounts receivable, trade, at March 31, 2016 and 2015 amounted to approximately $3,000,000 and $2,400,000, respectively.

Note 8 – 401(k) Savings Plan

The Company has in effect a qualified deferred savings and profit sharing retirement (Section 401(k)) plan for all eligible employees. Each employee participant may elect to defer compensation to the plan pre-tax, subject to Internal Revenue Service limitations.

While the Company expects to continue the plan indefinitely, it has reserved the right to modify, amend or terminate the plan. In the event of termination, the entire amount contributed under the plan must be applied to the payment of benefits to the participants or to their beneficiaries, as defined in the plan, of each participant

Note 9 – Supplemental Disclosure Cash Flow Information

Cash paid for income taxes during the years ended March 31, 2016 and 2015 consists of the following:

	2016	2015
	$	$
Income taxes, net of refunds	**1,156,043**	447,664

vCUSTOMER PHILIPPINES, INC.

Board of Directors

Mr. Anand Achuthan
Mr. Uttiya Sengupta
Mr. Narinder Singh Sethi
Ms. Lynette De Guzman
Mr. Danilo O. Cortina

Registered Office

3F eCommerce Plaza, Eastwood Cyberpark,
Bagumbayan, Quezon City Philippines 1110

Bankers

UNION BANK OF THE PHILIPPINES

Auditors

Navarro Amper & Co.

DIRECTORS ’ REPORT TO THE SHAREHOLDERS

Your Directors present their Report together with the audited accounts of vCustomer Philippines, Inc. (vCPI) for the year ended March 31, 2016.

Financial Results (₱)

For the years ended	March 31, 2016	March 31, 2015
	₱	₱
Revenue	**458,936,358**	373,498,812
Profit	**38,582,435**	4,345,026

Review of Operations:

For the fiscal year ended March 31, 2016, vCPI reported revenue amounted to ₱ 458,936,358. An increase of 23% over the last reporting period year ended March 31, 2015. Profit for the fiscal year ended March 31, 2016 amounted to ₱ 38,582,435, 788%increase over the last reporting period.

Future Plans and Appropriations

vCPI appropriated a total of ₱ 155 million for planned business expansion, office renovations and equipment upgrade which is estimated to take place starting April 1, 2016 until March 31, 2017. vCPI is expecting engagement of additional account/clients and increase and employee head count.

Acknowledgements:

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

Anand Achuthan	**Lynette De Guzman**
President	Chief Finance Officer

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
vCUSTOMER PHILIPPINES, INC.
(A Wholly Owned Subsidiary of Tech Mahindra Limited)
3rd Floor, eCommerce Plaza
Eastwood Cyberpark, Quezon City, Philippines

Report on the Financial Statements

We have audited the accompanying financial statements of vCustomer Philippines, Inc., which comprise the statement of financial position as at March 31, 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of vCustomer Philippines, Inc. as at March 31, 2016, and its financial performance and its cash flows for the year then ended in accordance with Philippine Financial Reporting Standards.

Other Matter

The financial statements of vCustomer Philippines, Inc., as at and for the year ended March 31, 2015, prepared in accordance with Philippine Financial Reporting Standards for Small and Medium-sized Entities (PFRS for SMEs) were audited by another auditors who expressed an unmodified opinion on those statements on April 21, 2015. As part of our audit of the 2016 financial statements, we also audited the adjustments described in Note 2 that were applied to the 2015 financial statements and the opening Statement of Financial Position as at April 1, 2014 in connection with the Company's transition to full PFRS. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged in audit, review, or apply any procedures to the financial statements of the Company for the year ended March 31, 2015 and Statement of Financial Position as at April 1, 2014 other than with respect to the adjustments, and accordingly, we do not express an opinion or any other form of assurance on these financial statements taken as a whole.

Report on the Supplementary Information Required by the Bureau of Internal Revenue

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 25 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 December 4, 2015 to December 31, 2018
SEC Accreditation No. 0001-FR-4, issued on January 7, 2016; effective until January 6, 2019, Group A
TIN 005299331

By:
Marites B. Landicho
Partner
CPA License No. 0090833
SEC A.N. 0356-AR-3, issued on May 1, 2015; effective until April 30, 2018, Group A
TIN 151561118
BIR A.N. 08-002552-15-2014, issued on October 3, 2014; effective until October 3, 2017
PTR No. A-2798357, issued on January 6, 2016, Taguig City

Taguig City, Philippines
May 4, 2016

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2016

(With Comparative Figures as at March 31, 2015 and April 1, 2014)

(Amounts in Philippine Pesos ₱)

	Notes	**March 31, 2016**	March 31, 2015 (As restated)	April 1, 2014
ASSETS				
Current Assets				
Cash and cash equivalents	6	**124,886,220**	33,867,413	74,037,519
Trade and other receivables	7	**39,553,304**	88,738,859	52,838,665
Prepaid expenses	8	**7,364,886**	6,392,967	5,321,792
Due from related parties	14	**-**	20,158,200	45,427
Refundable deposits	12	**3,773,250**	87,000	82,000
Total Current Assets		**175,577,660**	149,244,439	132,325,403
Noncurrent Assets				
Property and equipment - net	9	**26,928,348**	11,642,138	6,241,743
Investment in a subsidiary	10	**9,499,950**	9,499,950	9,499,950
Intangible asset - net	11	**383,701**	680,898	105,560
Refundable deposits	12	**4,027,851**	7,696,101	3,922,851
Total Noncurrent Assets		**40,839,850**	29,519,087	19,770,104
		216,417,510	178,763,526	152,095,507
LIABILITIES AND EQUITY				
Current Liabilities				
Trade and other payables	13	**35,107,358**	39,633,338	19,836,418
Due to related parties	14	**-**	-	3,035,213
Income tax payable		**2,761,836**	1,289,394	-
Total Current Liabilities		**37,869,194**	40,922,732	22,871,631
Noncurrent Liabilities				
Retirement benefit obligation	22	**11,396,156**	9,413,776	5,141,884
Deferred tax liability	24	**142,707**	-	-
Total Noncurrent Liabilities		**11,538,863**	9,413,776	5,141,884
Total Liabilities		**49,408,057**	50,336,508	28,013,515
Equity				
Share capital	15	**9,500,000**	9,500,000	9,500,000
Additional paid-in capital	15	**156,044**	156,044	156,044
Total Paid - in Capital		**9,656,044**	9,656,044	9,656,044
Retained earnings				
Appropriated	15	**155,000,000**	118,000,000	110,000,000
Unappropriated		**739,659**	2,318,386	4,425,948
Total Retained Earnings		**155,739,659**	120,318,386	114,425,948
Cumulative remeasurement gain (loss) on retirement benefits - net	22	**1,613,750**	(1,547,412)	-
Total Equity		**167,009,453**	128,427,018	124,081,992
		216,417,510	178,763,526	152,095,507

See accompanying Notes to Financial Statements.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED MARCH 31, 2016

(With Comparative Figures for the Year Ended March 31, 2015)

(Amounts in Philippine Pesos ₱)

	Notes	2016	2015 (As restated)
Service Revenue	14	**458,936,358**	373,498,812
Cost of Services	19	**298,223,243**	274,642,504
Gross Profit		**160,713,115**	98,856,308
Operating Expenses	20	**118,396,940**	87,034,285
Profit from Operation		**42,316,175**	11,822,023
Other Income (Charges) - net			
Other income	13	**1,915,444**	-
Foreign exchange gain (loss) - net	16	**171,869**	(3,382,502)
Interest income	6	**45,415**	76,930
		2,132,728	(3,305,572)
Profit Before income Tax		**44,448,903**	8,516,451
Income Tax Expense	23	**9,027,630**	2,624,013
Net Profit		**35,421,273**	5,892,438
Other Comprehensive Income (Loss)			
Other comprehensive income (loss) not to be reclassified to profit or loss in the subsequent periods			
Remeasurement gains (loss) on retirement benefits	22	**3,161,162**	(1,547,412)
TOTAL COMPREHENSIVE INCOME		**38,582,435**	4,345,026

See accompanying Notes to Financial Statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2016

(With Comparative Figures for the Year Ended March 31, 2015)

(Amounts in Philippine Pesos ₱)

	Notes	2016	2015 (As restated)
SHARE CAPITAL – ₱10 par value			
Authorized – 1,000,000 shares			
Issued and paid-up – 950,000 shares			
Balance at beginning and end of year	15	**9,500,000**	9,500,000
ADDITIONAL PAID-IN CAPITAL			
Balance at beginning and end of year		**156,044**	156,044
RETAINED EARNINGS			
Appropriated			
Balance at beginning of year		**118,000,000**	110,000,000
Appropriation for business expansion	15	**37,000,000**	8,000,000
Balance at end of year		**155,000,000**	118,000,000
Unappropriated			
Balance at beginning of year, as previously reported		**770,974**	4,425,948
Transition adjustment	2	**1,547,412**	-
Balance at beginning of year, as restated		**2,318,386**	4,425,948
Net profit during the year		**35,421,273**	5,892,438
Appropriation for business expansion	15	**(37,000,000)**	(8,000,000)
Balance at end of year		**739,659**	2,318,386
Total Retained Earnings		**155,739,659**	120,318,386
CUMULATIVE REMEASUREMENT LOSS ON RETIREMENT BENEFITS			
Other Comprehensive Loss not to be Reclassified to Profit or Loss in the Subsequent Periods			
Balance at beginning of year, as previously reported		**-**	-
Transition adjustment	2	**(1,547,412)**	-
Balance at beginning of year, as restated		**(1,547,412)**	-
Remeasurement gain (loss) during the year		**3,161,162**	(1,547,412)
		1,613,750	(1,547,412)
		167,009,453	128,427,018

See accompanying Notes to Financial Statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2016

(With Comparative Figures for the Year Ended March 31, 2015)

(Amounts in Philippine Pesos ₱)

	Notes	2016	2015 (As restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax		**44,448,903**	8,516,451
Adjustments for:			
Depreciation and amortization	19, 20	**11,719,581**	4,794,601
Retirement benefits costs	22	**5,143,542**	2,724,480
Written off payables	13	**(1,915,444)**	-
Unrealized foreign exchange loss (gain) - net	16	**(1,480,372)**	3,137,890
Interest income	6	**(45,415)**	(76,930)
Operating profit before working capital changes		**57,870,795**	19,096,492
Changes in operating assets and liabilities:			
Decrease (Increase) in:			
Receivables		**52,024,907**	(37,718,088)
Prepaid expenses		**(971,919)**	(1,071,175)
Increase (Decrease) in:			
Trade and other payables		**(2,619,241)**	19,473,239
Cash generated from (used in) operations		**106,304,542**	(219,532)
Income tax paid		**(7,412,481)**	(1,334,619)
Interest received	6	**45,415**	76,930
Net cash provided by (used in) operating activities		**98,937,476**	(1,477,221)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of:			
Property and equipment	9	**(26,708,594)**	(9,903,105)
Intangible asset	11	**-**	(867,229)
Payments received for advances to related parties	14	**20,158,200**	45,427
Payments for refundable rental deposits	21	**(105,000)**	(3,778,250)
Receipts of refundable rental deposits		**87,000**	-
Advances made to related parties	14	**-**	(19,962,450)
Net cash used in investing activities		**(6,568,394)**	(34,465,607)
CASH FLOWS FROM A FINANCING ACTIVITY			
Payments made for advances from a related party	14	**-**	(3,035,213)
Net cash used in financing activities		**-**	(3,035,213)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		**(1,350,275)**	(1,192,065)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**91,018,807**	(40,170,106)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**33,867,413**	74,037,519
CASH AND CASH EQUIVALENTS AT END OF YEAR		**124,886,220**	33,867,413

See accompanying Notes to Financial Statements.

ANNEX “A”

RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DECLARATION

Items		Amounts in ₱
Unappropriated retained earnings, beginning		**2,318,386**
Net Income for 2016		**35,421,273**
Less:	Non-actual/unrealized income net of tax**	
	Unrealized foreign exchange loss (except those attributable to cash and cash equivalent), March 31, 2016	**23,499**
	Deferred tax liability charged to profit for the year	**(142,707)**
Net Income Actual/Realized		**35,302,065**
Less: Additional Appropriation		**(37,000,000)**
Unappropriated Retained Earnings, as Adjusted, March 31, 2016		**620,451**

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2016

(With Comparative Figures for 2015)

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), a corporation also organized and existing under the laws of India. Effective March 29, 2016, Company became directly a wholly owned subsidiary of Tech Mahindra Limited as a result of merger of New vC Services Private Limited and Tech Mahindra Limited.

The 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>

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. Relative to this, the employees of the Philippine Branch were transferred under Company's employ, management and control effective April 1, 2010. The employment status was under the same terms and conditions as that of the Philippine Branch without any loss of seniority rights and diminution of the respective monthly compensation package. The employee's length of service with the Philippine Branch was credited and carried over to the services with the Company.

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) Genera Circular No. 94-001 and Rule XV, Section 6, Paragraph A(6) of the PEZA Rules and BOI Board Resolution No. 28-9 S'2009. ITH extension was for the period November 1, 2013 to October 31, 2014.

Effective November 2014, 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.

The assets and properties owned by the Philippine Branch (currently the "Company") were transferred to the Company at such price and on such terms and conditions decided jointly by authorized personnel on April 1, 2010.

On March 18, 2010, the Board of Directors of PEZA approved the transfer of all the rights, obligations and assets of the

Philippine Branch under its Registration Agreement with PEZA dated July 16, 2008, as well as the transfer of the incentives of the project/s under the said agreement, to Company subject to the following:

a. Upon Company's signing of its Registration Agreement with PEZA for its take-over of the Philippine Branch's operations under its Registration Agreement with PEZA on July 16, 2008. All transactions relative to said project/operations (originally under the Philippine Branch) shall now be under the Company's name.

b. Prior to Company's signing of the said Registration Agreement for its take-over of the Philippine Branch's said project/ operation shall submit the necessary requirement to the PEZA Legal Services and PEZA - Enterprise Regulations Department.

Authorization for the Issuance of Financial Statements

The Company's financial statements as of and for the years ended March 31, 2016 and 2015 were authorized for issue by the Board of Diectors (BOD) on May 4, 2016.

2. FINANCIAL REPORTING FRAMEWORK AND BASIS OF PREPARATION AND PRESENTATION

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

- certain financial instruments carried at amortized cost; and
- defined benefit obligation valued at present value

The financial statements are presented in Philippine Peso, which is the Company's functional and presentation currency under Philippine Financial Reporting Standards (PFRS). All amounts are rounded to the nearest peso, except when otherwise indicated.

The Company also prepares and issues consolidated financial statements for the same period as the separate financial statements present, in compliance with PFRS.

Statement of Compliance

The accompanying financial statement of the Company have been prepared in accordance with the Philippine Financial Reporting Standards (PFRS) for the first time and in compliance with the transitional provisions of PFRS 1. In prior years, the financial statements of the Company were prepared under PFRS for SME's but the Management decided to change to full PFRS. PFRS includes all applicable PFRS, Philippine Accounting Standards (PAS), and interpretations of the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the Financial Reporting Standards Council (FRSC) and 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 parent company reporting under the full PFRS. These are the Company's first annual financial statements prepared in accordance with PFRS. The Company applied PFRS 1, First-time Adoption of Philippine Financial Reporting Standards in preparing these financial statements with April 1, 2014 as the date of transition. The Company previously prepared and filed its financial statements in accordance with PFRS for Small and Medium-Sized Entities (PFRS for SMEs).

Transition to full PFRS

The transition resulted to the restatement of the following balances in prior years. Additional required disclosures are included in the financial statements.

Under PFRS for SME, the retirement actuarial gain or loss as at and for the year ended March 31, 2015 was previously recognized in profit or loss, included in retirement benefits expense and presented under operating expenses. Under the full PFRS, the retirement actuarial gain or loss is recognized directly as other comprehensive income or loss.

	Statements of Comprehensive Income For the year ended March 31, 2015		
	As previously reported	**Adjustment**	**As restated**
	₱	**₱**	**₱**
Retirement benefits expense	**4,271,892**	**(1,547,412)**	**2,724,480**
Net profit	**4,271,892**	**1,547,412**	**2,724,480**
Other comprehensive loss	**-**	**(1,547,412)**	**1,547,412**
Total comprehensive income	**4,271,892**	**-**	**4,271,892**

	Statements of Changes in Equity As of April 1, 2015		
	As previously reported	Adjustment	As restated
	₱	₱	₱
Unappropriated retained earnings	770,974	1,547,412	2,318,386
Cumulative actuarial loss on retirement benefits	-	(1,547,412)	(1,547,412)
Total equity	770,974	-	770,974

There was no actuarial gain or loss on retirement benefits recognized in the financial statements prior to April 1, 2014. Accordingly, the transition did not result to restatement of balances as of April 1, 2014. The transition also has no impact in the net amounts of cash provided by or used in operating, investing and financing activities in the statement of cash flows for the year ended March 31, 2015.

3. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

The Company adopted in first time all applicable standards under Full PFRS.

Annual Improvements to PFRS (2010 to 2012 cycle)

The Annual Improvements to PFRSs (2010-2012 cycle) contain non-urgent but necessary amendments to the following standards:

PFRS 13, *Fair Value Measurement - Short-term Receivables and Payables*

The amendment clarifies that short-term receivables and payables with no stated interest rates can be held at invoice amounts when the effect of discounting is immaterial.

The amendment has no significant impact on the Company's financial position or performance.

PAS 24, *Related Party Disclosures - Key Management Personnel*

The amendments clarify that an entity is a related party of the reporting entity if the said entity, or any member of the Company for which it is a part of, provides key management personnel services to the reporting entity or to the company of the reporting entity. The amendments also clarify that a reporting entity that obtains management personnel services from another entity (also referred to as management entity) is not required to disclose the compensation paid or payable by the management entity to its employees or directors. The reporting entity is required to disclose the amounts incurred for the key management personnel services provided by a separate management entity.

The amendments pertain to disclosures only and have no impact on the Company's financial statements.

Annual Improvements to PFRS (2011 to 2013 cycle)

The Annual Improvements to PFRSs (2011-2013 cycle) contain non-urgent but necessary amendments to the following standards:

PFRS 1, *First-time Adoption of Philippine Financial Reporting Standards - Meaning of Effective PFR*

The amendment clarifies that an entity may choose to apply either a current standard or a new standard that is not yet mandatory, but that permits early application, provided either standard is applied consistently throughout the periods presented in the entity's first PFRS financial statements.

This amendment has no significant impact in the Company's financial statements.

PFRS 13, *Fair Value Measurement - Portfolio Exception*

The amendment clarifies that the portfolio exception in PFRS 13 can be applied to financial assets, financial liabilities and other contracts.

The amendment has no impact on the Company's financial position or performance.

PAS 19, *Employee Benefits*

The amendment clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service. In addition, it permits a practical expedient if the amount of the contributions is independent of the number of years or service, in those contributions, can, but are not required, to be recognized as a reduction in the service cost in the period in which the related service is rendered.

The amendment has no impact on the Company's financial statements as the Company does not have contributions from employees or third parties that are linked to period of service.

New Accounting Standards, Amendments to Existing Standards, Annual Improvements and Interpretations Effective Subsequent to March 31, 2016

The standards, amendments, annual improvements and interpretations which have issued but are not yet effective are discussed below and in the subsequent pages. The Company will adopt these standards, amendments and annual improvements and interpretations when these become effective and applicable to the Company. Except as otherwise indicated, the Company does not expect the adoption of these new and amended standards, annual improvements and interpretations to have a significant impact on its financial statements.

Effective in 2016

PAS 16, *Property, Plant and Equipment, and PAS 38, Intangible Assets: Classification of Acceptable Methods of Depreciation and Amortization*

The amendments clarify that revenue-based methods to calculate the depreciation of an asset is inappropriate because revenue generated by an activity that includes the use of an asset reflects factors other than the consumption of the economic benefits embodied in the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets.

These amendments are effective for annual periods beginning on or after April 1, 2016, with earlier application permitted and are applied prospectively.

The amendments are not expected to have a significant impact on the Company's financial position or performance.

PAS 16, *Property, Plant and Equipment and PAS 41, Agriculture: Bearer Plants*

The amendment clarifies that biological assets that meet the definition of bearer plants will be accounted for in the same way as property, plant and equipment PAS 16, Property, Plant and Equipment. The amendment also clarifies that produce growing on bearer plants continues to be accounted under PAS 41. For government grants related to bearer plants, PAS 20, Accounting for Government Grants and Disclosure of Government Assistance will apply.

These amendments are effective from annual periods beginning on or after April 1, 2016, with earlier application permitted. The amendments currently do not apply to the Company.

PAS 27, *Separate Financial Statements: Equity Method in Separate Financial Statements*

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying PFRS and electing to change to the equity method in its separate financial statements will have to apply the change retrospectively. For first time adopters of PFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to PFRS.

These amendments are effective from annual periods beginning on or after April 1, 2016, with earlier application permitted and to be applied retrospectively. The amendments are not expected to have a significant impact on the Company's financial statements.

PFRS 11, *Accounting for Acquisitions of Interests in Joint Operations*

The amendments clarify the accounting for acquisitions of an interest in a joint operation when the operation constitutes a business. The acquirer of an interest in a joint operation in which the activity constitutes a business is required to apply the principles on business combinations accounting. Previously held interest in joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. Amendments do not apply when the parties sharing joint control, including the reporting entity, are under the common control of the same ultimate controlling party.

The amendments are effective for annual periods beginning on or after April 1, 2016, with earlier adoption permitted. The amendments currently do not apply to the Company.

PFRS 14, *Regulatory Deferral Accounts*

PFRS 14 is an optional standard that allows an entity whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of PFRS. Entities that adopt PFRS 14 must present the regulatory deferral accounts as separate line items on the statements of financial position and present movements in these account balances as separate line items in the statements of profit or loss and other comprehensive income (OCI). The standard requires disclosures on the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements.

These amendments will be effective for annual periods beginning on or after April 1, 2016, with early application permitted. This standard currently does not apply to the Company.

Annual Improvements to PFRSs (2012-2014 Cycle)

The Annual Improvements to PFRSs (2012-2014 cycle) contain non-urgent but necessary amendments to the following standards:

PAS 19, *Employee Benefits: Regional Market Issue Regarding Discount Rate*

This amendment clarifies that the rate used to discount post-employment benefit obligations (both funded and unfunded) shall be determined by reference to market yields at the end of the reporting period on high quality corporate bonds. Where there is no deep market in such high quality corporate bonds, the market yields (at the end of the reporting period) on government bonds shall be used. The currency and term of the corporate bonds or government bonds shall be consistent with the currency and estimated term of the postemployment benefit obligations.

The amendment is not expected to have a significant impact on the Company's financial statements.

PFRS 10, PFRS 12 and PAS 28, *Investment Entities: Applying the Consolidation Exception*

This amendment address the issues that have arisen in relation to the exemption from consolidation for investment entities:

- Whether an investment entity should account for an investment entity subsidiary at fair value, when the subsidiary provides investment-related services to third parties
- The interaction between the investment entity amendments and the exemption from preparing consolidated financial statements requirements in PFRS 10

Whether a non-investment entity must 'unwind' the fair value accounting of its joint ventures or associates that are investment entities.

An investment entity measuring all of its subsidiaries at fair value provides the disclosures relating to investment entities required by PFRS 12.

The amendments are effective for annual periods beginning on or after April 1, 2016. Earlier application is permitted. Application of the amendments need not be disclosed.

PAS 1, *Presentation of Financial Statements"*

This amendments include the following:

- Materiality. The amendments clarify that (1) information should not be obscured by aggregating or by providing immaterial information, (2) materiality considerations apply to the all parts of the financial statements, and (3) even when a standard requires a specific disclosure, materiality considerations do apply.

- Statement of financial position and statement of profit or loss and other comprehensive income. The amendments (1) introduce a clarification that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and (2) clarify that an entity's share of OCI of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss.
- The amendments add additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order so far listed in paragraph 114 of PAS 1. The IASB also removed guidance and examples with regard to the identification of significant accounting policies that were perceived as being potentially unhelpful.

The amendments are effective for annual periods beginning on or after April 1, 2016. Earlier application is permitted.

The amendments have no significant impact on the Company's financial statements.

Effective in 2018

PFRS 9, *Financial Instruments: Classification and Measurement*

PFRS 9 requires all financial assets to be measured at fair value at initial recognition. A debt financial asset may, if the fair value option (FVO) is not invoked, be subsequently measured at amortized cost if it is held within a business model that has the objective to hold the assets to collect the 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 outstanding. All other debt instruments are subsequently measured at fair value through profit or loss. All equity financial assets are measured at fair value either through OCI or profit or loss. Equity financial assets held for trading must be measured at FVPL. For liabilities designated as at FVPL using the FVO, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in OCI.

The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change relating to the entity's own credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. All other PAS 39 classification and measurement requirements for financial liabilities have been carried forward to PFRS 9, including the embedded derivative bifurcation rules and the criteria for using the FVO. The adoption of the first phase of PFRS 9 will have an effect on the classification and measurement of the Company's financial assets, but will potentially have no impact on the classification and measurement of financial liabilities.

On hedge accounting, PFRS 9 replaces the rules-based hedge accounting model of PAS 39 with a more principles-based approach. Changes include replacing the rules-based hedge effectiveness test with an objectives-based test that focuses on the economic relationship between the hedged item and the hedging instrument, and the effect of credit risk on that economic relationship; allowing risk components to be designated as the hedged item, not only for financial items, but also for nonfinancial items, provided that the risk component is separately identifiable and reliably measurable; and allowing the time value of an option, the forward element of a forward contract and any foreign currency basis spread to be excluded from the designation of a financial instrument as the hedging instrument and accounted for as costs of hedging. PFRS 9 also requires more extensive disclosures for hedge accounting.

The Company does not expect to implement and adopt any version of PFRS 9 until its effective date. In addition, management is currently assessing the impact of PFRS 9 on the financial statements of the Company prior to its mandatory adoption date to assess the impact of all.

Deferred

Philippine Interpretation IFRIC 15, Agreements for the Construction of Real Estate

This interpretation covers accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors. The Philippine SEC and the FRSC have deferred the effectivity of this interpretation until the final Revenue standard is issued by the International Accounting Standards Board (IASB) and an evaluation of the requirements of the final Revenue standard against the practices of the Philippine real estate industry is completed. This interpretation is currently not applicable to the Company.

PFRS 10, *Consolidated Financial Statements, and PAS 28, Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

These amendments address an acknowledged inconsistency between the requirements in PFRS 10 and those in PAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require that full gain or loss is recognized when a transaction involves a business (whether it is a housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. These amendments are not expected to have a significant impact on the Company's financial statements.

Standards issued by the IASB but not yet been adopted by the FRSC

IFRS 15, *Revenue from Contracts with Customers*

IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after April 1, 2017 with early adoption permitted. The Company is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date once adopted locally.

The Company's Management does not anticipate that the application of the new accounting standard will have a significant impact on the Company's financial statements as the Company does not have complex revenue transactions.

PAS 12, *Recognition of Deferred Tax Assets for Unrealized Losses*

The amendments clarify the following aspects:

- Unrealized losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use.
- The carrying amount of an asset does not limit the estimation of probable future taxable profits.
- Estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary differences.
- An entity assesses a deferred tax asset in combination with other deferred tax assets. Where tax law restricts the utilization of tax losses, an entity would assess a deferred tax asset in combination with other deferred tax assets of the same type.

The standard is effective for annual reporting periods beginning on or after April 1, 2017.

The Management will consider the amendments on the next reporting period.

PAS 7, *Disclosure Initiatives*

The amendments clarify that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The standard is effective for annual reporting periods beginning on or after April 1, 2017.

The Management will consider the amendments on the next reporting period.

PFRS 16, *Leases*

This standard specifies how 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. Lessor continue to classify leases as operating or finance, with PFRS 16's approach to lessor accounting substantially unchanged from its predecessor, PAS 17.

The standard is effective for annual reporting periods beginning on or after April 1, 2019.

The Management will consider and evaluate the impact of the amendments on the next reporting period.

4. SUMMARY OF SIGNIFICANT ACCOUNTING AND FINANCIAL REPORTING POLICIES

<u>First-time Adoption of PFRS</u>

The Company's financial statements as at and for the year ended March 31, 2016 is the Company's first financial statements in accordance with PFRS. PFRS has been applied to all years presented including the comparative periods as at and for the year ended March 31, 2015, and as of April 1, 2014. In preparing the financial statements, the Company's opening statements of financial position was prepared as of April 1, 2014, the date of transition to PFRS as discussed in Note 2. In preparing the financial statements under PFRS, the Company do the following in the opening PFRS statement of financial position that it prepares as a starting point for its accounting under PFRS:

a. Recognize all assets and liabilities whose recognition is required by PFRS;

b. Not recognize items as assets or liabilities if PFRS do not permit such recognition;

c. Reclassify items that is recognized under the previous financial reporting standard as one type of asset, liability or component of equity under PFRS; and

d. Apply PFRS in measuring all recognized assets and liabilities.

The principal accounting and financial reporting policies adopted in preparing the financial statements of the Company are summarized below and in the succeeding pages. The policies have been consistently applied to all years presented unless otherwise stated.

Fair Value Measurement

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

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

The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the assets or liability and the level of the fair value hierarchy.

Financial Assets and Liabilities

The Company recognizes a financial asset or liability in the statements of financial position when it becomes a party to the contractual provisions of the instrument. All the regular way purchases and sales of financial assets are recognized on the trade date, i.e., the date the Company commits to purchase or sell the assets. Regular way purchases or sales are purchases or sales of financial assets that require delivery within the period generally established by regulation or convention in the market place.

Initial recognition

Financial assets and financial liabilities are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The fair value of the consideration given or received is determined by preference to the transaction price or other market prices. If such market prices are not reliably determinable, the fair value of the consideration is estimated as the sum of all future cash payments or receipts, discounted using the prevailing market rate of interest for similar instruments with similar maturities. The initial measurement of financial instruments, except for those designated at fair value through profit or loss (FVPL), includes transaction costs.

Determination of fair value

Fair value is determined by preference to the transaction price or other market prices. If such market prices are not reliably determinable, the fair value is determined by using appropriate valuation techniques. Valuation techniques include net present value model where the fair value of the consideration is estimated as the sum of all future cash payments or receipts, discounted using the prevailing market rates of interest for a similar instruments with similar maturities. Other valuation techniques include comparing to similar instruments for which market observable prices exist; recent arm's length market transaction, option pricing model and other relevant valuation models.

Financial asset

The Company determines the classification at initial recognition and, where allowance is appropriate, re-evaluates the designation every reporting date. The classification depends on the purpose for which the investments are acquired and whether they are quoted in an active market. Subsequent to initial recognition, the Company classifies its financial assets in the following categories:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments and are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivables.

Such assets are carried initially at cost and at amortized cost subsequent to initial recognition in the statement of financial position. Amortization is determined using the effective interest method. Loans and receivables are included in current assets if maturity is within 12 months from the end of financial reporting period. Otherwise, these are classified as noncurrent assets.

This category includes the Company's cash and cash equivalents (Note 6), receivables, excluding advances to employees for business expenses which are subject to liquidation and statutory receivables (Note 7), refundable deposits (Notes 12 and 21).

Financial liabilities

Other financial liabilities

This category pertains to financial liabilities that are not held for trading or not designated as at FVPL upon the inception of the liability. These include liabilities arising from operations (e.g., payables excluding statutory payables, accruals) or borrowings (e.g., long-term debt).

The financial liabilities are recognized initially at fair value and are subsequently carried at amortized cost, taking into account the impact of applying the effective interest rate method of amortization (or accretion) for any related premium, discount and any directly attributable transaction costs.

As at March 31, 2016 and 2015, this category includes the Company's trade and other payables (excluding statutory payables) and loans payable as shown in as shown in Note 13.

If the Company does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

Impairment of financial assets

The Company assesses at each end of financial reporting period whether a financial asset or group of financial assets is impaired.

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 the asset shall be reduced either directly or through the use of an allowance account. The amount of the loss shall be recognized in the Company's statements of comprehensive income.

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

If, in a subsequent period, the amount of the impairment loss decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in the statements of comprehensive income to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

Assets carried at cost

If there is an objective evidence that an impairment loss has been incurred in an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Derecognition of financial assets and liabilities

Financial assets

A financial asset is derecognized when (1) the rights to receive cash flows from the asset expire; (2) the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to to third party under a "pass-through" arrangement; or (3) the Company has transferred its rights to receive cash flows from the asset and either has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Company has transferred its rights to receive cash flows of an asset or has entered in to a pass-through arrangement and has neither transferred nor retained substantially all the risks and rewards of an asset nor transferred control of the assets, the asset is recognized to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to pay.

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 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.

Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. When the existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability.

Classification of financial instrument between debt and equity

Financial instruments are classified as liabilities and equity in accordance with the substance of the contractual arrangement. Interest relating to a financial instrument or a component that is a financial liability is reported as expense.

A financial instrument is classified as debt if it provides for a contractual obligation to: (a) deliver cash or another financial asset to another entity; or (b) exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company; or (c) satisfy the obligation other than by exchange of a fixed amount of cash or other financial asset for a fixed number of own equity shares.

If the Company does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

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.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statements of financial position.

<u>Cash and cash equivalents</u>

Cash and cash equivalents which include cash in banks are stated at their face value. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less and that are subject to an insignificant risk of changes in value.

<u>Advances to suppliers</u>

Advances to suppliers represents amounts paid in advance for services that are yet to be rendered and from which future economic benefits are expected to flow to the Company within the normal operating cycle or within 12 months from the end of financial reporting period. These are initially recorded at actual cash advanced and are subsequently applied against subsequent purchases.

<u>Advances to Employees</u>

Advances to employees represent amounts advanced for goods or services that are yet to be delivered and from which future economic benefits are expected to flow to the Company within the normal operating cycle or within 12 months from the end of financial reporting period. These are initially recorded at actual cash advanced to employees and are subsequently applied against purchases of related assets or expenses incurred.

<u>Prepaid Expenses</u>

Prepaid expenses are costs which are paid in advance of actually incurring them and regularly recurring in the normal course of the business. Prepaid expenses are amortized and recognized as expense in the statements of comprehensive income as the benefits of the payments are received by the Company. Prepaid expenses are charged to expense in the applicable period of expiration. Prepaid expenses that will subsequently expire and be charged to related expense within the next year is classified as current assets. Thus, amounts which will be amortized beyond the following year are classified under noncurrent assets.

<u>Property and Equipment</u>

The initial cost of property and equipment comprises its purchase price or construction cost and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenses incurred after the property and equipment have been put into operations, such as repairs and maintenance and overhaul costs, are normally charged to operations or profit or loss in the period when the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment.

Property and equipment are initially recorded at cost. 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, amortization and impairment losses.

Depreciation and amortization are computed using the straight-line method over the following estimated useful lives:

	Number of years
Leasehold improvements	3
Office equipment	5
Communication equipment	3
Furniture and fixtures	3

Leasehold improvements are amortized over the terms of the respective leases or over their estimated useful life of 3 years, whichever is shorter.

The useful lives and depreciation and amortization methods are reviewed periodically to ensure the period and method of depreciation and amortization is consistent with the expected pattern of economic benefits from items of property and equipment.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognized.

Investment in a subsidiary

Investment in shares of stock of a subsidiary is accounted for in the separate financial statements at cost, less any impairment in value.

A subsidiary is an entity over which the Company has the power to govern the financial reporting and operating policies of an entity generally accompanying a shareholding of more than half of the voting rights. The Company obtains and exercises control through voting rights.

If there is objective evidence that the investment in a subsidiary will not be recovered, an impairment loss is provided. Impairment loss is measured as the difference between the carrying amount of the investment and present value of estimated cash flows discounted at the current market rate of return for similar financial asset. The amount of the impairment loss is recognized in profit or loss.

The investment in subsidiaries are derecognized upon disposal or when no future economic benefits are expected to arise from the investment. Gain or loss arising on 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.

Software

Software is measured on initial recognition at cost. Subsequent to initial recognition, software is carried at cost less any accumulated amortization and any accumulated impairment losses.

The Company assessed the useful life of the software to be finite. Software is amortized using straight - line method over the economic useful life of three (3) years and is assessed for impairment whenever there is an indication that the software may be impaired. The amortization period and method are reviewed at least each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on software is charged to operations.

Software is derecognized on disposal or when no future economic benefits are expected to from use or disposal. Gains and losses arising from derecognition of software are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit and loss.

Impairment of nonfinancial assets

The Company assesses at each reporting date whether there are indications that its prepaid expenses, software and property and equipment maybe impaired. The carrying values of these assets are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. If any such indication exists, and if the carrying value exceeds the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amounts. The recoverable amount of the asset is the greater of net selling price or value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are recognized in profit or loss.

For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. An impairment loss on a non-revalued asset is recognized immediately in profit or loss. Impairment losses, if any, are recognized in profit or loss. The Company assesses at each reporting date whether there is an indication that previously recognized impairment losses may no longer exist or may have decreased. The Company considers external and internal sources of information in its assessment of the reversal of previously recognized impairment losses. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such a reversal, the depreciation is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Determining the recoverable amount of assets, which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Company to make estimates and assumptions. Future event could cause the Company to conclude that property and equipment are impaired. An increase in allowance for impairment losses would increase operating expenses and decrease the related assets.

Equity

- Share capital is measured at par value for all shares subscribed and paid, or issued.
- Additional paid-in capital includes any premiums received on the initial issuance of share capital. Any transaction costs associated with the issuance of shares are deducted from additional paid-in capital, net of any related income tax benefits.
- Retained earnings consist of appropriated and unappropriated retained earnings. Appropriated retained earnings are restricted for specific purposes that are approved by the BOD (e.g. expansion projects). Unappropriated retained earnings are not restricted and include the cumulative balance of periodic net income or losses, dividend distributions, effects of changes in accounting policy and other capital adjustments.
- Dividends on share capital are recognized when approved by the shareholders of the Company. Dividends for the year that are approved after the end of the financial reporting period are dealt with as an event after end of financial reporting period.

Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits associated with the transactions will flow to the Company and the amount of revenue, related cost incurred or to be incurred/cost to complete the transactions can be measured reliably. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as a principal or agent. The Company has conducted that it is acting as a principal in all of its revenue arrangements. Revenue is measured at the fair value of the consideration received or receivable taking into account discounts such as prompt settlement discounts, if any. Revenue recognized excludes any value added taxes. The following specific recognition criteria must also be met before revenue is recognized:

Service revenue

Service revenue is recognized to the extent of actual services delivered during the period in accordance with the terms of the contract. Amounts that are received in advance of actually earning them are recognized and presented as liability. Services rendered but not yet billed, if any, are accrued.

Interest income

Interest income is recognized on a time proportion basis that reflects the effective yield on the asset.

Other income

Other income is 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.

Cost and Expense Recognition

Expenses are recognized in profit or loss when a 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 statement of comprehensive income are presented using the function of expense method. Costs of services are expenses incurred that are associated with the services rendered and include direct salaries, depreciation, rentals and electricity. Operating expenses are costs attributable to administering and operating the business of the Company.

Operating Lease

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset. A reassessment is made after inception of the lease only if one of the following applies:

a. there is a change in contractual terms, other than a renewal or extension of the arrangement;

b. a renewal option is exercised or extension is granted, unless the term of the renewal or extension was initially included in the lease term;

c. there is a change in the determination of whether fulfillment is dependent on a specified asset;

d. there is a substantial change to the asset.

Company as a lessee

Leases of assets under which the lessor effectively retains all the risks and rewards of ownership are classified as operating lease. Lease payments under an operating lease are recognized as an expense based on the amount incurred as stipulated in the lease contract. The Company considers such recognition of lease expense as systematic basis and is representative of the time pattern of the Company's benefit. Associated costs such as repairs and maintenance and business taxes are expensed when incurred.

Employee Benefits

Short-term benefits

Short-term employee benefits are recognized as expense at undiscounted amount expected to be paid in exchange of service in the period when the employees have become entitled to such benefits as a result of the service rendered to the Company. Unpaid benefits at end of the financial reporting period are recognized as accrued expense while benefits paid in advance are recognized as prepayment to the extent that it will lead to a reduction in future payments. Short-term employee benefits given by the Company includes salaries and wages, social security system contributions, bonuses and other non-monetary benefits.

Retirement benefits costs

The Company has not established a formal retirement plan. However, it accrues the estimated cost of retirement benefit required by the provision of Republic Act No. 7641 (Retirement Pay Law) which is a defined benefit type. In the absence of any plan asset or funding to the retirement, the amount retirement benefits liability, as presented in the statements of financial position, is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets if any, adjusted for the effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plan is actuarially determined using the projected unit credit method. The retirement benefit costs comprise of the service cost, net interest on the net defined benefit liability or asset and remeasurements of net defined benefit liability or asset.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, difference between return on plan assets and interest income on plan assets (calculated as part of the net interest) and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either an entity's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment.

A liability and expense for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of those benefits and when the entity recognizes related restructuring costs. Initial recognition and subsequent changes to termination benefits are measured in accordance with the nature of the employee benefit, as either post-employment benefits, short-term employee benefits, or other long-term employee benefits.

Employee leave entitlement

Employee entitlements to annual leave are recognized as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the annual reporting period is recognized for services rendered by employees up to the end of the reporting period.

Related Party Transactions

Related party transactions are transfers of resources, services or obligations between the Company and its related parties, regardless whether a price is charged. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. These parties include: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Company; (b) associates; and (c) individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company and close members of the family of any such individual.

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

Foreign Currency Transactions and Translations

Transactions denominated in foreign currencies are recorded in Philippine pesos using the exchange rate at the date of the transactions. Outstanding monetary assets and liabilities denominated in foreign currencies are translated using the closing exchange rate at the end of financial reporting period. Gains or losses arising from foreign currency transactions are credited or charged directly to current operations.

Income Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the financial reporting period.

Current income tax payable

Current income tax for current and prior periods shall, to the extent unpaid, be recognized as a liability and is presented as "Income tax payable" in the statements of financial position. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess shall be recognized as an asset and is presented as part of "Prepaid income tax" in the statements of financial position.

Deferred income tax

Deferred income tax is provided, using the balance sheet liability method, on all temporary differences at the financial reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that sufficient future taxable profits will be available against which the deductible temporary differences can be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of the financial reporting period.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off deferred income tax assets against deferred income tax liabilities and the said deferred income taxes relate to the same taxable entity and the same taxation authority.

Provisions

Provisions are recognized only when the following conditions are met: a) there exists a present obligation (legal or constructive) as a result of past event; b) it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation; and c) reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each financial reporting period and adjusted to reflect the current best estimate.

Contingencies

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefit is probable.

Events After End of Financial Reporting Period

Post year-end events that provide additional information about the Company's position at the end of financial reporting period (adjusting events) are reflected in the Company's financial statements. However, post year-end events that are non-adjusting events are disclosed in the notes to financial statements when material.

Restatements of Account Balances/Prior Period Adjustments

When a new or change in accounting policy is applied retrospectively in accordance with the transitional provision, guidance or requirement of such new or amended accounting policy, the Company adjusts the opening balance of each affected component of equity for the earliest prior period presented and the other comparative amounts disclosed for each prior period presented as if the new or amended accounting policy had always been applied.

5. Management's Use of Judgments and Estimates

The preparation of the Company's financial statements in conformity with PFRS requires management to make judgments, estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. In preparing the Company's financial statements, management has made its best judgment and estimates of certain amounts, giving due consideration to materiality. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of relevant facts and circumstances as of date of the financial statements. The uncertainties inherent in these judgments and estimates could result in outcomes that could require a material adjustment to the carrying amount of the assets or liabilities affected in the future years. Accordingly, actual results could differ from those estimates, and such estimates will be adjusted accordingly.

The following is a summary of these significant estimates and judgments and the related impact and associated risks on the financial statements:

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements.

Assessment of classification of financial instrument

The management classifies a financial instrument on initial recognition as a financial asset and a financial liability in accordance with the substance of the contractual arrangement and the definitions of a financial asset and a financial liability.

Assessment whether the lease agreement is a finance or operating lease

Management assesses at the inception of the lease whether the arrangement is finance or operating lease based on who bears substantially all the risks and benefits incidental to ownership of the leased item. The Company as a lessee has entered into a lease contract for its office and residential units for its expatriates where it has determined that the risks and rewards related to the property are retained by the lessor. As such, the agreements are accounted for as operating lease.

Determination of functional currency

Based on the economic substance of the underlying circumstances relevant to the Company, the functional currency of the Company has been 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 costs and expenses of providing the services, and consequently, the sales of services which are computed at a mark-up on costs and expenses incurred in accordance with the Service Agreements.

Assessment of Impairment of Nonfinancial Asset

Impairment review is performed on prepaid expenses, property and equipment, investment in subsidiary and software when certain impairment indicators are present. Determining fair value of the assets requires estimation of future economic benefit or cash flows expected to be generated from the continued use and ultimate disposition of such assets and require the Company to make estimates and assumptions that can materially affect the Company's financial statements. Future events could cause the Company to conclude that the assets are impaired. Any resulting impairment loss could have a material adverse impact on the Company's financial condition and results of operations. An increase in provision for impairment losses would increase operating expense and decrease related assets.

No impairment loss is recognized in the financial statements as of March 31, 2016 and 2015 as the Company has not identified any indicators of impairment.

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.

Estimates

The key estimates concerning the future and other key sources of estimation uncertainty as at end of reporting period that have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are as follows:

Estimation of allowance for doubtful accounts or impairment of receivables and refundable deposits

The 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 of March 31, 2016 and 2015. The carrying value of receivables is shown in Note 7. Refundable deposits amounted P7,801,101 and P7,783,101 as of March 31, 2016 and 2015, respectively (see Note 12). Advances to related party amounted to nil and P20,158,200 as of March 31, 2016 and 2015, respectively (see Note 14).

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 Company's recorded expenses and decrease property and equipment and software.

The carrying values of property and equipment and software are shown in Notes 9 and 11, respectively.

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 22, 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.

Accrued retirement benefits costs amounted to P11,396,156 and P9,413,776 as of March 31, 2016 and 2015, respectively. Additional information is disclosed in Note 22 to the financial statements.

Estimation of provisions

The estimate of the probable costs for possible third party claims, including labor cases filed by former employees, tax liabilities, has been developed based on management's analysis of potential results and in consultation with its legal counsel handling the Company's defense. When management believes that the eventual liabilities under these claims that will not have a material effect on the Company's financial statements, no provision for probable losses is recognized. Any increase in provision would increase operating expenses and the related liabilities.

No provision for probable losses is recognized as management believes that the Company will get favorable results in the labor cases filed by former employees.

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.

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 24.

6. CASH AND CASH EQUIVALENTS

This account consists of:

	2016	2015
	₱	₱
Time deposits	**119,054,360**	-
Cash in banks	**5,781,860**	33,817,413
Cash on hand	**50,000**	50,000
	124,886,220	33,867,413

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 0.10% to 0.38% per annum during 2016 and 2015.

Total interest income on cash and cash equivalents amounted to ₱ 45,415 in 2016 and ₱ 76,930 in 2015.

7. TRADE AND OTHER RECEIVABLES

This account consists of:

		2016	2015
	Note	₱	₱
Trade	14	**39,133,887**	87,967,504
Advances to employees		**419,417**	147,640
Advances to suppliers		**-**	575,000
Others		**-**	48,715
		39,553,304	88,738,859

Advances to employees pertain to 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.

Advances to suppliers represent amounts paid in advance for purchase of equipment and various architectural works.

Others pertain to health benefits advanced by the Company to its employees on behalf of the government agencies and Company's claims for refund from health insurance in 2015.

All of the Company's receivables have been reviewed for indication of impairment. No allowance for impairment loss is recognized in the Company's financial statements in 2016 and 2015.

There were no receivables pledged or used as collateral for the Company's liabilities as of March 31, 2016 and 2015.

8. PREPAID EXPENSES

This account consists of:

		2016	2015
	Note	₱	₱
Prepaid insurance		**4,189,642**	2,819,964
Prepaid rent	21	**1,283,539**	2,544,868
Others		**1,891,705**	1,028,135
		7,364,886	6,392,967

Others include maintenance and subscription in 2016 and advance payment for support services, maintenance, subscription, transportation and travel, and membership fees of the Company in 2015.

9. PROPERTY AND EQUIPMENT - net

The rollforward analysis of this account follows:

	Leasehold Improvements ₱	Office Equipment ₱	Communication Equipment ₱	Furniture and Fixtures ₱	Total ₱
2016					
Cost:					
Balance at beginning of year	**21,565,633**	**20,346,208**	**15,734,909**	**5,402,751**	**63,049,501**
Acquisitions during the year	**1,059,854**	**10,375,880**	**15,255,422**	**17,438**	**26,708,594**
Retirement during the year	**-**	**(27,000)**	**-**	**-**	**(27,000)**
Balance at end of year	**22,625,487**	**30,695,088**	**30,990,331**	**5,420,189**	**89,731,095**
Accumulated depreciation:					
Balance at beginning of year	**19,967,239**	**17,000,960**	**9,081,486**	**5,357,678**	**51,407,363**
Depreciation during the year	**1,239,981**	**5,039,548**	**5,116,465**	**26,390**	**11,422,384**
Retirement during the year	**-**	**(27,000)**	**-**	**-**	**(27,000)**
Balance at end of year	**21,207,220**	**22,013,508**	**14,197,951**	**5,384,068**	**62,802,747**
Net carrying value	**1,418,267**	**8,681,580**	**16,792,380**	**36,121**	**26,928,348**
2015					
Cost:					
Balance at beginning of year	20,545,231	18,010,112	9,213,302	5,377,751	53,146,396
Acquisitions during the year	1,020,402	2,336,096	6,521,607	25,000	9,903,105
Balance at end of year	21,565,633	20,346,208	15,734,909	5,402,751	63,049,501
Accumulated depreciation:					
Balance at beginning of year	19,080,842	14,744,717	7,737,955	5,341,139	46,904,653
Depreciation during the year	886,397	2,256,243	1,343,531	16,539	4,502,710
Balance at end of year	19,967,239	17,000,960	9,081,486	5,357,678	51,407,363
Net carrying value	1,598,394	3,345,248	6,653,423	45,073	11,642,138

Depreciation is presented as part of the following accounts:

	Notes	**2016**	2015
Cost of services	19	**5,355,896**	2,041,307
Operating expenses	20	**6,066,488**	2,461,403
		11,422,384	4,502,710

Management believes that there are no indications of impairment on its property and equipment as of March 31, 2016 and 2015.

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 of March 31, 2016 and 2015.

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 of March 31, 2016 and 2015 amounting to ₱ 9,499,950 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 of March 31, 2016 and 2015. Based on the evaluation, there are no indications that the investment might be impaired.

Summarized financial information of the Subsidiary as of and for the years ended March 31, 2016 and 2015 follows:

	2016	2015
	₱	₱
Current Assets	**109,869,581**	60,794,417
Noncurrent Assets	**211,933,466**	87,555,530
Current Liabilities	**214,190,553**	91,540,875
Noncurrent Liability	**7,400,854**	2,367,289
Equity	**100,211,640**	54,441,783
Revenue	**544,332,098**	181,384,667
Net profit	**48,193,867**	13,979,187

11. Intangible assets - net

The rollforward analysis of this account follows:

	2016	2015
	₱	₱
Cost:		
Balance at beginning of year	**1,597,970**	730,741
Acquisitions during the year	**-**	867,229
Balance at end of year	**1,597,970**	1,597,970
Accumulated amortization:		
Balance at beginning of year	**917,072**	625,181
Amortization during the year	**297,197**	291,891
Balance at end of year	**1,214,269**	917,072
Net carrying value	**383,701**	680,898

The amortization is presented as part of the following accounts:

	Notes	**2016**	2015
		₱	₱
Cost of services	19	**-**	132,329
Operating expenses	20	**297,197**	159,562
		297,197	291,891

Management believes that there are no indication of impairment of the Company's software and that its carrying amount can be recovered through use in operations as of March 31, 2016 and 2015.

12. Refundable Deposits

This account consists of:

	Note	**2016**	2015
		₱	₱
Current portion		**3,773,250**	87,000
Noncurrent portion		**4,027,851**	7,696,101
	21	**7,801,101**	7,783,101

These deposits are refundable upon permanent termination of the contracts or cessation of related rental service.

Management believes that there are no indication of impairment on deposits as of March 31, 2016 and 2015, respectively.

13. Trade and other payables

This account consists of:

	Note	**2016** ₱	2015 ₱
Salaries payable		**19,977,772**	19,986,731
Trade:			
Nonrelated party		**8,872,063**	4,278,609
Related party	14	**-**	9,127,986
Accrued expenses		**4,456,815**	3,490,261
SSS, Philhealth and HDMF payables		**1,552,864**	1,569,829
Withholding taxes		**207,490**	1,142,219
Fringe benefit tax payable		**40,354**	37,703
		35,107,358	39,633,338

The Company had written off payable to employees amounting to ₱ 1,915,444 in 2016.

Details of accrued expenses are shown below:

	2016	2015
Utilities	**1,603,830**	1,510,641
Provision for leave encashment	**1,509,104**	1,520,623
Professional fees	**812,942**	87,562
Contract services	**417,480**	302,037
Others	**113,459**	69,398
	4,456,815	3,490,261

14. Related Party Transactions

Related party relationship exists when one party has the ability to control, directly or indirectly, through one or more intermediaries, the other party or exercise significant influence over the other party in making the financial and operating decisions. Such relationship also exists between and/or among entities which are under common control with the reporting enterprise, or between and/or among the reporting enterprises and their key management personnel, directors, or its stockholders. For financial statements disclosure purposes, the Company and its affiliates have common stockholders, either direct or indirect.

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 based on the financial statements prepared in accordance with full PFRS in 2016 and PFRS for SMEs in 2015. Contract receivables are billed by the Company to vSLLC in US dollars on a periodical basis and are settled in the same currency.

   Total billings recognized as revenue relating to the Service Agreement amounted to P458,936,358 in 2016 and ₱ 292,738,091 in 2015. vSLLC was merged with Tech Mahindra (Americas) Inc. on February 2, 2015. Accordingly, billings were made to Tech Mahindra Limited subsequently. Outstanding receivables as of March 31, 2016 and 2015 amounted to ₱ 35,188,206 and ₱ 24,589,068, respectively. Outstanding payables which amounted to ₱ 9,127,986 as of March 31, 2015 represent excess payments.

b. On September 1, 2012, the Company agreed to provide expertise and resources for consultancy and development of IT projects to Satyam Computer Services Limited (SCSL), now TML. In consideration thereof, the Company issues TML monthly invoice for time and material based fee, and upon achievement of milestone specified in the work order in case of fixed fee engagements, for the services of consultants. Contract receivables are billed by the Company to TML in the currency specified in the work order on a periodical basis and are settled in the same currency. Total billings recognized as revenue relating to the Service Agreement amounted to ₱ 4,111,095 in 2015.

c. On May 10, 2013, the Company entered into a Sub-contract Agreement with Satyam Computer Services Limited (SCSL), now TML, to provide agents who will supply dedicated, English inbound contact support for two primary levels of financial transactions. Contract receivables are billed by the Company to TML in the currency specified in the work order on a periodical basis and are settled in the same currency. Total revenue relative to this Agreement amounted to ₱ 60,629,666 in 2015. Outstanding receivables as of March 31, 2016 and 2015 amounted to ₱ 1,493,281 and ₱ 52,572,258, of which ₱ 10,519,325 remained unbilled, respectively.

d. On October 28, 2013, the Company entered into a Master Agreement with TML to provide services and resources. Total revenue relative to this agreement amounted to ₱ 13,124,960 in 2015. Outstanding receivables as of March 31, 2016 and 2015 amounted to ₱ 2,452,400 and ₱ 10,806,178, respectively.

e. On February 14, 2014, the Company entered into Sub - contract Agreement with TML to provide services and resources in connection with the Master Agreement executed between TML and a telecommunication company. Total revenue relative to this agreement amounted to ₱ 2,895,000 in 2015.

f. The Company made and received noninterest-bearing and unsecured advances to and from related parties for working capital requirements.

g. The table below summarizes the foregoing transactions with related parties as of and for the year ended March 31, 2016 and 2015:

Category	Amount	Outstanding Balance Asset (Liability)	Terms/ Conditions	Guarantees/ Settlement/ Provisions
2016				
Tech Mahindra Limited - Ultimate Parent				
1. Services				
● Service revenue (Note 7)	**₱ 458,936,358**	**₱ 39,133,887**	**30 days; noninterest-bearing**	**Unsecured; to be settled in cash; no impairment**
vCustomer Philippines (Cebu), Inc. - Subsidiary				
1. Advances to				
● Payments received	**(20,158,200)**	**-**	**Collectible on demand; noninterest-bearing**	**Unsecured; to be settled in cash; no impairment**
2015				
Tech Mahindra (Americas) Inc. - Affiliate (subsidiary of Tech Mahindra Limited)				
1. Services				
● Service revenue (Note 13)	292,738,091	(9,127,986)	30 days; noninterest-bearing	Unsecured; to be settled in cash
Tech Mahindra Limited – Ultimate Parent				
1. Services				
● Service revenue (Note 7)	80,760,721	87,967,504	30 days; noninterest-bearing	Unsecured; to be settled in cash; no impairment
2. Advances to				
● Payments received	(45,427)	-	Collectible on demand; noninterest-bearing	Unsecured; to be settled in cash; no impairment
New vC Services Private Limited - Parent				
1. Advances from				
● Payments made	3,035,213*	-	Payable on demand; noninterest-bearing	Unsecured; to be settled in cash
vCustomer Philippines (Cebu), Inc. - Subsidiary				
1. Advances to				
● Advances made	20,158,200	20,158,200	Collectible on demand; noninterest-bearing	Unsecured; to be settled in cash; no impairment

* Outstanding balances of advances to and advances from related parties as of March 31, 2014.

h. Compensation of key management personnel for the years ended March 31, 2016 and 2015 is as follows:

	2016	2015
	₱	₱
Salaries	**24,725,068**	19,666,112
Allowances	**597,000**	501,525
Other employee benefits	**7,681,569**	5,944,899
	33,003,637	26,112,536
Retirement benefits cost	**615,053**	1,499,851

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 ₱ 10 par value, 950,000 ordinary shares have been issued, paid up and outstanding, amounting to ₱ 9,500,000 in 2016 and 2015 with additional paid-in capital amounting to ₱ 156,044 in 2016 and 2015, respectively.

b. There is no movement in the number of the Company's authorized and subscribed shares of stock for the year ended March 31, 2016.

Retained Earnings

- On March 28, 2014, the Company's BOD approved the appropriation of retained earnings as of March 31, 2014 amounting to ₱ 110 million for business expansion, office renovation and equipment upgrade which are estimated to take place starting April 1, 2014 until March 31, 2016. The planned expansion consists of renovation of site, establishment of new additional office, installation of other equipment and engagement of additional accounts and increase in employee headcount.
- On April 21, 2015, the Company's BOD approved additional appropriation in the amount of ₱ 8 million from its current retained earnings as of March 31, 2015 to be used by the Company for its expansion projects in the year 2015 and onwards. The planned expansion consists of renovation of site, establishment of new additional office, installation of other equipment and engagement of additional accounts and increase in employee headcount. The said appropriation shall be reflected in the financial statements as of and for the year ended March 31, 2015.
- On April 18, 2016, the Company's BOD approved the additional appropriation of ₱ 37 million from its current retained earnings as of March 31, 2016 to be used by the Company for its expansion projects in the year 2016 and onwards. The said appropriation was approved to be reflected in the financial statements as at and for the year ended March 31, 2016.

16. 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. 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.

a. Credit risk exposure

The table below shows the gross maximum exposure to credit risk of the Company as of March 31, 2016 and 2015, without considering the effects of credit risk mitigation techniques.

	Notes	**2016**	2015
		₱	₱
Cash and cash equivalents*	6	**124,836,220**	33,817,413
Receivables	7		
Trade		**39,133,887**	87,967,504
Others		**-**	48,715
Refundable deposits	12	**7,801,101**	7,783,101
Due from a related party	14	**-**	20,158,200
		171,771,208	149,774,933

*Excluding cash on hand amounting to ₱ 50,000 in 2016 and 2015.

b. Risk concentrations of the maximum exposure to credit risk

Concentrations arise when a number of counterparties are engaged in similar business activities or activities in the same geographic region or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the entity's performance to developments affecting a particular industry or geographical location.

The Company's normal course of business is to provide services to the customers of certain related parties which are being billed based on the Service Agreements as discussed in Note 14. The Company does not enter into contracts directly with external customers including the related parties' customers. Hence, the related parties serve as the direct sole customer of the Company. Despite the related parties being the direct sole customer, it is considered that there is no significant concentration of credit risks due to the continuing agreement to serve the related parties' customers who are from different industries and geographic regions. The related parties manage the associated credit risks from their customers' accounts by individual assessment and regular monitoring of past due receivables in order to take appropriate actions when needed. These actions include but are not limited to sending demand letters to customers based on the aging of past due accounts, or placing new sales order on hold from credit customers with past due accounts.

c. Credit Quality of Financial Assets

Below is the credit quality by class of financial assets as of March 31, 2016 and 2015.

	Notes	**Neither past due nor impaired**			**Total**
		High Grade	**Standard Grade**	**Substandard Grade**	
		₱	**₱**	**₱**	
2016					
Cash and cash equivalents	6	**124,836,220**	**-**	**-**	**124,836,220**
Receivables					
Trade	7	**39,133,887**	**-**	**-**	**39,133,887**
Refundable deposits	12	**7,801,101**	**-**	**-**	**7,801,101**
		171,771,208	**-**	**-**	**171,771,208**
2015					
Cash and cash equivalents	6	33,817,413	-	-	33,817,413
Receivables					
Trade	7	87,967,504	-	-	87,967,504
Others	7	48,715	-	-	48,715
Advances to a related party	14	20,158,200			20,158,200
Refundable deposits	12	7,783,101	-	-	7,783,101
		149,774,933	-	-	149,774,933

The Company uses internal ratings to determine the credit quality of its financial assets. These have been mapped to the summary

High grade are financial assets which have a high probability of collection. The counterparty has the apparent ability to satisfy its obligation and the security is readily enforceable. Standard grade accounts are active accounts with minimal to regular instances of payment default, due to ordinary/common collection issues. These accounts are typically not impaired as the counterparties generally respond to credit actions and update their payments accordingly. Substandard grade accounts are accounts which have a probability of impairment based on historical trend. These accounts show propensity to default in payment despite regular follow-up and extended payment terms.

d. Impairment assessment

The Company recognizes impairment losses based on the results of the specific/individual assessment of its credit exposures. Impairment has taken place when there is a presence of known difficulties in the servicing of cash flows by counterparties, infringement of the original terms of the contract has happened, or when there is inability to pay principal or interest overdue beyond a certain threshold. These and other factors constitute observable events and/or data that meet the definition of an objective evidence of impairment.

The methodology applied by the Company in assessing and measuring impairment is specific/individual assessment.

Under specific/individual assessment, the Company assesses each individual significant credit exposure for any objective evidence of impairment, and where such evidence exists, accordingly calculates the required impairment. Among the items and factors considered by the Company when assessing and measuring specific impairment allowances are: (a) the timing of the expected cash flows; (b) the projected receipts or expected cash flows; (c) the going concern of the counterparty's business; (d) the ability of the counterparty to repay its obligations during financial crises; (e) the availability of other sources of financial support; and, (f) the existing realizable value of collateral, if any. The impairment allowances, if any, are evaluated as the need arises, in view of favorable or unfavorable developments.

Liquidity risk

Liquidity is 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 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 of March 31, 2016 and 2015 on undiscounted contractual cash flows.

		2016				
	Notes	**On Demand**	**Due within 30 days**	**Due within 1 year**	**Due beyond 1 year but not more than 5 years**	**Total**
		₱	**₱**	**₱**	**₱**	**₱**
Cash and cash equivalents	6	**5,831,860**	**119,054,360**	**-**	**-**	**124,886,220**
Receivables - trade	7	**-**	**39,133,887**	**-**	**-**	**39,133,887**
Refundable deposits	12	**-**	**-**	**3,773,250**	**4,027,851**	**7,801,101**
		5,831,860	**158,188,247**	**3,773,250**	**4,027,851**	**171,821,208**
Trade and other payables*	13	**19,977,772**	**13,328,878**	**-**	**-**	**33,306,650**

*Excluding statutory payables amounting to ₱ 1,800,708 in 2016.

		2015				
	Notes	On Demand	Due within 30 days	Due within 1 year	Due beyond 1 year but not more than 5 years	Total
		₱	₱	₱	₱	₱
Cash and cash equivalents	6	33,867,413	-	-	-	33,867,413
Receivables	7					
Trade		-	87,967,504	-	-	87,967,504
Others		-	48,715	-	-	48,715
Advances to a related party	14	20,158,200	-	-	-	20,158,200
Refundable deposits	12	-	-	87,000	7,696,101	7,783,101
		54,025,613	88,016,219	87,000	7,696,101	149,824,933
Other Financial Liabilities						
Trade and other payables*	13	19,986,731	16,896,856	-	-	36,883,587

*Excluding statutory payables amounting to ₱ 2,749,751 in 2015.

Foreign Currency Risk

The Company's foreign currency denominated monetary asset as of March 31, 2016 and 2015, and its Philippine Peso equivalent follows:

	Notes	2016 $	2015 $
In United States Dollar (USD or $)			
Assets			
Cash and cash equivalents	6	**2,177,152**	337,016
Receivables - trade	7	**848,744**	1,963,736
Due from a related party	14	**-**	450,000
		3,025,896	2,750,752
Liability			
Trade and other payables	13	**108,705**	-
Due to related party	14	**-**	203,768
		108,705	203,768
Net foreign currency denominated assets		**2,917,191**	2,546,984

	Notes	2016 ₱	2015 ₱
In Philippine Peso (₱)			
Assets			
Cash and cash equivalents	6	**100,384,109**	15,096,984
Receivables - trade	7	**39,133,887**	87,967,504
Due from a related party	14	**-**	20,158,200
		139,517,996	123,222,688
Liability			
Trade and other payables	13	**5,012,152**	-
Due to a related party	14	**-**	9,127,986
		5,012,152	9,127,986
Net foreign currency denominated assets		**134,505,844**	114,094,702

The Company's foreign currency denominated financial assets and liability are translated to Philippine Peso equivalents using an exchange rate of ₱ 46.108/$1.00 and ₱ 44.796/$1.00 as of March 31, 2016 and 2015, respectively.

Details of realized and unrealized gain (loss) are shown below:

	2016 ₱	2015 ₱
Realized forex gain (loss) - net	**(1,308,503)**	(244,612)
Unrealized forex gain	**2,854,145**	-
Unrealized forex loss	**(1,373,773)**	(3,137,890)
	171,869	(3,382,502)

The following table demonstrates the sensitivity to a reasonable possible change in foreign currency exchange rates with all other variables held constant on the Company's profit before tax for the year ended March 31, 2016.

Increase (decrease) in foreign currency	Effect on profit before tax Increase (decrease) ₱	Effect on equity Increase (decrease) ₱
4%	**5,392,550**	**5,122,922**
(4%)	**(5,392,550)**	**(5,122,922)**

17. Financial Instruments

Set out below is a comparison by category of carrying values and estimated fair values of the Company's financial instruments as of March 31, 2016 and 2015.

	Notes	**Carrying value** ₱	Fair value ₱
2016			
Financial assets:			
Cash and cash equivalents	6	**124,886,220**	124,886,220
Receivables	7		
Trade		**39,133,887**	39,133,887
Refundable deposits	12	**7,801,101**	7,801,101
Total		**171,821,208**	171,821,208
Financial liability:			
Trade and other payables	13	**33,306,650**	33,306,650

*Excluding statutory payables amounting to ₱ 1,800,708 in 2016.

	Notes	**Carrying value** ₱	Fair value ₱
2015			
Financial assets:			
Cash and cash equivalents	6	**33,867,413**	33,867,413
Receivables	7		
Trade		**87,967,504**	87,967,504
Others		**48,715**	48,715
Due from related parties	14	**20,158,200**	20,158,200
Refundable deposits	12	**7,783,101**	7,783,101
Total		**149,824,933**	149,824,933
Financial liability:			
Trade and other payables	13	**36,883,587**	36,883,587

*Excluding statutory payables amounting to ₱ 2,749,751 in 2015.

Trade and other payables excludes statutory payables such as withholding tax and SSS, Pag-ibig and others which are not considered as financial liabilities. Receivables excludes advances to employees and suppliers which are not considered as financial assets.

The fair value of the Company's financial assets and liabilities are determined as follows:

For cash and cash equivalents, trade receivables (including advances to a related party), and trade and other payables with fair value included in Level 2, management considers that the carrying amounts of these financial assets approximate the fair value due to their short duration.

The fair value of refundable deposits included in Level 2, which are not traded in an active market are determined based on the expected cash flows of the underlying asset based on the instrument where the significant inputs required to determine the fair value of such instrument are directly or indirectly observable.

19. 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 2016 and 2015.

The Company considers the following as its capital:

	2016	2015
	₱	₱
Share capital	**9,500,000**	9,500,000
Additional paid-in capital	**156,044**	156,044
Retained earnings	**155,739,659**	120,318,386
Cumulative remeasurement gain (loss) on retirement benefits - net	**1,613,750**	(1,547,412)
	167,009,453	128,427,018

The debt to equity ratio at year-end was as follows

	2016	2015
	₱	₱
Debt	**49,301,875**	50,336,508
Equity	**167,009,452**	128,427,018
	29.52	39.19

19. Cost of Services

This account consists of:

	Notes	2016 ₱	2015 ₱
Personnel costs		**213,696,257**	207,202,688
IT infrastructure		**48,182,282**	38,064,474
Rent	21	**22,034,939**	15,415,620
Electricity		**8,953,869**	11,786,086
Depreciation and amortization	9, 11	**5,355,896**	2,173,636
		298,223,243	274,642,504

Details of personnel costs are as follows:

	Note	2016 ₱	2015 ₱
Salaries and wages and other employee benefits		**146,307,857**	144,830,858
Allowance and staff welfare costs		**38,295,670**	35,731,415
13th month pay		**14,300,454**	13,224,204
SSS, PHIC and HDMF premium contributions		**11,336,869**	10,736,933
Retirement benefits costs	22	**3,455,407**	2,679,278
		213,696,257	207,202,688

Depreciation and amortization are broken down as follows:

	Notes	2016 ₱	2015 ₱
Property and equipment	9	**5,355,896**	2,041,307
Intangible asset	11	**-**	132,329
		5,355,896	2,173,636

20. Operating Expenses

This account consists of:

	Notes	2016 ₱	2015 ₱
Personnel costs		**69,511,137**	48,047,418
Rent	21	**10,204,172**	9,842,332
Facility management services		**6,877,397**	5,915,916
Depreciation and amortization	9, 11	**6,363,685**	2,620,965
Transportation and travel		**5,687,621**	2,764,281
Security services		**4,160,507**	3,175,167
Communication, light and water		**3,576,818**	1,690,779
Trainings and recruitments		**3,468,242**	2,837,383
Outside services		**3,272,608**	3,284,656
Professional fees		**1,740,926**	960,901
Repairs and maintenance		**859,101**	753,149
Office supplies		**818,259**	784,141
IT infrastructure		**573,155**	2,590,584
Insurance		**226,737**	209,725
Taxes and licenses		**101,930**	234,540
Bank service charge		**101,665**	368,637
Miscellaneous		**852,980**	953,711
		118,396,940	87,034,285

Miscellaneous includes subscription, freight, office management and corporate apartment expense, and fringe benefit expense.

Details of personnel costs are as follows:

	Note	2016 ₱	2015 ₱
Salaries and wages and other employee benefits		**41,616,883**	26,789,276
Allowance and staff welfare costs		**18,913,651**	13,988,563
13th month pay		**4,067,726**	4,508,621
SSS, PHIC and HDMF premium contributions		**3,224,742**	2,715,756
Retirement benefits costs	22	**1,688,135**	45,202
		69,511,137	48,047,418

Depreciation and amortization are broken down as follows:

	Notes	2016 ₱	2015 ₱
Property and equipment	9	**6,066,488**	2,461,403
Intangible asset	11	**297,197**	159,562
		6,363,685	2,620,965

21. Lease Agreements

The Company entered into an agreement that assumes all of the rights and obligations of vCustomer Services India Pvt. Ltd - The Company in its contract of lease dated June 12, 2008, over the leased premises commencing on April 1, 2010. The lease term for the corporate office unit covers five (5) years with a free fitting out period of three (3) months and options to extend for another five (5) years. Future payments under the lease agreement are subject to yearly escalation rate of five percent (5%) starting in the second year. The lease contract was renewed up to September 2018.

On July 10, 2014, the Company entered into a new lease agreement 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.

Total rent expense under operating lease presented as follows:

	Notes	2016 ₱	2015 ₱
Cost of services	19	**22,034,939**	15,415,620
Operating expenses	20	**9,993,990**	9,518,086
		32,028,929	24,933,706

Advance rental amounted to ₱ 1,257,750 and ₱ 2,544,868 as of March 31, 2016 and 2015, respectively (see Note 8).

Rental deposits required relative to these contracts amounted to ₱ 7,696,101 as of March 31, 2016 and 2015 (Note 12).

Estimated future minimum rental payments follow:

	2016	2015
	₱	₱
Due within one year	**27,237,475**	30,673,173
Due beyond one year but less than five years	**26,641,650**	55,255,677
	53,879,125	85,928,850

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. Total rent expense in these agreements presented under "Operating expenses" account amounted to ₱ 210,182 in 2016 and ₱ 324,246 in 2015 (see Note 20).

Rental deposit required relative to this contract amounted to ₱ 105,000 and ₱ 87,000 as of March 31, 2016 and 2015, respectively (see Note 12).

Advance rental amounted to ₱ 25,789 as of March 31, 2016 (see Note 8).

Estimated future minimum rental payments subsequent to 2016 and 2015, until end of lease term amounted to ₱ 630,000 and ₱ 424,216 in 2016 and 2015, respectively.

There are no significant restrictions imposed by lease arrangements, such as those concerning dividends, additional debt and further leasing.

22. Retirement Benefits Costs

The Company does not have an established retirement plan as at March 31, 2016 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, 2016 was dated March 22, 2016.

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:

	2016	2015
Discount rate	**5.25%**	5.25%
Salary increase rate	**6.00%**	5.00%

Maturity Profile of Expected Future Benefit Payments

The Company's expected future benefit payments is shown below:

	2016	2015
	₱	₱
Within one year	**-**	-
Beyond one year not later than 5 years	**150,382**	-
Beyond 5 years (6 to 10 years)	**688,355**	-

The rollforward of present value of defined benefit obligation follows:

	2016	2015
	₱	₱
Balance at beginning of year	**9,413,776**	5,141,884
Current service cost	**4,672,853**	2,454,531
Remeasurement loss (gain) on obligation	**(3,161,162)**	1,547,412
Interest cost	**470,689**	269,949
Balance at end of year	**11,396,156**	9,413,776

The accrued retirement benefits costs recognized in the statements of financial position as of March 31, 2016 and 2015 were determined as follows:

	2016	2015
	₱	₱
Present value of defined benefit obligation (DBO)	**11,396,156**	9,413,776
Less fair value of plan assets	**-**	
	11,396,156	9,413,776

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, 2016 and 2015 were determined follows:

	Notes	2016	2015
		₱	₱
Current service cost		**4,672,853**	2,454,531
Interest on defined benefit liability		**470,689**	269,949
	19, 20	**5,143,542**	2,724,480

The retirement benefit costs are broken down as follows:

	Notes	2016	2015
		₱	₱
Cost of services	19	**3,455,407**	2,679,278
Operating expenses	20	**1,688,135**	45,202
		5,143,542	2,724,480

The rollforward of cumulative remeasurement loss (gain) presented in the statements of changes in equity follows:

	2016	2015
	₱	₱
Balance at beginning of year	**1,547,412**	-
Actuarial loss (gain):		
Due to liability experience	**(5,102,584)**	969,440
Due to liability assumption changes	**1,941,422**	577,972
	(3,161,162)	1,547,412
Balance at end of year	**1,613,750)**	1,547,412

The movement of the accrued retirement benefit costs recognized in the statements of financial position is as follows:

	Notes	2016	2015
		₱	₱
Balance at beginning of year		**9,413,776**	5,141,884
Retirement benefit expense	19, 20	**5,143,542**	2,724,480
Remeasurement loss (gain)		**(3,161,162)**	1,547,412
Balance at end of year		**11,396,156**	9,413,776

Amount, Timing and Uncertainty of Future Cash Flows

Sensitivity analysis on the defined benefit obligation follows:

		Sensitivity Analysis	Effect on DBO
Discount rate	**6.25%**	**1% increase**	**(21.99%)**
Discount rate	**4.25%**	**1% decrease**	**28.95%**
Salary increase rate	**7.00%**	**1% increase**	**28.41%**
Salary increase rate	**5.00%**	**1% decrease**	**(22.03%)**

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.

23. Income Taxes

Components of income tax expense charged to profit or loss are as follows:

	2016 ₱	2015 ₱
Current tax expense	**8,884,923**	2,624,013
Deferred tax expense relating to:		
Unrealized forex exchange gain	**142,707**	-
	9,027,630	2,624,013

The reconciliation between tax expense (benefit) and the product of accounting profit (loss) multiplied by 5% for Gross Income Tax (GIT) in 2016 and 2015 as follows:

	2016 ₱	2015 ₱
Gross Income	**165,528,120**	46,233,080
Less: Other Income subject to RCIT	**(1,915,444)**	-
Gross Income (loss) subject to GIT	**163,612,676**	46,233,080
Tax expense (benefit) at 5%	**8,180,633**	2,311,654
Non-taxable income:		
Interest Income	**(2,271)**	(3,847)
Movement on unrecognized deferred tax asset	**231,431**	316,206
Unrecognized tax related to OCI	**43,204**	-
Tax expense (benefit) at 30% RCIT	**574,633**	-
	9,027,630	2,624,013

The tax rate used for the 2016 and 2015 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 Rate (RCIT).

The available incentives of the Company as an Ecozone IT Enterprise under the Registration Agreement with PEZA includes the following:

1) The current income tax represents the GIT rate of 5% for PEZA-registered activities of the Company (see Note 1), of which 3% will be remitted to BIR and 2% to local government in accordance with pertinent rules. The income tax payable represents the unpaid balance after applying the quarterly income tax payments against the annual income tax due.

2) Incentives under Book VI of Executive Order No. 226 which include the following:

   a) Corporate income tax holiday (ITH) for four (4) years for original project effective on the date of start of commercial operations, or the actual date of the start of commercial operations, whichever is earlier; ITH entitlement for the original project can also be extended for another three (3) years provided specific criteria are met for each additional year and prior PEZA approval is obtained; duly approved and registered “Expansion” and “New” Projects are entitled to a three-year and four-year Income Tax Holiday, respectively.

   b) Tax and duty free importation of merchandise which include raw materials, capital equipment, machinery and spare parts;

   c) Exemption from wharfage dues and export tax, impost or fees;

   d) VAT zero-rating of local purchases subject to compliance with BIR and PEZA requirements; and,

   e) Exemption from payment of any and all local government imposts, fees, licenses and taxes except real estate tax; however, machineries installed and operated in the ecozone for manufacturing, processing or for industrial purposes shall not be subject to payment of real estate taxes for the first three (3) years of operations of such machineries; production equipment not attached to real estate shall be exempt from real property taxes.

3) After the lapse of the ITH, the following incentives shall apply:

   a) Exemption from national and local taxes, in lieu thereof, payment of 5% final tax on gross income as provided in Section 24 of R. A. 7916 and Rule XX of the Rules and Regulations to Implement R. A. 7916; and,

   b) Additional deduction for training expenses (1/2 of value) against the 5% tax on gross income earned, but not to exceed 3%, subject to guidelines to be formulated by PEZA in coordination with the Department of Labor and Employment and the Department of Finance (Section 42 of R. A. 7916).

4) Pursuant to BIR’s Revenue Regulations No. 14-2002 (Amending Further Pertinent Provisions of Revenue Regulations No. 2-98, as amended), income payments to PEZA registered enterprises under the ITH and 5% GIT incentives are exempt from expanded withholding tax.

5) Non-fiscal incentives shall include the following:

   a) Permanent resident status within the ecozone for foreign investors with initial investment of at least US $150,000;

   b) Employment of foreign nationals; and,

   c) Simplified import and export procedures.

24. DEFERRED TAX

The following composed of deferred tax recognized by the Company:

	Balance in 2015 ₱	**Charged to Profit or Loss ₱**	**Balance in 2016 ₱**
Deferred Tax Liability	**-**	**(142,707)**	**(142,707)**
Unrealized foreign exchange gain			

The following are the deferred tax not recognized by the Company:

	2016 ₱	2015 ₱
Deferred Tax Assets		
Retirement Benefit Costs	**449,728**	320,161
Provision for leave encashment	**58,746**	-
Provision for expenses	**43,118**	-
	551,592	320,161

25. SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE (BIR) UNDER REVENUE REGULATIONS NOS. 15-2010

On November 25, 2010, the BIR issued RR No. 15-2010 amending certain provisions of RR No. 21-2002, as amended and implementing Section 6 (H) of the Tax Code of 1997 which authorize the Commissioner of Internal Revenue to prescribe additional procedural and/or documentary requirements in connection with the preparation and submission, filing of financial statements accompanying the tax returns.

The following information on taxes, duties and license fees paid or accrued during the taxable years ended March 31, 2016 and 2015 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 for SMEs:

Net sales/receipts declared in the Company's Value added tax (VAT) returns filed.

	Net Sales/ Receipts ₱	**Output VAT ₱**
2016		
Zero-rated sales	**458,936,358**	**-**
2015		
Zero-rated sales	373,498,812	-

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

Nature	**2016 ₱**	2015 ₱
Lease	**1,080**	132,519

Other taxes lodged under operating expenses

Nature	**2016 ₱**	2015 ₱
Business permit	**81,087**	75,219
Community tax certificate	**10,500**	10,500
Annual registration fee	**1,000**	500
Documentary stamp taxes (see item c. above)	**1,080**	132,519
Miscellaneous	**8,263**	15,802
Total	**101,930**	234,540

Withholding taxes

Nature	**2016 ₱**	2015 ₱
Compensation	**20,570,739**	19,694,255
Expanded	**2,124,218**	1,858,025
Fringe benefit tax	**142,941**	140,858
Total	**22,837,898**	21,693,138

Tax Assessments and Cases

The Company has no open letters of authority, tax verification notices, deficiency tax assessments and tax cases as of March 31, 2016 and 2015.

Company has no transactions for the years ended March 31, 2016 and 2015 that were subject to the following taxes:

- Excise taxes
- Capital gains tax

vCUSTOMER PHILIPPINES (CEBU), INC.

Board of Directors

Mr. Anand Achuthan
Mr. Uttiya Sengupta
Mr. Narinder Singh Sethi
Ms. Lynette De Guzman
Mr. Danilo O. Cortina

Registered Office

4th Floor, JESA Building,
90 General Maxilom Ave. ,
Cebu City , Philippines

Bankers

Union Bank of the Philippines

Auditors

Navarro Amper & Co.

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors present their Report together with the audited accounts of vCustomer Philippines (Cebu), Inc. (vCPCI) for the year ended March 31, 2016.

Financial Results (₱)

For the years ended	March 31, 2016	March 31, 2015
	₱	₱
Revenue	**544,332,098**	181,384,667
Profit	**45,769,857**	13,721,357

Review of Operations:

For the fiscal year ended March 31, 2016, vCPCI reported revenue amounted to ₱ 544,332,098. An increaase of 200% over the last reporting period year ended March 31, 2015. Profit for the fiscal year ended March 31, 2016 amounted to ₱ 45,769,857, 234% increase over the last reporting period. vCPCI is still entitled to Income Tax Holiday (ITH).

Future Plans and Appropriations

vCPCI appropriated a total of ₱ 90 million of retained earnings for office renovations and equipment upgrade which is estimated to take place starting April 1, 2016 until March 31, 2017. 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

Chief Finance Office

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders

vCUSTOMER PHILIPPINES (CEBU), INC.

(A Wholly Owned Subsidiary of vCustomer Philippines, Inc.)

90 General Maxilom Avenue, Cebu City, Philippines

Report on the Financial Statements

We have audited the accompanying financial statements of vCustomer Philippines (Cebu), Inc., which comprise the statement of financial position as at March 31, 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of vCustomer Philippines (Cebu), Inc. as at March 31, 2016, and its financial performance and its cash flows for the year then ended in accordance with Philippine Financial Reporting Standards.

Other Matter

The financial statements of vCustomer Philippines (Cebu), Inc., as at and for the year ended March 31, 2015, prepared in accordance with Philippine Financial Reporting Standards for Small and Medium-sized Entities (PFRS for SMEs) were audited by another auditors who expressed an unmodified opinion on those statements on April 21, 2015. As part of our audit of the 2016 financial statements, we also audited the adjustments described in Note 2 that were applied to the 2015 financial statements and the opening statement of financial position as at April 1, 2014 in connection with the Company's transition to full PFRS. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged in the audit, review, or apply any procedures to the financial statements of the Company for the year ended March 31, 2015 and statement of financial position as at April 1, 2014 other than with respect to the adjustments, and accordingly, we do not express an opinion or any other form of assurance on these financial statements taken as a whole.

Report on the Supplementary Information Required by 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 on taxes and licenses in Note 24 to the financial statements are 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 audits 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 December 4, 2015 to December 31, 2018

SEC Accreditation No. 0001-FR-4, issued on January 7, 2016; effective until January 6, 2019, Group A

TIN 005299331

By:

Marites B. Landicho

Partner

CPA License No. 0090833

SEC A.N. 0356-AR-3, issued on May 1, 2015; effective until April 30, 2018, Group A

TIN 151561118

BIR A.N. 08-002552-15-2014, issued on October 3, 2014; effective until October 3, 2017

PTR No. A-2798357, issued on January 6, 2016, Taguig City

Taguig City, Philippines

May 4, 2016

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2016

(Amounts in Philippine Pesos ₱)

(With Comparative Figures as at March 31, 2015 and April 1, 2014)

	Notes	**March 31, 2016**	March 31, 2015 (As restated)	April 1, 2014
ASSETS				
Current Assets				
Cash and cash equivalents	6	**37,517,058**	4,765,010	36,922,037
Trade and other receivables	7	**66,400,388**	50,476,234	8,777,648
Prepaid expenses	8	**5,952,135**	5,553,173	2,819,439
Total Current Assets		**109,869,581**	60,794,417	48,519,124
Noncurrent Assets				
Property and equipment - net	9	**199,579,526**	80,162,197	5,091,451
Intangible assets-net	10	**2,056**	15,404	39,917
Refundable deposits	11	**12,351,884**	7,377,929	1,916,731
Total Noncurrent Assets		**211,933,466**	87,555,530	7,048,099
		321,803,047	148,349,947	55,567,223
LIABILITIES AND EQUITY				
Current Liabilities				
Trade and other payables	12	**106,361,481**	71,382,675	11,864,317
Loans payable	13	**107,585,334**	-	-
Due to related parties	14	**-**	20,158,200	1,862,184
Income tax payable	23	**243,738**	-	-
Total Current Liabilities		**214,190,553**	91,540,875	13,726,501
Noncurrent Liabilities				
Retirement benefit obligation	22	**7,400,854**	2,367,289	1,120,296
Total Liabilities		**221,591,407**	93,908,164	14,846,797
Equity				
Share capital	15	**9,500,000**	9,500,000	9,500,000
Retained earnings				
Appropriated	15	**90,000,000**	42,000,000	27,000,000
Unappropriated		**3,393,480**	3,199,613	4,220,426
Total Retained Earnings		**93,393,480**	45,199,613	31,220,426
Cumulative remeasurement loss on retirement benefits - net	22	**(2,681,840)**	(257,830)	-
Total Equity		**100,211,640**	54,441,783	40,720,426
		321,803,047	148,349,947	55,567,223

See accompanying Notes to Financial Statements.

vCUSTOMER PHILIPPINES (CEBU),INC.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED MARCH 31, 2016

(With Comparative Figures for the Year Ended March 31, 2015)

(Amounts in Philippine Pesos ₱)

	Notes	2016	2015 (As restated)
Service Revenue	14	**544,332,098**	181,384,667
Cost of Services	19	**368,812,005**	130,326,212
Gross Profit		**175,520,093**	51,058,455
Operating Expenses	20	**125,086,260**	35,772,947
Profit from Operation		**50,433,833**	15,285,508
Other Income (Charges) - net			
Foreign exchange loss - net	16	**(1,573,043)**	(1,324,689)
Interest expense	13	**(1,277,856)**	-
Interest income	6	**42,211**	18,368
Other income	23	**812,460**	-
		(1,996,228)	(1,306,321)
Profit Before Income Tax		**48,437,605**	13,979,187
Income Tax Expense	23	**243,738**	-
Net Profit		**48,193,867**	13,979,187
Other Comprehensive Income			
Other comprehensive income not to be reclassified to profit or loss in the subsequent periods			
Remeasurement loss on retirement benefits - net	22	**(2,424,010)**	(257,830)
Total Comprehensive Income		**45,769,857**	13,721,357

See accompanying Notes to Financial Statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEARS ENDED MARCH 31, 2016

(Amounts in Philippine Pesos ₱)

	Notes	**2016**	2015 (As restated)
SHARE CAPITAL - P10 par value			
Authorized - 1,000,000 shares			
Issued and outstanding - 950,000 shares			
Balance at beginning and end of year	15	**9,500,000**	9,500,000
RETAINED EARNINGS			
Appropriated			
Balance at beginning of year	15	**42,000,000**	27,000,000
Appropriation for business expansion	15	**48,000,000**	15,000,000
Balance at end of year		**90,000,000**	42,000,000
Unappropriated			
Balance at beginning of year, as previously reported	2	**2,941,783**	4,220,426
Transition adjustment	2	**257,830**	-
Balance at beginning of year, as restated		**3,199,613**	4,220,426
Net profit during the year		**48,193,867**	13,979,187
Appropriation for business expansion		**(48,000,000)**	(15,000,000)
Balance at end of year		**3,393,480**	3,199,613
Total Retained Earnings		**93,393,480**	45,199,613
CUMULATIVE REMEASUREMENT LOSS ON RETIREMENT BENEFITS			
Other Comprehensive Loss not to be Reclassified to Profit or loss in the Subsequent Periods			
Balance at beginning of year, as previously reported		**-**	-
Transition adjustment	2	**(257,830)**	-
Balance at beginning of year, as restated		**(257,830)**	-
Remeasurement loss during the year	22	**(2,424,010)**	(257,830)
Balance at end of year, as restated		**(2,681,840)**	(257,830)
		100,211,640	54,441,783

See accompanying Notes to Financial Statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2016

(With Comparative Figures for the Year Ended March 31, 2015)

(Amounts in Philippine Pesos ₱)

	Notes	**2016**	2015 (As restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax		**48,437,605**	13,979,187
Adjustments for:			
Depreciation and amortization	19, 20	**51,220,568**	7,481,284
Retirement benefits costs	22	**2,609,555**	989,163
Interest expense	13	**1,277,856**	-
Unrealized foreign exchange loss	16	**553,190**	950,610
Interest income	6	**(42,211)**	(18,368)
Net profit before working capital changes		**104,056,563**	23,381,876
Changes in operating assets and liabilities:			
Increase in:			
Trade and other receivables	7	**(15,888,881)**	(42,300,216)
Prepaid expenses	8	**(398,962)**	(2,733,734)
Increase in:			
Trade and other payables	12	**34,978,806**	26,464,729
Cash generated from operations		**122,747,526**	4,812,655
Interest paid	13	**(1,277,856)**	-
Interest received	6	**42,211**	18,368
Net cash provided by operating activities		**121,511,881**	4,831,023
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property and equipment	9	**(170,624,549)**	(49,235,395)
Additions to refundable deposits	11	**(4,973,955)**	(5,461,198)
Net cash used in investing activities		**(175,598,504)**	(54,696,593)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loans	13	**138,879,000**	-
Payment of loans	13	**(31,293,666)**	-
Payments made to a related party	14	**(20,158,200)**	(1,862,184)
Advances received from a related party	14	**-**	19,962,450
Net cash provided by a financing activities		**87,427,134**	18,100,266
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	16	**(588,463)**	(391,723)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**32,752,048**	(32,157,027)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	6	**4,765,010**	36,922,037
CASH AND CASH EQUIVALENTS AT END OF YEAR	6	**37,517,058**	4,765,010

See accompanying Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENT

AS AT AND FOR THE YEAR ENDED MARCH 31, 2016

(A Wholly Owned Subsidiary of vCustomer Philippines, Inc.)

(With Comparative Figures for 2015)

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 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 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.

<u>Authorization for the Issuance of Financial Statements</u>

The Company's financial statements as at and for the years ended March 31, 2016 and 2015 were authorized for issue by the Board of Directors (BOD) on May 4, 2016.

2. FINANCIAL REPORTING FRAMEWORK AND BASIS OF PREPARATION AND PRESENTATION

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

- certain financial instruments carried at amortized cost; and
- defined benefit obligation valued at present value

The financial statements are presented in Philippine Peso, which is the Company's functional and presentation currency under Philippine Financial Reporting Standards (PFRS). All amounts are rounded to the nearest peso, except when otherwise indicated.

The Company also prepares and issues consolidated financial statements for the same period as the separate financial statements present, in compliance with PFRS.

Statement of Compliance

The accompanying financial statement of the Company have been prepared in accordance with the Philippine Financial Reporting Standards (PFRS) for the first time and in compliance with the transitional provisions of PFRS 1. In prior years, the financial statements of the Company were prepared under PFRS for SME's but the Management decided to change to full PFRS. PFRS includes all applicable PFRS, Philippine Accounting Standards (PAS), and interpretations of the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the Financial Reporting Standards Council (FRSC) and 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 Parent Company chose to adopt the full PFRS on the ground that it is a subsidiary of a parent company reporting under the full PFRS. These are the Company's first annual financial statements prepared in accordance with PFRS. The Company applied PFRS 1, First-time Adoption of Philippine Financial Reporting Standards in preparing these financial statements with April 1, 2014 as the date of transition. The Company previously prepared and filed its financial statements in accordance with PFRS for Small and Medium-Sized Entities (PFRS for SMEs).

Transition to full PFRS

The transition resulted to the restatement of the following balances in prior years. Additional required disclosures are included in the financial statements.

Under PFRS for SME, the retirement actuarial gain or loss as at and for the year ended March 31, 2015 was previously recognized in profit or loss, included in retirement benefits expense and presented under operating expenses. Under the full PFRS, the retirement actuarial gain or loss is recognized directly as other comprehensive income or loss.

	Statements of comprehensive income For the year ended March 31, 2015		
	As previously reported ₱	**Adjustment ₱**	**As restated ₱**
Retirement benefits expense	**1,246,993**	**(257,830)**	**989,163**
Net profit	**13,721,357**	**P 257,830**	**13,979,187**
Other comprehensive loss	**-**	**(257,830)**	**(257,830)**
Total comprehensive income	**13,721,357**	**-**	**13,721,357**

	Statements of Changes in Equity As at April 1, 2015		
	As previously reported ₱	Adjustment ₱	As restated ₱
Unappropriated retained earnings	2,941,783	257,830	3,199,613
Cumulative actuarial loss on retirement benefits	-	(257,830)	(257,830)
Total equity	2,941,783	-	2,941,783

There was no actuarial gain or loss on retirement benefits recognized in the financial statements prior to April 1, 2014. Accordingly, the transition did not result to restatement of balances as at April 1, 2014. The transition also has no impact in the net amounts of cash provided by or used in operating, investing and financing activities in the statement of cash flows for the year ended March 31, 2015.

3. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

The Company adopted in first time all applicable standards under Full PFRS.

Annual Improvements to PFRS (2010 to 2012 cycle)

The Annual Improvements to PFRSs (2010-2012 cycle) contain non-urgent but necessary amendments to the following standards:

PFRS 13, *Fair Value Measurement - Short-term Receivables and Payables*

The amendment clarifies that short-term receivables and payables with no stated interest rates can be held at invoice amounts when the effect of discounting is immaterial.

The amendment has no significant impact on the Company's financial position or performance.

PAS 24, *Related Party Disclosures - Key Management Personnel*

The amendments clarify that an entity is a related party of the reporting entity if the said entity, or any member of the Company for which it is a part of, provides key management personnel services to the reporting entity or to the company of the reporting entity. The amendments also clarify that a reporting entity that obtains management personnel services from another entity (also referred to as management entity) is not required to disclose the compensation paid or payable by the management entity to its employees or directors. The reporting entity is required to disclose the amounts incurred for the key management personnel services provided by a separate management entity.

The amendments pertain to disclosures only and have no impact on the Company's financial statements.

Annual Improvements to PFRS (2011 to 2013 cycle)

The Annual Improvements to PFRSs (2011-2013 cycle) contain non-urgent but necessary amendments to the following standards:

PFRS 1, *First-time Adoption of Philippine Financial Reporting Standards - Meaning of Effective PFR*

The amendment clarifies that an entity may choose to apply either a current standard or a new standard that is not yet mandatory, but that permits early application, provided either standard is applied consistently throughout the periods presented in the entity's first PFRS financial statements.

This amendment has no significant impact in the Company's financial statements.

PFRS 13, *Fair Value Measurement - Portfolio Exception*

The amendment clarifies that the portfolio exception in PFRS 13 can be applied to financial assets, financial liabilities and other contracts.

The amendment has no impact on the Company's financial position or performance.

PAS 19, *Employee Benefits*

The amendment clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service. In addition, it permits a practical expedient if the amount of the contributions is independent of the number of years or service, in those contributions, can, but are not required, to be recognized as a reduction in the service cost in the period in which the related service is rendered.

The amendment has no impact on the Company's financial statements as the Company does not have contributions from employees or third parties that are linked to period of service.

New Accounting Standards, Amendments to Existing Standards, Annual Improvements **and** Interpretations **Effective Subsequent to March 31, 2016**

The standards, amendments, annual improvements and interpretations which have issued but are not yet effective are discussed below and in the subsequent pages. The Company will adopt these standards, amendments and annual improvements and interpretations when these become effective and applicable to the Company. Except as otherwise indicated, the Company does not expect the adoption of these new and amended standards, annual improvements and interpretations to have a significant impact on its financial statements.

Effective in 2016

- PAS 16, *"Property, Plant and Equipment" and PAS 38, "Intangible Assets": Classification of Acceptable Methods of Depreciation and Amortization*

  The amendments clarify that revenue-based method to calculate the depreciation of an asset is inappropriate because revenue generated by an activity that includes the use of an asset reflects factors other than the consumption of the economic benefits embodied in the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets.

These amendments are effective from annual periods beginning on or after April 1, 2016, with earlier application permitted and are applied prospectively.

The amendments are not expected to have a significant impact on the Company's financial position or performance.

- PAS 16, *"Property, Plant and Equipment" and PAS 41, "Agriculture": Bearer Plants*

  The amendment clarifies that biological assets that meet the definition of bearer plants will be accounted for in the same way as property, plant and equipment PAS 16 Property, Plant and Equipment. The amendment also clarifies that produce growing on bearer plants continues to be accounted under PAS 41. For government grants related to bearer plants, PAS 20, Accounting for Government Grants and Disclosure of Government Assistance will apply.

  These amendments are effective from annual periods beginning on or after April 1, 2016, with earlier application permitted. The amendments currently do not apply to the Company.

  PAS 27, *"Separate Financial Statements": Equity Method in Separate Financial Statements*

  The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying PFRS and electing to change to the equity method in its separate financial statements will have to apply the change retrospectively. For first time adopters of PFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to PFRS.

  These amendments are effective from annual periods beginning on or after April 1, 2016, with earlier application permitted and to be applied retrospectively. The amendments currently do not apply to the Company.

  PFRS 11, *"Accounting for Acquisitions of Interests in Joint Operations"*

  The amendments clarify the accounting for acquisitions of an interest in a joint operation when the operation constitutes a business. The acquirer of an interest in a joint operation in which the activity constitutes a business is required to apply the principles on business combinations accounting. Previously held interest in joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. Amendments do not apply when the parties sharing joint control, including the reporting entity, are under the common control of the same ultimate controlling party.

  The amendments are effective for annual periods beginning on or after April 1, 2016, with earlier adoption permitted. The amendments currently do not apply to the Company.

  PFRS 14, *"Regulatory Deferral Accounts"*

  PFRS 14 is an optional standard that allows an entity whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of PFRS. Entities that adopt PFRS 14 must present the regulatory deferral accounts as separate line items on the statements of financial position and present movements in these account balances as separate line items in the statements of profit or loss and other comprehensive income (OCI). The standard requires disclosures on the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements.

  This standard will be effective for annual periods beginning on or after April 1, 2016, with early application permitted. This standard currently does not apply to the Company.

Annual Improvements to PFRSs (2012-2014 Cycle)

The Annual Improvements to PFRSs (2012-2014 cycle) contain non-urgent but necessary amendments to the following standards:

PAS 19, *"Employee Benefits": Regional Market Issue Regarding Discount Rate*

This amendment clarifies that the rate used to discount post-employment benefit obligations (both funded and unfunded) shall be determined by reference to market yields at the end of the reporting period on high quality corporate bonds. Where there is no deep market in such high quality corporate bonds, the market yields (at the end of the reporting period) on government bonds shall be used. The currency and term of the corporate bonds or government bonds shall be consistent with the currency and estimated term of the postemployment benefit obligations.

The amendment is not expected to have a significant impact on the Company's financial statements.

PFRS 10, PFRS 12 and PAS 28, *"Investment Entities: Applying the Consolidation Exception"*

This amendment address the issues that have arisen in relation to the exemption from consolidation for investment entities:

- Whether an investment entity should account for an investment entity subsidiary at fair value, when the subsidiary provides investment-related services to third parties
- The interaction between the investment entity amendments and the exemption from preparing consolidated financial statements requirements in PFRS 10.

Whether a non-investment entity must 'unwind' the fair value accounting of its joint ventures or associates that are investment entities.

An investment entity measuring all of its subsidiaries at fair value provides the disclosures relating to investment entities required by PFRS 12.

The amendments are effective for annual periods beginning on or after April 1, 2016. Earlier application is permitted. Application of the amendments need not be disclosed.

PAS 1, *Presentation of Financial Statements"*

This amendments include the following:

Materiality. The amendments clarify that (1) information should not be obscured by aggregating or by providing immaterial information, (2) materiality considerations apply to the all parts of the financial statements, and (3) even when a standard requires a specific disclosure, materiality considerations do apply.

Statement of financial position and statement of profit or loss and other comprehensive income. The amendments (1) introduce a clarification that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and (2) clarify that an entity's share of OCI of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss.

- The amendments add additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order so far listed in paragraph 114 of PAS 1. The IASB also removed guidance and examples with regard to the identification of significant accounting policies that were perceived as being potentially unhelpful.

The amendments are effective for annual periods beginning on or after April 1, 2016. Earlier application is permitted. Application of the amendments need not be disclosed.

The amendments have no significant impact on the Company's Financial Statements.

Effective in 2018

PFRS 9, *"Financial Instruments: Classification and Measurement"*

PFRS 9 requires all financial assets to be measured at fair value at initial recognition. A debt financial asset may, if the fair value option (FVO) is not invoked, be subsequently measured at amortized cost if it is held within a business model that has the objective to hold the assets to collect the 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 outstanding. All other debt instruments are subsequently measured at fair value through profit or loss. All equity financial assets are measured at fair value either through OCI or profit or loss. Equity financial assets held for trading must be measured at FVPL. For liabilities designated as at FVPL using the FVO, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in OCI.

The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change relating to the entity's own credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. All other PAS 39 classification and measurement requirements for financial liabilities have been carried forward to PFRS 9, including the embedded derivative bifurcation rules and the criteria for using the FVO. The adoption of the first phase of PFRS 9 will have an effect on the classification and measurement of the Company's financial assets, but will potentially have no impact on the classification and measurement of financial liabilities.

On hedge accounting, PFRS 9 replaces the rules-based hedge accounting model of PAS 39 with a more principles-based approach. Changes include replacing the rules-based hedge effectiveness test with an objectives-based test that focuses on the economic relationship between the hedged item and the hedging instrument, and the effect of credit risk on that economic relationship; allowing risk components to be designated as the hedged item, not only for financial items, but also for nonfinancial items, provided that the risk component is separately identifiable and reliably measurable; and allowing the time value of an option, the forward element of a forward contract and any foreign currency basis spread to be excluded from the designation of a financial instrument as the hedging instrument and accounted for as costs of hedging. PFRS 9 also requires more extensive disclosures for hedge accounting.

The Company does not expect to implement and adopt any version of PFRS 9 until its effective date. In addition, management is currently assessing the impact of PFRS 9 on the financial statements of the Company prior to its mandatory adoption date to assess the impact of all.

Deferred

- Philippine Interpretation IFRIC 15, "*Agreements for the Construction of Real Estate"*

  This interpretation covers accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors. The Philippine SEC and the FRSC have deferred the effectivity of this interpretation until the final Revenue standard is issued by the International Accounting Standards Board (IASB) and an evaluation of the requirements of the final Revenue standard against the practices of the Philippine real estate industry is completed. This interpretation is currently not applicable to the Company.

- PFRS 10, *"Consolidated Financial Statements" and PAS 28, Investments in Associates and Joint Ventures": Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

  These amendments address an acknowledged inconsistency between the requirements in PFRS 10 and those in PAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require that full gain or loss is recognized when a transaction involves a business (whether it is a housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. These amendments are currently not applicable to the Company.

Standards issued by the IASB but not yet been adopted by the FRSC

IFRS 15, *"Revenue from Contracts with Customers"*

IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after April 1, 2017 with early adoption permitted. IFRS 15 is not expected to have significant impact on the Company's financial statements.

The Company will continue to assess the relevance and impact of the above standards, amendments to standards and interpretations. The revised disclosures on the financial statements required by the above standards, amendments and interpretations will be included in the Company's financial statements when these are adopted.

PAS 12, *Recognition of Deferred Tax Assets for Unrealized Losses*

The amendments clarify the following aspects:

- Unrealized losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use.
- The carrying amount of an asset does not limit the estimation of probable future taxable profits.

- Estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary differences.
- An entity assesses a deferred tax asset in combination with other deferred tax assets. Where tax law restricts the utilization of tax losses, an entity would assess a deferred tax asset in combination with other deferred tax assets of the same type.

The standard is effective for annual reporting periods beginning on or after April 1, 2017.

The Management will consider the amendments on the next reporting period.

PAS 7, *Disclosure Initiatives*

The amendments clarify that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The standard is effective for annual reporting periods beginning on or after April 1, 2017.

The Management will consider the amendments on the next reporting period.

PFRS 16, *Leases*

This standard specifies how 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. Lessor continue to classify leases as operating or finance, with PFRS 16's approach to lessor accounting substantially unchanged from its predecessor, PAS 17.

The standard is effective for annual reporting periods beginning on or after April 1, 2019.

The Management will consider and evaluate the impact of the amendments on the next reporting period.

4. SUMMARY OF SIGNIFICANT ACCOUNTING AND FINANCIAL REPORTING POLICIES

First-time Adoption of PFRS

The Company's financial statements as at and for the year ended March 31, 2016 are the Company's first financial statements in accordance with PFRS. PFRS has been applied to all years presented including the comparative periods as at and for the year ended March 31, 2015, and as at April 1, 2014. In preparing the financial statements, the Company's opening statements of financial position was prepared as at April 1, 2014, the date of transition to PFRS as discussed in Note 2. In preparing the financial statements under PFRS, the Company does the following in the opening PFRS statement of financial position that it prepares as a starting point for its accounting under PFRS:

a. Recognize all assets and liabilities whose recognition is required by PFRS;
b. Not recognize items as assets or liabilities if PFRS do not permit such recognition;
c. Reclassify items that is recognized under the previous financial reporting standard as one type of asset, liability or component of equity under PFRS; and
d. Apply PFRS in measuring all recognized assets and liabilities.

The principal accounting and financial reporting policies adopted in preparing the financial statements of the Company are summarized below and in the succeeding pages. The policies have been consistently applied to all years presented unless otherwise stated.

<u>Fair Value Measurement</u>

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

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

The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the assets or liability and the level of the fair value hierarchy.

Financial Assets and Liabilities

The Company recognizes a financial asset or liability in the statements of financial position when it becomes a party to the contractual provisions of the instrument. All the regular way purchases and sales of financial assets are recognized on the trade date, i.e., the date the Company commits to purchase or sell the assets. Regular way purchases or sales are purchases or sales of financial assets that require delivery within the period generally established by regulation or convention in the market place.

Initial recognition

Financial assets and financial liabilities are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The fair value of the consideration given or received is determined by preference to the transaction price or other market prices. If such market prices are not reliably determinable, the fair value of the consideration is estimated as the sum of all future cash payments or receipts, discounted using the prevailing market rate of interest for similar instruments with similar maturities. The initial measurement of financial instruments, except for those designated at fair value through profit or loss (FVPL), includes transaction costs.

Determination of fair value

Fair value is determined by preference to the transaction price or other market prices. If such market prices are not reliably determinable, the fair value is determined by using appropriate valuation techniques. Valuation techniques include net present value model where the fair value of the consideration is estimated as the sum of all future cash payments or receipts, discounted using the prevailing market rates of interest for a similar instruments with similar maturities. Other valuation techniques include comparing to similar instruments for which market observable prices exist; recent arm's length market transaction, option pricing model and other relevant valuation models.

Financial assets

The Company determines the classification at initial recognition and, where allowance is appropriate, re-evaluates the designation every reporting date. The classification depends on the purpose for which the investments are acquired and whether they are quoted in an active market. At initial recognition, the Company classifies its financial assets in the following categories:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments and are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivables.

Such assets are carried at cost initially and at amortized cost subsequent to initial recognition in the statements of financial position. Amortization is determined using the effective interest method. Loans and receivables are included in current assets if maturity is within 12 months from the end of financial reporting period. Otherwise, these are classified as noncurrent assets.

This category includes the Company's cash and cash equivalents (Note 6), receivables, excluding advances to employees for business expenses which are subject to liquidation and statutory receivables (Note 7), refundable deposits (Notes 11 and 21). The carrying values of these receivables are shown in Note 16 and 17 of the financial statements.

Financial liabilities

Other financial liabilities

This category pertains to financial liabilities that are not held for trading or not designated as at FVPL upon the inception of the liability. These include liabilities arising from operations (e.g., advances from a related party, payables excluding statutory payables, accruals) or borrowings (e.g., loans payable).

The financial liabilities are recognized initially at fair value and are subsequently carried at amortized cost, taking into account the impact of applying the effective interest rate method of amortization (or accretion) for any related premium, discount and any directly attributable transaction costs.

As at March 31, 2016 and 2015, this category includes the Company's trade and other payables (excluding statutory payables) and loans payable as shown in Notes 12 and 13, respectively.

If the Company does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

Impairment of financial assets

The Company assesses at each end of financial reporting period whether a financial asset or group of financial assets is impaired.

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 the asset shall be reduced either directly or through the use of an allowance account. The amount of the loss shall be recognized in the Company's statements of comprehensive income.

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

If, in a subsequent period, the amount of the impairment loss decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in the statements of comprehensive income to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

Assets carried at cost

If there is an objective evidence that an impairment loss has been incurred in an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Derecognition of financial assets and liabilities

Financial assets

A financial asset is derecognized when (1) the rights to receive cash flows from the financial instruments expire; (2) the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to ta third party under a “pass-through” arrangement; or (3) the Company has transferred its rights to receive cash flows from the asset and either has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Company has transferred its rights to receive cash flows of an asset or has entered in to a pass-through arrangement and has neither transferred nor retained substantially all the risks and rewards of an asset nor transferred control of the assets, the asset is recognized to the extent of the Company’s continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to pay.

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 a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group 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.

Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. When the existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability.

Classification of financial instrument between debt and equity

Financial instruments are classified as liabilities and equity in accordance with the substance of the contractual arrangement. Interest relating to a financial instrument or a component that is a financial liability is reported as expense.

A financial instrument is classified as debt if it provides for a contractual obligation to: (a) deliver cash or another financial asset to another entity; or (b) exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company; or (c) satisfy the obligation other than by exchange of a fixed amount of cash or other financial asset for a fixed number of own equity shares.

If the Company does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

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.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statements of financial position.

Cash and cash equivalents

Cash and cash equivalents which include cash in banks are stated at their face value. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less and that are subject to an insignificant risk of changes in value.

Advances to suppliers

Advances to suppliers represents amounts paid in advance for goods or services that are yet to be rendered and from which future economic benefits are expected to flow to the Company within the normal operating cycle or within 12 months from the end of financial reporting period. These are initially recorded at actual cash advanced and are subsequently applied against subsequent purchases.

Advances to employees

Advances to employees represents amounts advanced for goods or services that are yet to be delivered and from which future economic benefits are expected to flow to the Company within the normal operating cycle or within 12 months from the end of financial reporting period. These are initially recorded at actual cash advanced to employees and are subsequently applied against purchases of related assets or expenses incurred.

Prepaid expenses

Prepaid expenses are costs which are paid in advance of actually incurring them and regularly recurring in the normal course of the business. Prepaid expenses are amortized as the benefits of the payments are received by the Company. Prepaid expenses are charged to expense in the applicable period of expiration. Prepaid expense that will subsequently expire and be charged to related expense within the next year is classified as current assets. Thus, amounts which will be amortized beyond the following year are classified under noncurrent assets.

Property and equipment

Property and equipment is initially recorded at cost. Subsequent to initial recognition, property and equipment are stated at cost less accumulated depreciation, amortization and any impairment in value.

The initial cost of property and equipment comprises its purchase price or construction cost and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenses incurred after the property and equipment have been put into operations, such as repairs and maintenance and overhaul costs, are normally charged to operations or profit or loss in the period when the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment.

Depreciation and amortization are computed using the straight-line method over the following estimated useful lives:

	Number of years
Leasehold improvements	3
Office equipment	5
Communication equipment	3
Furniture and fixtures	3

Leasehold improvements are amortized over the terms of the respective leases or over their estimated useful life of 3 years, whichever is shorter.

The useful life and depreciation and amortization methods are reviewed periodically to ensure the period and method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property and equipment.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognized.

Construction in progress

Construction in progress is stated at cost. This includes cost of construction and other direct costs. Borrowing costs, if any, that are directly attributable to the construction of leasehold improvements are capitalized during the construction period. This is not depreciated until such time as the relevant assets are completed and put into the operational use. Assets under construction are reclassified to a specific category of property and equipment when the construction or installation and related activities necessary to prepare the properties for their intended use are completed and the properties are available for service.

Software

Software is measured on initial recognition at cost. Subsequent to initial recognition, software is carried at cost less any accumulated amortization and any accumulated impairment losses.

The Company assessed the useful lives of software to be finite. Software is amortized using the straight - line method over the economic useful life of three years and is assessed for impairment whenever there is an indication that the software may be impaired. The amortization period and method are reviewed at least each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on software is charged to operations.

Software is derecognized on disposal or when no future economic benefits are expected to from use or disposal. Gains and losses arising from derecognition of software are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the profit or loss.

Borrowing costs/Interest expense

Borrowing costs are generally expensed as incurred and are capitalized if they are directly attributable to the acquisition or construction of a qualifying asset. Capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are capitalized until the assets are substantially ready for their intended use. If the carrying value of the assets exceeds its recoverable amount, an impairment loss is recognized. Borrowing costs include interest charges and other costs incurred in connection with the borrowing of funds.

Impairment of Nonfinancial assets

The Company assesses at each reporting date whether there are indications that its prepaid expenses, property and equipment, and software may be impaired. The carrying values of these assets are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. If any such indication exists, and if the carrying value exceeds the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amounts. The recoverable amount of the asset is the greater of net selling price or value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are recognized in profit or loss.

For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. An impairment loss on a non-revalued asset is recognized immediately in profit or loss. Impairment losses, if any, are recognized in profit or loss. The Company assesses at each reporting date whether there is an indication that previously recognized impairment losses may no longer exist or may have decreased. The Company considers external and internal sources of information in its assessment of the reversal of previously recognized impairment losses. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such a reversal, the depreciation is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Determining the fair value of assets, which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Company to make estimates and assumptions. Future event could cause the Company to conclude that the assets are impaired. An increase in allowance for impairment losses would increase operating expenses and decrease the related assets.

Equity

- Share capital is measured at par value for all shares subscribed and paid, or issued.
- Retained earnings consist of appropriated and unappropriated retained earnings. Appropriated retained earnings are restricted for specific purposes that are approved by the BOD (e.g. expansion projects). Unappropriated retained earnings are not restricted and include the cumulative balance of periodic net income or losses, dividend distributions, effects of changes in accounting policy and other capital adjustments.

- Dividends on share capital are recognized when approved by the shareholders of the Company. Dividends for the year that are approved after the end of the financial reporting period are dealt with as an event after end of financial reporting period.

Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits associated with the transactions will flow to the Company and the amount of revenue, related cost incurred or to be incurred/cost to complete the transactions can be measured reliably. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as a principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements. Revenue is measured at the fair value of the consideration received or receivable taking into account discounts such as prompt settlement discounts, if any. Revenue recognized excludes any value added taxes. The following specific recognition criteria must also be met before revenue is recognized:

Service revenue

Service revenue is recognized to the extent of actual services delivered during the period in accordance with the terms of the contract. Amounts that are received in advance of actually earning them are recognized and presented as liability. Service rendered but not yet billed, if any, are accrued.

Interest income

Interest income is recognized on a time proportion basis that reflects the effective yield on the asset.

Other income

Other income is income generated outside the normal course of business and is recognized when it is probable that the economic benefits will flow to the Group and it can be measured reliably.

Cost and 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: (a) on the basis of a direct association between the costs incurred and the earning of specific items of income; (b) 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 (c) 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 statement of financial position as an asset.

Expenses in the statement of comprehensive income are presented using the function of expense method. Costs of services are expenses incurred that are associated with the revenue. Operating expenses are costs attributable to administrative, marketing, selling and other business activities of the Company.

Operating Lease

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset. A reassessment is made after inception of the lease only if one of the following applies:

a. there is a change in contractual terms, other than a renewal or extension of the arrangement;
b. a renewal option is exercised or extension is granted, unless the term of the renewal or extension was initially included in the lease term;
c. there is a change in the determination of whether fulfillment is dependent on a specified asset or;
d. there is a substantial change to the asset.

Company as a lessee

Leases of assets under which the lessor effectively retains all the risks and rewards of ownership are classified as operating lease. Lease payments under an operating lease are recognized as an expense based on the amount incurred as stipulated in the lease contract. The Company considers such recognition of lease expense as systematic basis and is representative of the time pattern of the Company’s benefit. Associated cost such as repairs and maintenance and business taxes are expense when incurred.

Employee benefits

Short-term benefits

Short-term employee benefits are recognized as expense at undiscounted amount expected to be paid in exchange of service in the period when the employees have become entitled to such benefits as a result of the service rendered to the Company. Unpaid benefits at end of the financial reporting period are recognized as accrued expense while benefits paid in advance are recognized as prepayment to the extent that it will lead to a reduction in future payments. Short-term employee benefits given by the Company includes salaries and wages, social security system contributions, bonuses and other non-monetary benefits.

Retirement benefits costs

The Company has not established a formal retirement plan. However, it accrues the estimated cost of retirement benefit required by the provision of Republic Act No. 7641 (Retirement Law) which is a defined benefit type. In the absence of any plan asset or funding to the retirement, the amount retirement benefits liability, as presented in the statements of financial position, is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets if any, adjusted for the effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plan is actuarially determined using the projected unit credit method. The retirement benefit costs comprise of the service cost, net interest on the net defined benefit liability or asset and remeasurements of net defined benefit liability or asset.

Service costs which include current service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. These amounts are calculated periodically by independent qualified actuaries.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, difference between return on plan assets and interest income on plan assets (calculated as part of the net interest) and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either an entity's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment.

A liability and expense for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of those benefits and when the entity recognizes related restructuring costs. Initial recognition and subsequent changes to termination benefits are measured in accordance with the nature of the employee benefit, as either post-employment benefits, short-term employee benefits, or other long-term employee benefits.

Employee Leave Entitlement

Employee entitlements to annual leave are recognized as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the annual reporting period is recognized for services rendered by employees up to the end of the reporting period.

Related Party Transactions

Related party transactions are transfers of resources, services or obligations between the company and its related parties, regardless whether a price is charged. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. These parties include: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the company; (b) associates; and (c) individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the company and close members of the family of any such individual. 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.

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

Foreign Currency Transactions and Translations

Transactions denominated in foreign currencies are recorded in Philippine Pesos using the exchange rate at the date of the transactions. Outstanding monetary assets and liabilities denominated in foreign currencies are translated using the closing exchange rate at the end of financial reporting period. Gains or losses arising from foreign currency transactions are credited or charged directly to current operations.

Income Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the financial reporting period.

Current income tax payable

Current income tax for current and prior periods shall, to the extent unpaid, be recognized as a liability and is presented as “Income tax payable” in the statements of financial position. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess shall be recognized as an asset and is presented as part of “Prepaid income tax” in the statements of financial position.

Deferred income tax

Deferred income tax is provided, using the balance sheet liability method, on all temporary differences at the financial reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that sufficient future taxable profits will be available against which the deductible temporary differences can be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of the financial reporting period.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off deferred income tax assets against deferred income tax liabilities and the said deferred income taxes relate to the same taxable entity and the same taxation authority.

<u>Provisions</u>

Provisions are recognized only when the following conditions are met: a) there exists a present obligation (legal or constructive) as a result of past event; b) it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation; and c) reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each financial reporting period and adjusted to reflect the current best estimate.

<u>Contingencies</u>

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefit is probable.

Events after End of Financial Reporting Period

Post year-end events that provide additional information about the Company’s position at the end of financial reporting period (adjusting events) are reflected in the Company’s financial statements. However, post year-end events that are non-adjusting events are disclosed in the notes to financial statements when material.

Restatements of Account Balances/Prior Period Adjustments

When a new or change in accounting policy is applied retrospectively in accordance with the transitional provision, guidance or requirement of such new or amended accounting policy, the Company adjusts the opening balance of each affected component of equity for the earliest prior period presented and the other comparative amounts disclosed for each prior period presented as if the new or amended accounting policy had always been applied.

5. MANAGEMENT USE OF JUDGMENTS AND ESTIMATES

The preparation of the Company's financial statements in conformity with PFRS requires management to make judgments, estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. In preparing the Company's financial statements, management has made its best judgment and estimates of certain amounts, giving due consideration to materiality. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of relevant facts and circumstances as at date of the financial statements. The uncertainties inherent in these judgments and estimates could result in outcomes that could require a material adjustment to the carrying amount of the assets or liabilities affected in the future years. Accordingly, actual results could differ from those estimates, and such estimates will be adjusted accordingly.

The following is a summary of these significant estimates and judgments and the related impact and associated risks on the financial statements:

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements.

Assessment of classification of financial instrument

The management classifies a financial instrument on initial recognition as a financial asset and a financial liability in accordance with the substance of the contractual arrangement and the definitions of a financial asset and a financial liability.

Assessment whether the lease agreement is a finance or operating lease

Management assesses at the inception of the lease whether the arrangement is finance or operating lease based on who bears substantially all the risks and benefits incidental to ownership of the leased item. The Company as a lessee has entered into a lease contract for its office where it has determined that the risks and rewards related to the property are retained by the lessor. As such, the agreement is accounted for as operating lease.

Determination of functional currency

Based on the economic substance of the underlying circumstances relevant to the Company, the functional currency of the Company has been determined to the Philippine Peso. The Philippine Peso is the currency of the primary economic environment in which the Company operates. It is the currency that mainly influences the costs and expenses of providing the services, and consequently, the sales of services which are computed at a mark-up on costs and expenses incurred in accordance with the Service Agreements.

Assessment of impairment of nonfinancial asset

Impairment review is performed on property and equipment and software when certain impairment indicators are present. Determining fair value of the assets requires estimation of future economic benefit or cash flows expected to be generated from the continued use and ultimate disposition of such assets and requires the Company to make estimates and assumptions that can materially affect the Company's financial statements. Future events could cause the Company to conclude that the assets are impaired. Any resulting impairment loss could have a material adverse impact on the Company's financial condition and results of operations. An increase in provision for impairment losses would increase operating expense and decrease related assets.

No impairment loss is recognized in the Company's financial statements in 2016 and 2015 as management has not identified any impairment indicators.

Measurement of refundable deposits

The future cash flows of rental deposits from the lease of office space cannot be readily determined nor reliably measured because the actual timing of payment cannot be reasonably predicted as these deposits are generally redeposited every renewal of lease contracts, the new terms and conditions thereof are not yet known. Further, the deposits that will actually be repaid to the Company are also attached to a conditional repayment provision that is the faithful performance by the Company as lessee of its obligations under the lease contracts. Accordingly, rental deposits are carried at cost less any impairment.

The future cash flows of utility deposits recorded under deposits are not readily determinable nor reliably measured because the actual timing of receipt is linked to the cessation of the service of the utility or service entities to the Company which cannot be reasonably predicted. Accordingly, the utility deposits are carried at cost less any impairment.

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.

Estimates

The key estimates concerning the future and other key sources of estimation uncertainty as at end of reporting period that have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are as follows:

Estimation of allowance for doubtful accounts or impairment of receivables and rental and utility deposits

The Company maintains allowance for doubtful accounts or impairment at a level adequate to provide for potential uncollectible receivables and rental deposits. The level of this allowance is evaluated by management on the basis of factors that affect the collectability or realizability of the accounts. These factors include, but not limited to, the length of the Company's relationship with the customers/debtors, the customers/debtors' payment 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 as at March 31, 2016 and 2015. The carrying value of receivables is shown in Note 7. Refundable deposits amounted to ₱ 12,351,884 and ₱ 7,377,929 as at March 31, 2016 and 2015, respectively (see 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.

The carrying values of property and equipment and software as at March 31, 2016 and 2015 are shown in Notes 9 and 10, respectively.

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 22, 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 ₱ 7,400,854 and ₱ 2,367,289 as at March 31, 2016 and 2015, respectively. Additional information is disclosed in Note 22 to financial statements.

Estimation of provisions

The estimate of the probable costs for possible third party claims, including tax liabilities, if any, has been developed based on management's analysis of potential results and in consultation with its legal counsel handling the Company's defense. When management believes that the eventual liabilities under these claims, if any, will not have a material effect on the Company's financial statements, no provision for probable losses is recognized. Any increase in provision would increase operating expenses and the related liabilities.

No provision is recognized in the Company's financial statements as at March 31, 2016 and 2015 as management has not identified any probable costs for possible third party claims.

6. CASH AND CASH EQUIVALENTS

This account consists of:

	Notes	2016	2015
		₱	₱
Time deposits		**14,000,000**	-
Cash in banks		**23,477,058**	4,745,010
Cash on hand		**40,000**	20,000
	16, 17	**37,517,058**	4,765,010

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 0.10% to 0.38% per annum during 2016 and 2015.

Interest income on cash and cash equivalents amounted to ₱ 42,211 in 2016 and ₱ 18,368 in 2015.

7. TRADE AND OTHER RECEIVABLES

This account consists of:

	Note	2016	2015
		₱	₱
Trade	14	**61,136,017**	48,459,588
Advances to employees		**655,990**	198,384
Advances to suppliers		**-**	1,816,369
Others		**4,608,381**	1,893
		66,400,388	50,476,234

Advances to suppliers represent amounts paid in advance for installation of server, access control and uninterruptible power supply, restructuring of architectural works and supply of data center equipment.

Advances to employees pertain to Company's claims for refund from 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 pertain to claims for refund from supplier to be applied in subsequent billings in 2016 and claims for refund from health insurance in 2015.

All of the Company's receivables have been reviewed for indication of impairment. No allowance for impairment loss is recognized in the Company's financial statements in 2016 and 2015.

The carrying values of financial assets included in receivables amounted to ₱ 65,744,398 and ₱ 48,461,481 as at March 31, 2016 and 2015, respectively (see Notes 16 and 17).

8. PREPAID EXPENSES

This account consists of:

	Note	2016	2015
		₱	₱
Prepaid insurance		**5,356,676**	1,527,187
Prepaid rent	21	**-**	3,714,764
Other prepaid expenses		**595,459**	311,222
		5,952,135	5,553,173

Other prepaid expenses payments for maintenance, membership fees and subscription in 2015 and desktop rentals and accommodation in 2016.

9. PROPERTY AND EQUIPMENT - net

The roll forward analysis of this account follows:

	Office equipment	Communication equipment	Leasehold improvements	Furniture and fixture	Construction - in-progress	Total
	₱	₱	₱	₱	₱	₱
2016						
Cost:						
Balance at beginning of year	**19,296,963**	**23,876,462**	**17,394,847**	**8,499,989**	**55,669,421**	**124,737,682**
Acquisitions	**74,023,700**	**12,187,106**	**74,540,204**	**9,873,539**	**-**	**170,624,549**
Reclassification	**-**	**-**	**55,669,421**	**-**	**(55,669,421)**	**-**
Balance at end of year	**93,320,663**	**36,063,568**	**147,604,472**	**18,373,528**	**-**	**295,362,231**
Accumulated depreciation:						
Balance at beginning of year	**13,007,684**	**12,555,906**	**10,550,740**	**8,461,155**	**-**	**44,575,485**
Depreciation	**18,684,819**	**6,518,683**	**21,890,154**	**4,113,564**	**-**	**51,207,220**
Balance at end of year	**31,692,503**	**19,074,589**	**32,440,894**	**12,574,719**	**-**	**95,782,705**
Net carrying value	**61,628,160**	**16,988,979**	**115,163,578**	**5,798,809**	**-**	**199,579,526**
2015						
Cost:						
Balance at beginning of year	12,967,505	12,198,872	8,575,929	8,467,859	-	42,210,165
Acquisitions during the year	6,329,458	11,677,590	8,818,918	32,130	55,669,421	82,527,517
Balance at end of year	19,296,963	23,876,462	17,394,847	8,499,989	55,669,421	124,737,682
Accumulated depreciation:						
Balance at beginning of year	9,780,514	11,449,484	7,928,170	7,960,546	-	37,118,714
Depreciation	3,227,170	1,106,422	2,622,570	500,609	-	7,456,771
Balance at end of year	13,007,684	12,555,906	10,550,740	8,461,155	-	44,575,485
Net carrying value	6,289,279	11,320,556	6,844,107	38,834	55,669,421	80,162,197

The depreciation is presented as part of the following accounts:

	Notes	**2016**	2015
		₱	₱
Cost of services	19	**36,601,042**	7,116,338
Operating expense	20	**14,606,178**	340,433
		51,207,220	7,456,771

Construction-in-progress pertains to the renovation and construction of office space for business expansion (Note 12).

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 roll forward analysis of this account follows:

	2016	2015
	₱	₱
Cost:		
Balance at beginning and end of year	**80,340**	80,340
Accumulated amortization:		
Balance at beginning of year	**64,936**	40,423
Amortization during the year	**13,348**	**24,513**
Balance at end of year	**78,284**	64,936
Net carrying value	**2,056**	15,404

The amortization is presented as part of the following accounts:

	Notes	**2016**	2015
		₱	₱
Cost of services	19	**-**	23,394
Operating expense	20	**13,348**	1,119
		13,348	24,513

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	**2016**	2015
		₱	₱
Rental deposits	21	**11,861,404**	6,902,449
Utilities deposits		**490,480**	475,480
		12,351,884	7,377,929

These deposits are refundable upon termination of the contract or cessation of the related services.

Management believes that there is no indication of impairment on the Company's deposits and their carrying amount can be recovered.

12. TRADE AND OTHER PAYABLES

This account consists of:

	Note	**2016**	2015
		₱	₱
Trade:			
Nonrelated party		**23,702,775**	12,908,647
Related party	14	**-**	4,711,258
Accrued expenses		**43,221,919**	2,353,091
Salaries payable		**32,093,955**	10,471,810
Deferred output VAT		**3,424,622**	4,667,329
SSS, Philhealth and HDMF payables		**3,351,420**	1,150,511
Withholding taxes		**566,790**	1,827,907
Accrued construction in progress		**-**	33,292,122
Total		**106,361,481**	71,382,675

Accrued construction in progress pertains to the unpaid costs of renovation and construction of office space for business expansion, as discussed in Note 9.

Deferred output VAT represents output VAT included in receivables arising from services which are not yet collected.

Accrued expenses include accruals of employee's leave encashment, office communication and facilities usage, accommodation and technical charges; professional fees and recruitment.

The carrying amounts of financial liabilities included in accounts payable and other current liabilities amounted to ₱ 99,018,649 and ₱ 63,736,928 as at March 31, 2016 and 2015, respectively (see Note 16 and 17).

13. LOANS PAYABLE

In 2016, the Company obtained short-term and unsecured loans totaling $3,000,000 with peso equivalent of ₱138,879,000. The loans bear interest ranging from 1.75% to 1.93% payable on various dates in 2016. Outstanding balance of the short-term loans amounted to $2,333,333 with peso equivalent of ₱107,585,334 as at March 31, 2016 (see Notes 16 and 17).

Interest expense incurred in connection with the loans amounted to ₱ 1,277,856 in 2016.

14. RELATED PARTY TRANSACTIONS

Related party relationship exists when one party has the ability to control, directly or indirectly, through one or more intermediaries, the other party or exercise significant influence over the other party in making the financial and operating decisions. Such relationship also exists between and/or among entities which are under common control with the reporting enterprise, or between and/or among the reporting enterprises and their key management personnel, directors, or its stockholders. For financial statement disclosure purposes, the Company and its related parties have common stockholders, either direct or indirect.

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 based on the financial statements prepared in accordance with full PFRS in 2016 and PFRS for SMEs in 2015. Contract receivables are billed by the Company to vSLLC in US dollars on a periodical basis and are settled in the same currency.

   Total billings recognized as revenue relating to the Service Agreements amounted to ₱ 219,682,796 in 2016 and ₱ 142,460,131 in 2015. vSLLC was merged with Tech Mahindra (Americas) Inc. on February 2, 2015. Accordingly, billings were made to Tech Mahindra Limited subsequently. Outstanding receivables as at March 31, 2016 and 2015 amounted to ₱ 2,867,331 and ₱ 3,906,435, respectively. Outstanding payable amounted to ₱ 4,711,258 as at March 31, 2015.

b. The Company entered into a Sub - contract Agreement with Tech Mahindra Limited (TML) to provide the services required in the Master Service Agreement between TML and a local telecommunication company. Total revenue relative to this Agreement amounted to ₱ 88,771,528 in 2016 and ₱ 38,924,536 in 2015. Outstanding receivables amounted to ₱ 16,251,915 and ₱ 44,553,153 as at March 31, 2016 and 2015, respectively.

c. On April 1, 2015, the Company entered into a Service Agreement with Tech Mahindra BPO to provide services and resources. Tech Mahindra BPO was merged with TML on March 29, 2016 and billings were made to TML subsequently. Total revenue relative to this Agreement amounted to ₱ 235,877,774 in 2016. Outstanding receivables amounted to ₱ 42,016,771 as at March 31, 2016.

d. The Company received noninterest-bearing and unsecured advances from vCustomer Philippines, Inc., for capital expenditure requirements.

e. The table below summarizes the foregoing transactions with related parties:

Category	Amount ₱	Outstanding Balance Asset (Liability) ₱	Term	Conditions
2016				
Tech Mahindra Limited - Ultimate Parent				
1. Services ● Service revenue (Note 7)	**544,332,098**	**61,136,017**	**30 days; noninterest-bearing**	**Unsecured; to be settled in cash; no impairment**
vCustomer Philippines, Inc. - Parent Company				
1. Advances from ● Payments made	**20,158,200***	**-**	**Payable on demand; noninterest-bearing**	**Unsecured; to be settled in cash**

**Outstanding balances of advances to and advances from related party as at March 31, 2015.*

Category	Amount ₱	Outstanding Balance Asset (Liability) ₱	Term	Conditions
2015				
Tech Mahindra (Americas) Inc. - Affiliate (Subsidiary of Tech Mahindra Limited)				
1. Services ● Service revenue (Note 12)	120,860,881	(4,711,258)	30 days; noninterest-bearing	Unsecured; to be settled in cash; no impairment
Tech Mahindra Limited - Ultimate Parent (Parent company of Satyam Computer Services Limited)				
1. Services ● Service revenue (Note 7)	60,523,786	48,459,588	30 days; noninterest-bearing	Unsecured; to be settled in cash; no impairment
New vC Services Private Limited				
1. Advances from ● Payments made	1,862,184*	-	Payable on demand; noninterest-bearing	Unsecured; to be settled in cash
vCustomer Philippines, Inc. - Parent Company				
1. Advances from ● Advances received	(20,158,200)	(20,158,200)	Payable on demand; noninterest-bearing	Unsecured; to be settled in cash

**Outstanding balances of advances to and advances from related party as at March 31, 2014*

f. Compensation of key management personnel for the years ended March 31, 2016 and 2015 is as follows:

	2016 ₱	2015 ₱
Salaries	**12,401,512**	1,987,899
Allowance	**418,085**	78,000
Other employee benefits	**4,262,010**	1,329,138
	17,081,607	3,395,037
Retirement benefits costs (Note 22)	**562,156**	102,009

Other employee benefits include 13th month pay, performance bonus, leave encashment and other short-term benefits.

There are no other related party transactions.

15. EQUITY

a. Share capital

There is no movement in the number of the Company’s authorized and subscribed shares of capital stock for the years ended March 31, 2016 and 2015.

b. Retained earnings

On March 28, 2014 the Company’s BOD approved the appropriation of retained earnings as at March 31, 2014 amounting to ₱ 27 million for business expansion, office renovation and equipment upgrade which are estimated to take place starting April 1, 2014 until March 31, 2016. The planned expansion consists of renovation of Cebu site, installation of other equipment for new and existing clients, and engagement of additional accounts and increase in employee headcount.

On April 21, 2015, the Company's BOD approved the additional appropriation of ₱15 million from its current retained earnings as at March 31, 2015 to be used by the Company for its expansion projects in the year 2015 and onwards. The said appropriation was approved to be reflected in the financial statements as at and for the year ended March 31, 2015. The planned expansion consists of set up of new site, expansion project, installation of other equipment for new and existing clients, and engagement of additional account.

On April 18, 2016, the Company's BOD approved the additional appropriation of ₱48 million from its current retained earnings as at March 31, 2016 to be used by the Company for its expansion projects in the year 2016 and onwards. The said appropriation shall be reflected in the financial statements as at and for the year ended March 31, 2016.

16. 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.

a. Credit risk exposure

The table below shows the gross maximum exposure to credit risk of the Company as at March 31, 2016 and 2015, without considering the effects of credit risk mitigation techniques.

	Notes	**2016**	2015
		₱	₱
Cash and cash equivalents*	6	**37,477,058**	4,745,010
Receivables	7		
Trade		**61,136,017**	48,459,588
Others		**4,608,381**	1,893
Refundable deposits	11	**12,351,884**	7,377,929
		115,573,340	60,584,420

** Excluding cash on hand amounting to ₱ 40,000 and ₱ 20,000 in 2016 and 2015.*

b. Risk concentrations of the maximum exposure to credit risk

Concentrations arise when a number of counterparties are engaged in similar business activities or activities in the same geographic region or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the entity's performance to developments affecting a particular industry or geographical location.

The Company's normal course of business is to provide services to the customers of certain related parties which are being billed based on the Service Agreements, as discussed in Note 14. The Company does not enter into contracts directly with external customers including the related parties' customers. Hence, the related parties serve as the sole customer of the Company. Despite the related parties being the direct sole customer, it is considered that there is no significant concentration of credit risks due to the continuing agreement to serve the related parties' customers who are from different industries and geographic regions. The related parties manage the associated credit risks from their customers' accounts by individual assessment and regular monitoring of past due receivables in order to take appropriate actions when needed. These actions include but are not limited to sending demand letters to customers based on the aging of past due accounts, or placing new sales order on hold from credit customers with past due accounts.

c. Credit quality of financial assets

Below is the credit quality by class of financial assets as at March 31, 2016 and 2015.

	Notes	Neither past due nor impaired			Total
		High Grade	Satisfactory Grade	Low Grade	
		₱	₱	₱	
2016					
Cash and cash equivalents	6	**37,517,058**	**-**	**-**	**37,517,058**
Receivables	7				
Trade		**61,136,017**	**-**	**-**	**61,136,017**
Others		**4,608,381**	**-**	**-**	**4,608,381**
Refundable deposits	11	**12,351,884**	**-**	**-**	**12,351,884**
		115,613,340	**-**	**-**	**115,613,340**
2015					
Cash and cash equivalents	6	4,765,010	-	-	4,765,010
Receivables	7				
Trade		48,459,588	-	-	48,459,588
Others		1,893	-	-	1,893
Refundable deposits	11	7,377,929	-	-	7,377,929
		60,604,420	-	-	60,604,420

High grade are financial assets which have a high probability of collection. The counterparty has the apparent ability to satisfy its obligation and the security is readily enforceable. Satisfactory grade accounts are active accounts with minimal to regular instances of payment default, due to ordinary/common collection issues. These accounts are typically not impaired as the counterparties generally respond to credit actions and update their payments accordingly. Low grade accounts are accounts which have a probability of impairment based on historical trend. These accounts show propensity to default in payment despite regular follow-up and extended payment terms.

d. Impairment assessment

The Company recognizes impairment losses based on the results of the specific/individual assessment of its credit exposures. Impairment has taken place when there is a presence of known difficulties in the servicing of cash flows by counterparties, infringement of the original terms of the contract has happened, or when there is inability to pay principal or interest overdue beyond a certain threshold. These and other factors constitute observable events and/or data that meet the definition of an objective evidence of impairment.

The methodology applied by the Company in assessing and measuring impairment is specific/individual assessment.

Under specific/individual assessment, the Company assesses each individual significant credit exposure for any objective evidence of impairment, and where such evidence exists, accordingly calculates the required impairment. Among the items and factors considered by the Company when assessing and measuring specific impairment allowances are: (a) the timing of the expected cash flows; (b) the projected receipts or expected cash flows; (c) the going concern of the counterparty's business; (d) the ability of the counterparty to repay its obligations during financial crises; (e) the availability of other sources of financial support; and, (f) the existing realizable value of collateral, if any. The impairment allowances, if any, are evaluated as the need arises, in view of favorable or unfavorable developments.

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 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, 2016 and 2015 on undiscounted contractual cash flows.

	2016					
	Notes	**On Demand**	**Due Within 30 days**	**Due within 1 year**	**Due beyond 1 year but not more than 5 years**	**Total**
		₱	**₱**	**₱**	**₱**	**₱**
Cash and cash equivalents	6	**23,517,058**	**14,000,000**	**-**	**-**	**37,517,058**
Receivables						
Trade	7	**-**	**61,136,017**	**-**	**-**	**61,136,017**
Others		**-**	**4,608,381**	**-**	**-**	**4,608,381**
Refundable deposits	11	**-**	**-**	**-**	**12,351,884**	**12,351,884**
		23,517,058	**79,744,398**	**-**	**12,351,884**	**115,613,340**
Trade and other payables*	12	**23,702,775**	**75,315,874**	**-**	**-**	**99,018,649**
Loans payable	13	**-**	**-**	**107,585,334**	**-**	**107,585,334**
		23,702,775	**75,315,874**	**107,585,334**	**-**	**206,603,983**

**Excluding statutory payables amounting to ₱ 7,342,832.*

	2015					
	Notes	On Demand	Due Within 30 days	Due within 1 year	Due beyond 1 year but not more than 5 years	Total
Cash and cash equivalents	6	4,765,010	-	-	-	4,765,010
Receivables	7			-		
Trade		-	48,459,588	-	-	48,459,588
Others		-	1,893	-	-	1,893
Refundable deposits	11	-	-	-	7,377,929	7,377,929
		4,765,010	48,461,481	-	7,377,929	60,604,420
Trade and other payables*	12	10,471,810	53,265,118	-	-	63,736,928

**Excluding statutory payables amounting to ₱ 7,645,747*

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 Company's exposure to market risk for changes in interest rates relates primarily to the Company's short-term borrowings. Management manages its exposure to interest rate risk by closely monitoring bank interest rates and maximizing borrowing period based on market volatility of interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, on the Company's profit before tax as at and for the year ended March 31, 2016.

	Increase (decrease) in interest peso rate	**Increase (decrease) in profit before income tax**
2016	**+0.09%**	**(P96,827)**
	-0.09%	**96,827**

Foreign currency risk

The Company's foreign currency denominated monetary assets and liabilities as at March 31, 2016 and 2015, and its Philippine Peso equivalent follows:

	Notes	**2016**	2015
		$	$
In United States Dollar (USD or $)			
Assets			
Cash and cash equivalents	6	**479,131**	16,138
Receivables - trade	7	**973,456**	1,081,784
		1,452,587	1,097,922
Liabilities			
Loans payable	13	**2,333,333**	-
Due to related parties	14	**-**	450,000
Trade and other payables	12	**-**	105,171
		2,333,333	555,171
Net foreign currency denominated assets/ (liabilities)		**(880,746)**	**542,751**

	Notes	**2016**	2015
		₱	₱
In Philippine Peso (₱)			
Assets			
Cash and cash equivalents	6	**22,091,772**	722,908
Receivables - trade	7	**44,884,102**	48,459,588
		66,975,874	49,182,496
Liabilities			
Loans payable	13	**107,585,334**	-
Due to related parties	14	**-**	20,158,200
Trade and other payables	12	**-**	4,711,258
		107,585,334	24,869,458
Net foreign currency denominated assets/(liabilities)		**(40,609,460)**	**24,313,038**

The Company's foreign currency denominated monetary assets and liability are translated to Philippine Peso equivalents using an exchange rate of ₱ 46.108/$1.00 and ₱ 44.796/$1.00 as at March 31, 2016 and 2015, respectively.

The net foreign exchange loss amounted to ₱ 1,573,043 in 2016 and ₱ 1,324,689 in 2015.

The following table demonstrates the sensitivity to a reasonable possible change in foreign currency exchange rates with all other variables held constant on the Company's profit before tax for the year ended March 31, 2016.

Increase (decrease) in foreign currency	Effect on profit before tax Increase (decrease)	Effect on equity Increase (decrease)
4%	P636,061	P604,258
(4%)	(P636,061)	(P604,258)

17. FINANCIAL INSTRUMENTS

Set out below is a comparison by category of carrying values and estimated fair values of the Parent Company's financial instruments as at March 31, 2016 and 2015.

	Notes	Carrying value ₱	Fair value ₱
2016			
Financial assets:			
Cash and cash equivalents	6	**37,517,058**	**37,517,058**
Receivables			
Trade	7	**61,136,017**	**61,136,017**
Others		**4,608,381**	**4,608,381**
Refundable deposits	11	**12,351,884**	**12,351,884**
Total		**115,613,340**	**115,613,340**
Financial liability:			
Trade and other payables*	12	**99,018,649**	**99,018,649**
Loans payable	13	**107,585,334**	**107,585,334**
		206,603,983	**206,603,983**

**Excluding statutory payables amounting to P7,342,832 in 2016.*

	Notes	Carrying value ₱	Fair value ₱
2015			
Financial assets:			
Cash and cash equivalents	6	4,765,010	4,765,010
Receivables	7		
Trade		48,459,588	48,459,588
Others		1,893	1,893
Refundable deposits	11	7,377,929	7,377,929
Total		60,604,420	60,604,420
Financial liability:			
Trade and other payables*	12	63,736,928	63,736,928

**Excluding statutory payables amounting to ₱ 7,645,747 in 2015.*

Trade and other payables excludes statutory payables such as withholding tax and SSS, Pag-ibig and others which are not considered as financial liabilities. Receivables excludes advances to employees and suppliers which are not considered as financial assets.

The fair value of the Company's financial assets and liabilities are determined as follows:

For cash and cash equivalents, trade receivables (including advances to a related party), and accounts payable and other current liabilities with fair value included in Level 2, management considers that the carrying amounts of these financial assets approximate the fair value due to their short duration.

The fair value of refundable deposits included in Level 2, which are not traded in an active market are determined based on the expected cash flows of the underlying asset based on the instrument where the significant inputs required to determine the fair value of such instrument are directly or indirectly observable.

18. 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 2016 and 2015.

The Company considers the following as its capital:

	2016	2015
	₱	₱
Share capital	**9,500,000**	9,500,000
Retained earnings	**93,393,480**	45,199,613
Cumulative remeasurement loss on retirement benefits	**(2,681,840)**	(257,830)
	100,211,640	54,441,783

The debt to equity ratio at year-end was as follows:

	2016	2015
	₱	₱
Debt	**221,591,407**	93,908,164
Equity	**100,211,640**	54,441,783
	2.21	1.72

19. COST OF SERVICES

This account in consists of:

	Notes	2016	2015
		₱	₱
Personnel costs		**281,967,068**	100,229,071
Depreciation and amortization	9, 10	**36,601,042**	7,139,732
Rent	21	**21,682,216**	7,005,605
IT infrastructure		**18,120,231**	11,439,204
Electricity		**10,441,448**	4,512,600
		368,812,005	130,326,212

Details of personnel costs are as follow:

	Note	2016	2015
		₱	₱
Salaries, wages and other employee benefits		**185,070,947**	71,522,010
Allowances and staff welfare costs		**61,492,676**	12,703,801
SSS, PHIC and HDMF premium contributions		**16,737,649**	6,020,589
13th month pay		**16,665,429**	9,880,662
Retirement benefits costs	22	**2,000,367**	102,009
		281,967,068	100,229,071

Depreciation and amortization are broken down as follow:

	Notes	2016	2015
		₱	₱
Property and equipment	9	**36,601,042**	7,116,338
Intangible asset	10	**-**	23,394
		36,601,042	7,139,732

20. OPERATING EXPENSES

This account consists of:

	Notes	2016	2015
		₱	₱
Personnel costs		**42,703,659**	12,935,566
Depreciation and amortization	9, 10	**14,619,526**	341,552
Facility management services		**10,950,980**	2,326,065
Rent	21	**8,660,511**	335,135
Trainings and recruitment		**7,816,655**	1,890,165
Staff welfare		**7,685,027**	1,649,533
Security services		**7,531,506**	3,102,861
Insurance		**6,075,869**	2,805,576
Transportation and travel		**4,057,365**	2,904,159
Outside services		**3,746,276**	1,646,455
Office supplies		**2,435,844**	442,453
Communication, light and water		**2,241,249**	494,334
Repairs and maintenance		**1,971,834**	1,038,958
Professional fees		**1,917,816**	1,260,973
IT infrastructure		**1,420,425**	2,316,366
Taxes and licenses		**881,483**	181,205
Bank service charge		**186,305**	49,776
Miscellaneous		**183,930**	51,815
		125,086,260	35,772,947

Miscellaneous include office management, postage and courier, and membership fees in 2016 and office management and guest house expenses in 2015.

Details of personnel costs are as follow:

	Note	2016	2015
		₱	₱
Salaries, wages and other employee benefits		**27,826,394**	7,010,849
Allowances and staff welfare costs		**9,245,748**	2,880,432
SSS, PHIC and HDMF premium contributions		**2,516,594**	528,584
13th month pay		**2,505,735**	1,628,547
Retirement benefits costs	22	**609,188**	887,154
		42,703,659	12,935,566

Depreciation and amortization are broken down as follow:

	Notes	2016	2015
		₱	₱
Property and equipment	9	**14,606,178**	340,433
Intangible asset	10	**13,348**	1,119
		14,619,526	341,552

21. 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	**2016**	2015
		₱	₱
Cost of services	19	**21,682,216**	7,005,605
Operating expenses	20	**8,660,511**	335,135
		30,342,727	7,340,740

Rental deposits relative to these contracts amounted to ₱ 11,861,404 and ₱ 6,902,449 as at March 31, 2016 and 2015, respectively (see Note 11).

Advanced rental made as at March 31, 2015 amounted to ₱ 3,714,764 (see Note 8).

Estimated future minimum rental payments follow:

	2016	2015
	₱	₱
Due within one year	**40,084,170**	22,855,423
Due beyond one year but less than five years	**178,358,847**	103,538,431
Due beyond five years	**71,654,547**	65,001,538
	290,097,564	191,395,392

Residential Units

The Company also entered into a lease agreement for the condominium unit for residential use by its visitors. The lease term for the condominium units covers six months or less, renewable upon mutual agreement and consent of both parties. Total rent expense under operating lease under these agreements presented under "operating expenses" account amounted to ₱ 7,895 for the year ended March 31, 2015 (see Note 20).

There are no significant restrictions imposed by lease arrangements, such as those concerning dividends, additional debt and further leasing.

22. RETIREMENT BENEFITS COSTS

The Company does not have an established formal retirement plan as at March 31, 2016 and 2015 but accrued retirement benefits costs in accordance with the minimum regulatory benefit under Republic Act No. 7641 which is of the defined benefit type. In the absence of a formal established retirement plan, the retirement benefit obligation is not yet funded. Retirement benefits are based on employees' years of service and compensation levels during employment period. Actuarial valuations are made with sufficient regularity. The most recent actuarial valuation which was made for the year ended March 31, 2016 was dated March 22, 2016. 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:

	2016	2015
Discount rate	**5.25%**	5.25%
Salary increase rate	**6.00%**	5.00%

Maturity Profile of Expected Future Benefit Payments

The Company's expected future benefit payments is shown below:

	2016	2015
	₱	₱
Beyond five years (6 to 10 years)	**952,080**	-

The roll forward of present value of defined benefit obligation (DBO) follows:

	2016	2015
	₱	₱
Balance at beginning of year	**2,367,289**	1,120,296
Current service cost	**2,491,191**	930,347
Remeasurement loss	**2,424,010**	257,830
Interest cost	**118,364**	58,816
Balance at end of year	**7,400,854**	2,367,289

The accrued retirement benefits costs recognized in the statements of financial position as at March 31, 2016 and 2015 was determined as follows:

	2016	2015
	₱	₱
Present value of defined benefit obligation (DBO)	**7,400,854**	2,367,289
Less fair value of plan assets	**-**	-
	7,400,854	2,367,289

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, 2016 and 2015 were determined as follows:

	Notes	**2016**	2015
		₱	₱
Current service cost		**2,491,191**	930,347
Interest on net defined benefit liability		**118,364**	58,816
	19, 20	**2,609,555**	989,163

The retirement benefits costs are broken down as follows:

	Notes	**2016**	2015
		₱	₱
Cost of services	19	**2,000,367**	102,009
Operating expenses	20	**609,188**	887,154
		2,609,555	989,163

The roll forward of cumulative remeasurement loss presented in the statements of changes in equity follows:

	2016	2015
	₱	₱
Balance at beginning of year	**257,830**	-
Actuarial loss:		
Due to liability assumption changes	**1,409,604**	159,348
Due to liability experience	**1,014,406**	98,482
	2,424,010	257,830
Balance at end of year	**2,681,840**	257,830

The movement of the accrued retirement benefit costs recognized in the statements of financial position is as follows:

	Notes	2016	2015
		₱	₱
Balance at beginning of year		**2,367,289**	1,120,296
Retirement benefit expense	19, 20	**2,609,555**	989,163
Remeasurement loss		**2,424,010**	257,830
Balance at end of year		**7,400,854**	2,367,289

Amount, Timing and Uncertainty of Future Cash Flows

Sensitivity analysis on the defined benefit obligation is as follows:

		Sensitivity Analysis	Effect on DBO
Discount rate	6.25%	1% increase	(24.50%)
Discount rate	4.25%	1% decrease	33.30%
Salary increase rate	7.00%	1% increase	32.67%
Salary increase rate	5.00%	1% decrease	(24.54%)

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.

23. INCOME TAXES

The available incentives of the Company as an Ecozone IT Enterprise under the Registration Agreement with PEZA include the following:

1) Incentives under Book VI of Executive Order No. 226 which include the following:

   a) Corporate income tax holiday (ITH) for four (4) years for original project effective on the date of start of commercial operations, or the actual date of the start of commercial operations, whichever is earlier; ITH entitlement for the original project can also be extended for another three (3) years provided specific criteria are met for each additional year and prior PEZA approval is obtained; duly approved and registered “Expansion” and “New” Projects are entitled to a three-year and four-year Income Tax Holiday, respectively;

   b) Tax and duty free importation of merchandise which include raw materials, capital equipment, machinery and spare parts;

c) Exemption from wharfage dues and export tax, impost or fees;

d) VAT zero-rating of local purchases subject to compliance with BIR and PEZA requirements; and

e) Exemption from payment of any and all local government imposts, fees, licenses and taxes except real estate tax; however, machineries installed and operated in the ecozone for manufacturing, processing or for industrial purposes shall not be subject to payment of real estate taxes for the first three (3) years of operations of such machineries; production equipment not attached to real estate shall be exempt from real property taxes.

2) After the lapse of the ITH, the following incentives shall apply:

a) Exemption from national and local taxes, in lieu thereof, payment of 5% final tax on gross income as provided in Section 24 of R. A. 7916 and Rule XX of the Rules and Regulations to Implement R. A. 7916, and

b) Additional deduction for training expenses (1/2 of value) against the 5% tax on gross income earned, but not to exceed 3%, subject to guidelines to be formulated by PEZA in coordination with the Department of Labor and Employment and the Department of Finance (Section 42 of R. A. 7916).

3) Pursuant to BIR's Revenue Regulations No. 14-2002 (Amending Further Pertinent Provisions of Revenue Regulations No. 2-98, as amended), income payments to PEZA registered enterprises under the ITH and 5% GIT incentives are exempt from expanded withholding tax.

4) Non-fiscal incentives shall include the following:

a) Permanent resident status within the ecozone for foreign investors with initial investment of at least US $150,000;

b) Employment of foreign nationals; and

c) Simplified import and export procedures.

The Company's current tax expense related to other income, which is composed of write-off of salaries payable, amounted to ₱ 243,738 and nil in 2016 and 2015, respectively.

The reconciliation between tax expense and the product of accounting profit multiplied by 30% in 2016 and 2015 follows:

	2016	2015
	₱	₱
Accounting profit	**48,437,605**	13,979,187
Tax expense at 30%	**14,531,282**	4,193,756
Income subject to income tax holiday	**(14,274,880)**	(4,188,246)
Income subject to final tax	**(12,664)**	(5,510)
Balance at end of year	**243,738**	-

24. SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE

On November 25, 2010, the Bureau of Internal Revenue (BIR) issued Revenue Regulation (RR) No. 15-2010 amending certain provisions of RR No. 21-2002, as amended and implementing Section 6 (H) of the Tax Code of 1997 which authorize the Commissioner of Internal Revenue to prescribe additional procedural and/or documentary requirements in connection with the preparation and submission, filing of financial statements accompanying the tax returns.

On January 24, 2014, RR No. 2-2014 was issued to prescribe the new BIR forms that will be used for income tax filing covering and starting with December 31, 2013.

The following information on taxes, duties and license fees paid or accrued during the taxable years ended March 31, 2016 and 2015 is presented for purposes of compliance with the disclosure requirements by the BIR as provided for in its RR 15-2010:

Net sales/receipts declared in the Company's Value Added Tax (VAT) returns filed

	Net sales/ Receipts ₱	Output VAT ₱
2016		
Zero-rated sales	**455,560,570**	**-**
Vatable Sales	**88,771,528**	**10,652,583**
	544,332,098	10,652,583
2015		
Zero-rated sales	143,445,684	-
Vatable Sales	37,938,983	4,552,678
	181,384,667	4,552,678

In accordance with pertinent tax laws and revenue regulations, zero-rated sale of services consists of export sales.

Documentary stamp tax paid

	2016 ₱	2015 ₱
Loans	**689,549**	-
Lease	**128,274**	150,019
Certified true copy of audited financial statements	**90**	60
Others	**180**	-
	818,093	150,079

Other taxes and licenses lodged under operating expenses

Nature	**2016** ₱	2015 ₱
Documentary stamp taxes	**818,093**	150,079
Business permit	**43,918**	20,226
BIR and PEZA registration, community tax certificate and others	**19,472**	10,900
	881,483	181,205

Withholding taxes

	2016 ₱	2015 ₱
Withholding taxes on compensation	**16,305,488**	6,752,979
Expanded withholding taxes	**4,408,643**	2,201,775
	20,714,131	8,954,754

SATYAM VENTURE ENGINEERING SERVICES PRIVATE LIMITED

Board of Directors

Mr. C P Gurnani- Director
Mr. Jayaraman Ganapathy- Director
Mr. Karthikeyan Natarajan- Director
Mr. Rakesh Soni- Director (w.e.f. 21st January, 2016)
Mr. Shivanand Raja- Director
Mr. V Venkata Kumar Raju- Director
Mr. Subramanyam Reddy Chelikam- Independent Director
Mr. Venkateswarlu Jonnalagadda- Independent Director
Mr. Sujit Baksi- Director (upto 21st January, 2016)

Registered Office:

1-8-301-306, 3rd Floor, Ashoka MyHome Chambers,
S. P Road, Secunderabad- 500 003,
Telangana, INDIA

Auditors

M/s M. Bhaskara Rao & Co., Chartered Accountants

Bankers

ICICI Bank Limited
HSBC Bank Limited

DIRECTORS' REPORT

Dear Members,

Your Directors have the pleasure in presenting the Sixteenth Annual Report together with audited Statement of accounts of the Company for the year ended March 31, 2016.

The Company's Standalone financial results for the year under review along with previous year's results are presented hereunder:

Financial Highlights **₹ in Millions**

Particulars	**2015-16**	2014-15
Income	**2,681.42**	2,144.42
Other Income	**72.07**	27.53
Total Income	**2,753.49**	2,171.95
Operating Profit (EBITDA)	**420.27**	279.89
Operating Margin	**15%**	13%
Depreciation	**59.03**	33.16
EBT	**414.53**	249.06
Net Income (PAT)	**343.14**	72.10
Current Tax	**158.95**	93.02
Tax relating to earlier years	**(72.00)**	90.01
Deferred Tax	**(15.56)**	6.07
Cash & Cash Equivalents	**212.75**	110.91
Long Term Debt	**-**	-
Capital Expenditure	**94.72**	70.80

Business Overview

During the year under review, Company secured business orders from 10 new Customers. With the improvement in the Automotive Industry in US, Germany, China and Japan markets, and with sustained marketing and delivery efforts, Company recorded an impressive growth of 25% in the financial year 2015-16. Company has successfully retained all the Customers, renewed contracts and acquired new businesses. On the strength of prompt delivery of services, the Company was able to expand the size of existing engagements with key Customers. Company conducted Customer Satisfaction (CSAT) survey and secured a good score of 4.1 out of 5, which is an improvement over the previous year's score.

Company offers Innovative services that deliver measurable business value to its Customers. The Company supports it's clients to focus on their core competencies and to cut costs, thereby improving their efficiency levels and profitability, enabling them to be more competitive in their respective global markets.

As the demand for value added services grow, Company successfully entered in new areas such as Quality Engineering, Digital Manufacturing, Mechatronics, Light-weighting Technologies, etc. which have good growth potential in the future for Satven.

Company has expanded its Sales network across North America, UK, Europe, China & Japan.

There is a significant increase of Company's footprint in APAC region.

Company's ISMS certification has been upgraded to ISO 27001:2013.

Implementation of ISO 14001:2015 & OHSAS 18001:2007 (EHSMS) standards requirements is in progress and the Certification is planned in August, 2016. Company organized various "Health & Wellness" awareness sessions & health checkups.

During the year under review, 458 associates were added globally. Employee attrition during the year under review was 8.5%. Company continues to take various retention measures including associate engagement initiatives and actions, and implementation of rewards & recognition schemes.

Company conducted workshop for Management and Sales & Marketing team on "Leadership & Strategic Transformation" and "Out Bound Leadership Program" as part of Annual Business Plan meeting in February, 2016.

Company conducted Internal Customer Satisfaction Measurement (ICSM 2015) Survey and prepared improvement plans based on the feedback obtained.

Marketing & Communication

Company sponsored and participated in various Industry events to increase its visibility in the automotive market as below:

- Co-sponsored the "Automotive Megatrends Conference" which was conducted by Automotive World, UK, in Pune in December, 2015. Satven presented papers on "Light-weighting concepts & trends in the passenger Car and Truck segments".
- Co-hosted a Technology Conclave in July, 2015 jointly with "Shanghai Jiading Advanced Technology Innovation & Incubation Center" and "Shanghai Jiading Automobile Design, Development & Research Alliance" at Jiading Incubation Centre, Shanghai on "Automotive Safety Technology".
- Participated in the "International Transportation Electrification Conference (ITEC)" held in August, 2015 at Chennai.
- Sponsored the 7th Annual "Advancements in Automotive Light-weighting Summit" which was held in Detroit, USA in May, 2015.
- Participated in the Conference on "Advanced Manufacturing Technologies for Engineering Sector", conducted by Confederation of Indian Industry in Chennai in June, 2015.
- Participated in the "2015 NASSCOM Engineering Summit" held in Pune in October, 2015. Company had a kiosk showcasing the Services offered to the Automotive Industry over the years and also participated in a panel discussion on "Advanced Manufacturing Trends & Materials for Light-weighting".
- Participated in a conference on 'Future of Automotive Design' in Chennai in October, 2015. The conference was focused on how best the Automotive Industry can be innovative in providing path breaking concepts. One of the senior from the simulation team spoke on the "New Trends in Occupant Safety and Pedestrian Safety".
- Participated in one of the largest automotive shows in Japan "Automotive World 2016" and set up a stall in January, 2016 which recorded a good number of visitors.
- Participated and set up a stall in "Auto Expo 2016" held in February, 2016 in New Delhi.
- Published an article on automotive light-weighting, which made the cover story in the February 2016 edition of the magazine, 'Automotive Products Finder'.

Future Prospects

Company is identifying niche areas such as Mechatronics, Complete Program Management for Interiors and Body, Development of Intellectual Property in specific automotive areas, and expanding its service offerings in global automotive manufacturing. Entry strategies into new geographies such as Mexico will offer long term sustenance in the growth of the Company.

Auditors

M/s. M. Bhaskara Rao & Co, Chartered Accountants, Hyderabad were appointed statutory auditors of the Company for a period of five (5) years from the conclusion of 14th AGM held on 22nd September, 2014, subject to ratification in every Annual General Meeting of the Company, on such remuneration as may be determined by the Board of Directors. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder for continuing in the office of auditors for the financial year 2016-17. The Board recommends ratification of the appointment of auditors for financial year 2016-17.

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 point no. 22.2 and 24 in notes to accounts are self-explanatory.

Internal Financial Controls

The Company has engaged external consultant for conducting Information Systems audit and design of IFC framework. The IFC frame work so designed by the consultants has been implemented and the same is working 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.

Fixed Deposits

Your Company has not accepted any deposits.

Dividends

No dividend is recommended by the Board of Directors for the FY 2015-16 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 FY 16-17.

Pursuant to the provisions of Section 152(6) (c) of the Companies Act 2013, Mr. V. V. K. Raju & Mr. Karthikeyan Natarajan, Directors are liable to retire by rotation and being eligible, offer themselves for reappointment.

Mr. Sujit Baksi, vide his letter dated 21st January, 2016 resigned from the Board of the Company. Board in its meeting held on 21st January, 2016 accepted his resignation and appointed Mr. Rakesh Soni as an additional Director on recommendation of Nomination & Remuneration Committee, who will hold his office upto the ensuing AGM. Necessary resolution is proposed for his appointment.

Meetings of the Board

The Company held a minimum of one board meeting in every quarter. During the year ended 31st March, 2016, five Board Meetings were held on, April 21st, 2015, June 9th, 2015, July 17th, 2015, October 16th, 2015, & January 21st, 2016 respectively. The intervening gap between the meetings was as prescribed under the Companies Act, 2013.

Committees of the Board

Audit Committee

The Audit Committee comprise following directors:

Mr. Venkateswarlu Jonnalagadda

Mr. Subramanyam Reddy Chelikam

Mr. V Venkata Kumar Raju

Nomination and Remuneration Committee

Nomination and Remuneration Committee comprise following directors:

Mr. Rakesh Soni

Mr. Shivanand Raja

Mr. Venkateswarlu Jonnalagadda

Mr. Subramanyam Reddy Chelikam

Corporate Social Responsibility Committee

Corporate Social Responsibility Committee comprise following directors:

Mr. Shivanand Raja

Mr. Jayaraman Ganapathy

Mr. V Venkata Kumar Raju

Mr. Venkateswarlu Jonnalagadda

Key Managerial Personnel

Section 203 of the Companies Act, 2013, for appointment of Key Managerial Personnel, is not applicable to Company.

Internal auditor

The Company appointed M/s. J. V. Srinivas & Co., Chartered Accountants as Internal auditor of the company for the F.Y. 2016-17 to carry out the Internal Audit services.

Board Evaluation

Pursuant to the provisions of Sec 178 of the Companies Act, 2013 and The Companies (Accounts) Rules, 2014, the Board has carried out an annual performance of the directors individually for F.Y. 2015-16.

Remuneration Policy

The Board upon the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration during F.Y. 2014-15. 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 "Blood donation" & "Organ pledging".

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's 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 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.

Secretarial Audit

Secretarial Audit, pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is not applicable.

Sustainability

The Company has taken several steps to support the Green Initiative and can be summarized as follows:

- Automated Invoice Processing, thus reducing the paper usage, while increasing the audit control.
- Automated payment reimbursement to associates & vendors.

Anti-Sexual Harassment Policy

The Company has Anti sexual harassment policy in which it formalized a free and fair enquiry process with clear timeline. Also the company has formed an internal Redressal committee to which employees can write their complaints. During the year under review, the company has not received any such complaints in this regard and no cases were filed pursuant to The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Extract of Annual Return

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as Annexure 'E'.

Particulars of Employment

Particulars of employees as required to be furnished under section 197 (12) of the Companies Act, 2013, read with the Companies (Remuneration of Managerial Personnel) Rules 5, 2013 forms part of this report as enclosed in Annexure 'F'.

Form of Statement containing salient features of financial statements of subsidiaries

The statement containing the salient feature of the financial statement of a company's subsidiary or subsidiaries, associate company or companies and joint venture or ventures under the first proviso to sub-section (3) of section 129 in Form AOC-1 is annexed herewith as Annexure 'G'

Details of Subsidiaries:

During the year under review, Company had two Subsidiaries namely Satven GmbH at Germany and Satyam Venture Engineering Services (Shanghai) Co., Ltd. at China.

Company has not incorporated any new Subsidiaries.

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:

- ► Incorporating new technologies in the air conditioning system in the upcoming facilities, to optimize power consumption.
- ► Identification and replacement of low efficient machinery.
- ► Identification and replacement of outdated and low efficient UPS systems.
- ► Conducting continuous conservation awareness and training sessions for operational personnel.
- ► Periodical maintenance of all the equipment and machinery.

B. Research and Development: The Company has not undertaken any R&D activity in any specific area during the year under review, and hence no cost has been incurred towards the same.

C. Technology Absorption: The Company has continued its endeavor to adopt technologies for its product range to meet the requirements of a globally competitive market. All Company products are compliant with the prevalent regulatory norms. Company also develops the technology which is registered as patents by the Customers and the Company. The Company also participates in various global automotive forums to acquaint with the latest trends in the technology areas.

D. Foreign Exchange Earnings and outgo

(₹ In Million)

		March 31, 2016	March 31, 2015
I)	Foreign Exchange Earnings	**2,457.87**	2,118.99
II)	Foreign Exchange outgo	**1,306.16**	937.98

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
Date : 21st April, 2016

C. P. Gurnani
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 : 21st April, 2016

C. P. Gurnani
Chairman

Annexure B

Extract of Nomination and Remuneration Committee Policy

1. OBJECTIVE

In compliance with the provisions of Section 178 of Companies Act 2013, following policies are formalized:

1.1 Policy on appointment and removal of Directors, and Senior Management;

1.2 Policy on Remuneration to the Directors, Senior Management and other Employees

1.3 Policy on Evaluation of performance of the Board of Directors, Committees and individual Directors,

2. DEFINITIONS

The definitions of some of the key terms used in this Policy are given below.

"Board" means Board of Directors of the Company.

"Company" means the **Satyam Venture Engineering Services Private Limited.**

"Committee(s)" means Committees of the Board for the time being in force.

"Employee" means employee of the Company whether employed in India or outside India including employees in Senior Management Team of the Company.

"HR" means the Human Resource department of the Company.

"Nomination and Remuneration Committee" (NRC) means Nomination and Remuneration Committee of Board of Directors of the Company for the time being in force.

"Senior Management"

The expression ''senior management'' means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

3. POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTORS, AND SENIOR MANAGEMENT

3.1 Directors

- The NRC determines the criteria for appointment to the Board and is vested with the authority to identify candidates for appointment to the Board of Directors. In evaluating the suitability of individual Board member, the NRC will take into account multiple factors, including general understanding of the business, education, professional background, personal achievements, professional ethics and integrity.
- Based on recommendation of the NRC, the Board will evaluate the candidate(s) and decide on the selection of the appropriate member. Upon receipt of the consent, the new Director will be co-opted by the Board in accordance with the applicable provisions of the Companies Act 2013 and Rules made there under.

3.2 Senior Management personnel

The NRC based on the business need and the suitability of the candidate, either on suo motto or upon the proposal of CEO supported by HR, will consider and recommend the appointment or removal of the Senior Management personnel to the Board of Directors. Based on recommendation of the NRC, the Board will evaluate the candidate(s) and decide on the selection of the appropriate Senior Management Personnel.

The details of the appointment made and the personnel removed / relieved during a quarter shall be presented to the Board by CEO as part of update during their quarterly meetings.

3.3 Removal of Board of Directors

If a Director is attracted with any disqualification as mentioned in any of the applicable Act, rules and regulations thereunder or due to non-adherence to the applicable policies of the company, the NRC may recommend to the Board, removal of a Director subject to the compliance of the applicable statutory provisions.

4. REMUNERATION TO DIRECTORS, & SENIOR MANAGEMENT PERSONNEL :

4.1 Directors:

The sitting fee for the Board and Committee meetings will be recommended by NRC to the Board.

The members on the Board, who has been nominated by the Holding Company, will not be paid any sitting fee for the Board and Committee meetings.

However, if necessary, NRC may recommend to the Board for such payments to any of the directors.

4.2 Remuneration to Senior Management personnel

- The NRC either on the recommendation of CEO supported by HR or suo motto on its own, may consider the profiles for the positions of senior management personnel to fix the remuneration. The Company follows an extensive performance management system to review the performance of the Senior Management and provide rewards on the basis of meritocracy.
- The CEO shall make a presentation to the NRC on the proposed annual increments based on the performance of the company, general trends in the Industry etc. the annual performance appraisal process of the employees conducted by the Human Resources department, during the financial year. Eligible employees will be rewarded with the annual increment. Before taking the proposal to the NRC, the CEO shall obtain the approval of Chairman.
- However, if any internal candidate is nominated by Holding Company from their rolls for any of these positions, the remuneration for such candidate(s) will be fixed by the holding company.

ANNEXURE 'C'

Report on CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. Company's CSR Policy is stated herein below.
2. Composition of the CSR Committee:

Mr. Shivanand Raja	- Director
Mr. Jayaraman Ganapathy	- 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: ₹ 277,242,212
4. Prescribed CSR Expenditure (two percent of the amount as an item 3 above ₹ 5,544,844
5. Details of CSR spend for the financial year:
   a) Total amount spent for the financial year: ₹ 5,544,844
   b) Amount unspent, if any : NIL

₹

S. No.	Projects NGO Partner	Sector	Location	Amount Outlay (Budget-program wise)	Amount Spent on the project	Cumulative expenditure upto reporting period	Amount Spent or through implementing agency
1	SMART + (SMAR+ is the specialized programme designed for the young women and men with disabilities. The programme will enable people with hearing/speech impairment, sight impairment and orthopedic disabilities to find jobs of their choices)	Education	Kolkata	1,364,399	1,364,399	1,364,399	Tech Mahindra Foundation
2	Shikshak Samwardhan (Ensuring improved education to make every child reach required levels of proficiency for the formal school environment)	Education	Hyderabad	1,311,135	1,311,135	1,311,135	Tech Mahindra Foundation
3	SMART + (SMAR+ is the specialized programme designed for the young women and men with disabilities. The programme will enable people with hearing/speech impairment, sight impairment and orthopedic disabilities to find jobs of their choices)	Education	Hyderabad	2,869,310	2,869,310	2,869,310	Tech Mahindra Foundation

For and on behalf of the Board of Directors

Place : Hyderabad
Date : 21st April, 2016

C. P. Gurnani
Chairman

CSR POLICY (APPROVED BY THE BOARD OF DIRECTORS ON JULY 21, 2014)

Corporate Social Responsibility Policy & Vision Document

Abstract:

The document outlines the Vision and Policy of Satyam Venture Engineering Services Private Limited (SATVEN) towards Corporate Social Responsibility, in accordance with Section 135 of the Companies Act 2013 and the Rules thereunder.

Introduction

Satyam Venture Engineering Services Private Limited is a high-end Automotive Engineering Solutions provider offering services ranging from Design Engineering, CAE & CFD Simulation, Process Engineering, Reverse Engineering, Product Data Management (PDM), Knowledge Based Engineering and Software Customization. With sales and marketing offices located in United States, Germany, Japan and China, SATVEN is a preferred solutions provider for several top global automotive OEMs and Suppliers.

Satyam Venture Engineering Services Pvt. Ltd. is a Joint Venture Company between erstwhile Satyam Computer Services Ltd., now Tech Mahindra Limited and Venture Global Engineering LLC. SATVEN has been a socially responsible company and has been contributing for CSR activities through its employees to benefit the socially & economically disadvantaged communities.

Vision

The CSR vision of SATVEN is **"Community development through Education."**

For SATVEN, Corporate Social Responsibility means responsible business practices through the involvement of all stakeholders in the decision making process and in operations. It entails having business policies that are ethical, equitable, environmentally conscious, gender sensitive and sensitive towards the differently abled.

SATVEN shall implement this primarily through Tech Mahindra Foundation (TMF) (Section 25 Company set up under the Companies Act 1956).

- ► TMF, through vibrant and innovative partnerships with the government, NGOs, CBO's and other organisations, will promote quality education and employability for vulnerable sections of the society.

Objectives

The **objectives** of this Policy are to:-

- Demonstrate commitment to the common good through responsible business practices and good governance.
- Actively support and be part of the state's development agenda to ensure sustainable change.
- Set high standards of quality in the delivery of services in the social sector by creating robust processes and replicable models.
- Engender a sense of empathy and equity among employees of SATVEN to motivate them to give back to the society.

Applicability and Commencement

1. Satyam Venture Engineering Services Pvt. Ltd's (hereinafter referred to as the Company) CSR Policy has been developed in consonance to Section 135 of the Companies Act 2013 (referred to as the Act in this Policy) on CSR and in accordance with the CSR Rules (hereinafter referred to as the Rules) notified by the Ministry of Corporate Affairs, Government of India in 2014.
2. The Policy shall apply to all CSR Projects/Programmes undertaken by the Company in India as per Schedule VII of the Companies Act, 2013.
3. This Policy shall be applicable to SATVEN with effect from 1st April, 2014.

Budget

CSR Committee will recommend the annual budgeted expenditure to the Board for its consideration and approval.

Focus Areas

SATVEN will implement its CSR activities in accordance with Section 135 of the Companies Act 2013 and the Rules notified thereunder.

CSR focus area for SATVEN shall be primarily promotion of Education. Within this broad theme specific areas such as school education, education for employment and technical education are included. Persons with disability and Women's Empowerment are cross-cutting themes in these focused areas. The interventions in these thematic areas will be prioritized to reach the underserved segments of the population like women, economically and geographically disadvantaged and vulnerable and marginalized population.

Implementation

The Company's CSR Programmes will be identified and implemented according to the Board's approved CSR Policy. This CSR Policy builds on the learnings from and good practices of the Company's ongoing CSR activities. The CSR Policy would have its monitoring and evaluation mechanism so as to ensure every programme has:

I. clearly defined objectives (developed out of existing societal needs determined through baselines/studies/research), targets and 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.
  - identifying activties 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 in to during the year ended March 31, 2016, which were not at arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis are as follows:

   (a) Name(s) of the related party and nature of relationship

   Holding Company - Tech Mahindra Limited

   Subsidiaries of Holding Company–

   - Tech Mahindra Technologies Inc, USA.
   - Tech Mahindra GmbH, Germany
   - Tech Mahindra Foundation, India (Sec 8 Company)

   Subsidiaries-

   - Satyam Venture Engineering Services (Shanghai) Co. Ltd, China
   - Satven GmbH, Germany

   Associate Companies- (Group Companies of Venture Global Engineering LLC)

   - Venture Otto South Africa (Prop) Ltd
   - Venture Auto Design(Shanghai)Co. Ltd

   (b) Nature of contracts/arrangements/transactions: Providing IT enabled Engineering Services & contribution towards CSR

   (c) Duration of the contracts / arrangements/transactions: Varies from 1 to 3 years and arrangement is through Master Service Agreements and Purchase orders.

   (d) Salient terms of the contracts or arrangements or transactions including the value, if any:

Description	Transactions during the year ended March 31, 2016 (₹ in Lakhs)					Transactions during the year Ended March 31, 2015(₹ in Lakhs)				
	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	28.64	1.15		678.33		97.33	13.23	1.89 1.75	615.02	-
Remuneration	-		-	-	95.55	-		-	-	88.45
Advances from /(to)	-		-	-	-	-		-	-	-
Services received / Purchases #	21.19	24.33		37.28	-	15.37	4.00	-	64.43	-
CSR Expenses	-		-	55.44	-	-		-	6.76	-

(e) Date(s) of approval by the Board, if any: 21st April, 2015, 17th July, 2015, 16th October, 2015 & 21st January, 2016.

(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 : 21st April, 2016

C. P. Gurnani
Chairman

Annexure 'E'

EXTRACT OF ANNUAL RETURN

As on the financial year ended 31.03.2016

[Pursuant to section 92(3) of the companies act, 2013, and rule 12(1) of the Companies (Management and Administration) rules, 2014]

FORM NO. MGT – 9

I. REGISTRATION AND OTHER DETAILS:

i) CIN:- U72200AP2000PTC033213

ii) Registration Date: 03/01/2000

iii) Name of the Company: SATYAM VENTURE ENGINEERING SERVICES PRIVATE LIMITED

iv) Category / Sub-Category of the Company: Company limited by Shares/ Indian Non-Government Company

v) Address of the registered office and contact details: 1-8-301-306, 3rd Floor, Ashoka MyHome Chambers, S. P Road, Secunderabad- 500 003, Telangana, INDIA

vi) Whether listed company: No

vii) Name, Address and Contact details of Registrar and Transfer Agent, if any

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / Services	NIC Code of the Product/ service	% to total turnover of the company
1	IT Enabled Engineering Services	**62099**	**100%**

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

S. N0	NAME AND	CIN/GLN	HOLDING/	% of	
	ADDRESS OF		SUBSIDIARY	shares	Applicable
	THE		/	held	Section
	COMPANY		ASSOCIATE		
1	Tech Mahindra Limited	L64200MH1986PLC041370	Holding	50%	2(46)
2	Satyam Venture Engineering Services (Shanghai) Co. Ltd.	-	Subsidiary	100%	2(87)
3	Satven GmbH	-	Subsidiary	100%	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	**No. of Shares held at the beginning of the year**				**No. of Shares held at the end of the year**				**% Change during the year**
	Demat	**Physical**	**Total**	**% of Total Shares**	**Demat**	**Physical**	**Total**	**% of Total Shares**	
A. Promoters									
(1) Indian									
g) Individual/ HUF									
h) Central Govt									
i) State Govt (s)									
j) Bodies Corp.	NIL	35,44,480	35,44,480	50	NIL	35,44,480	35,44,480	50	NIL
k) Banks / FI									
l) Any Other….									
Sub-total									
(A) (1):-									
(2) Foreign									
a) NRIs – Individuals									
b) Other – Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other….	NIL	35,44,480	35,44,480	50	NIL	35,44,480	35,44,480	50	NIL
Sub-total									
(A) (2):-									
Total shareholding of Promoter									
(A) = (A)(1)+(A)(2)									
B. Public Shareholding									
1 Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total									
(B)(1):-									

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non- Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Individual shareholders holding nominal share capital in excess ₹ 1 lakh									
c) Others (specify)									
Sub-total									
(B)(2):-									
Total Public Shareholding	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(B)=(B)(1)+(B)(2)									
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total	**NIL**	**70,88,960**	**70,88,960**	**100**	**NIL**	**70,88,960**	**70,88,960**	**100**	**NIL**
(A+B+C)									

(ii) Shareholding of Promoters

Sl no	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year		
		No. of shares	% of total shares of the company	%of shares pledged/ shares encumbered to total shares	No. of shares	% of total shares of the company	%of shares pledged/ shares encumbered to total shares
1	Tech Mahindra Limited	35,44,480	50	NA	35,44,480	50	NA
2	Venture Global Engineering LLC	35,44,480	50	NA	35,44,480	50	NA
Total		**70,88,960**	**100%**		**70,88,960**	**100%**	

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. Allotment / transfer /bonus/sweat equity etc.):	Nil	Nil	Nil	Nil
	At the End of the year	Nil	Nil	Nil	Nil

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. Allotment / transfer /bonus/sweat equity etc.):	NIL	NIL	NIL	NIL
	At the End of the year	NIL	NIL	NIL	NIL

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NA	NA	NA	NA
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. Allotment / transfer /bonus/sweat equity etc.):	NA	NA	NA	NA
	At the End of the year	NA	NA	NA	NA

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured	Deposits Loans	Total Indebtedness	
Indebtedness at the beginning of the financial Year					
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	-	-
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:*** *All the Directors except the Independent Directors are employees of the holding company and was nominated them on the subsidiary Board.*

J.Venkateswarlu and Chelikam Subramanyam Reddy are appointed as independent directors and the sitting fee paid during the year under review are mentioned below:

Sl. no.	Particulars of Remuneration	Non- Executive Directors						Independent Directors		Total Amount ₹
		C P Gurnani	Sujit Baksi	Shivanand Raja	Jayaraman Ganapathy	V Venkata Kumar Raju	Karthikeyan Natarajan	Chelikam Subramanyam Reddy	J. Venkateswarlu	
1	**Independent Directors Fee for attending board / committee meetings** **· Commission· Others, please specify**	-	-	-	-	-	-	**65,000**	**100,000**	**165,000**
	Total (1)	-	-	-	-	-	-	**65,000**	**100,000**	**165,000**
2	**Other Non-Executive Fee for attending board / committee meetings** **· Commission· Others, please specify**	-	-	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	-	-	**65,000**	**100,000**	**165,000**
	Total Managerial Remuneration	-	-	-	-	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-	-	-	-	-

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. no.	Particulars of Remuneration	Key managerial Personnel			Total Amount ₹
		Whole time Director	Company secretary	CFO	
1	Gross salary	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961			-	
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission			-	-
	- as % of profit	-	-	-	-
	- Others, specify…				
5	Others, please specify	-	-	-	-
	Total (A)	-	-	-	-
	Ceiling as per the Act	-	-	-	-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of The Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

For and on behalf of the Board of Directors

Place : Hyderabad
Date : 21st April, 2016

C. P. Gurnani
Chairman

Annexure ‘F’

Report u/s. 197(12)

Particulars of Employees forming part of the Directors’ Report for the year ended March 31, 2016. Information pursuant to section 197 (12) of the Companies Act, 2013, read with the Companies (Remuneration of Managerial Personnel) Rules 5, 2013.

Sl. No	Name	Designation	Location	Remuneration (₹)	Qualification	Nature of employment (Contractual or Permanent)	DOJ	Experience	Age	Last employment	% of equity shares held by employee	Relative of Director or manager
1	Jose. Xavier	Asst.Vice President	Germany	10,505,915	B.E	Permanent	12-Aug-02	23 Years	47	DSQ Software, Bangalore	NIL	
2	Jagadeesan Periyathambi Neelakandan	Senior Manager	Germany	8,694,550	B.E	Permanent	31-May-11	18 Years	42	Semcon Rhein -Main GmBh. Russelsheim, Germany	NIL	
3	Mahesh Mahendrakar	Account Manager	Germany	6,086,185	B.E	Permanent	2-Jul-01	15 Years	43	Onward Technologies Ltd	NIL	
4	Sreedhar Reddy T	Asst.Vice President	USA	11,289,184	B.Tech	Permanent	7-Mar-97	20 Years	45	Kelton Graphics (India) Pvt Ltd., Hyderabad, India	NIL	
5	Srinivasa Rao Davuluri	Asst.Vice President	USA	11,157,915	M.E	Permanent	4-May-11	20 Years	45	Computer Sciences Corporation (CSC) , US	NIL	
6	Navin Gundlur	Manager-BD	USA	7,548,001	B.E	Permanent	25-Sep-08	20 years	44	Emergent Systems Inc US	NIL	
7	Pam Pothen	Asst.General Manager	USA	6,038,401	B.Sc	Permanent	1-Oct-04	30 Years	59	Collins & Aikman, US	NIL	
8	Ramasudhakar	Account Manager	USA	6,038,401	B.E	Permanent	14-Dec-00	15 Years	42	Lakshmi Machine Works	NIL	
9	Narendra Sudhakar Patil	Consultant	USA	6,694,749	B.E	Permanent	18-Mar-14	16 years	37	TATA Auto comp Tech center Pune	NIL	
10	Scott Adams	Consultant	USA	6,379,702	B.E	Permanent	24-Nov-14	27.5 Yrs	56	Webasto, US	NIL	
11	Vadlamudi Srinivas Rao	CEO	India	83,00,000	MS CAD/ CAM		01-Feb-00	24	49	Venture Industires	NIL	

Annexure 'G'

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹)

1. Sl. No. **1**
2. Name of the subsidiary: **Satven GmbH**
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period: **Same as Holding Company**
4. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries. **EURO (75.4120)**
5. Share capital: ₹ **1,885,300**
6. Reserves & surplus: ₹ **607,987**
7. Total assets: ₹ **15,017,978**
8. Total Liabilities: ₹ **12,524,691**
9. Investments: **NIL**
10. Turnover: ₹ **16,474,177**
11. Profit before taxation: ₹ **803,435**
12. Provision for taxation: ₹ **274,453**
13. Profit after taxation: ₹ **528,982**
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 (10.2541)**
5. Share capital: ₹ **10,191,679**
6. Reserves & surplus**:** ₹ **2,942,197**
7. Total assets**:** ₹ **29,673,526**
8. Total Liabilities: ₹ **16,539,650**
9. Investments**: NIL**
10. Turnover: ₹ **35,209,719**
11. Profit before taxation**:** ₹ **477,094**
12. Provision for taxation**:** ₹ **427,707**
13. Profit after taxation**:** ₹ **49,387**
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 : 21st April, 2016

C. P. Gurnani
Chairman

INDEPENDENT AUDITORS' REPORT

To
The Members of
Satyam Venture Engineering Services Private Limited
Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Satyam Venture Engineering Services Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to the following notes in the financial statements:

a) Note 22.2 regarding reckoning of ₹ 779,780,000/- as contingent liability, towards any possible charge that may arise in respect of ongoing dispute between the promoters, for the period from April 01, 2012 to March 31, 2016 based on legal advice and for reasons stated in the said note notwithstanding the status of litigation between the promoters on various issues relating to the Shareholders Agreement, the outcome of which is not determinable at this stage.

b) Note 24 regarding drawing up of accounts for the year incorporating opening balances based on the financial statements of previous years which have not been adopted by the shareholders.

Our opinion is not modified in respect of these matters.

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.

2. As required by section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   c. the balance sheet, the statement of profit and loss and the cash flow statement dealt by this Report are in agreement with the books of account;

   d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

   e. The matter relating to contingent liability described in paragraph (a) under the Emphasis of Matters above, in our opinion, may have an adverse effect on the functioning of the Company.

   f. On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, 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 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 financial statements - Refer note 22 to the financial statements;

      ii. no provisioning is required under any law or accounting standards, for material foreseeable losses on long term contracts except for the contingent liability described under note 22.2 for which provision is not made since the matters involving these litigations are sub-judice at present, the impact of these pending litigations on its financial position could not be stated in the financial statements. Further, according to the information and explanations given to us and in our opinion, there were no derivative contracts entered into by the Company as at March 31, 2016.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund.

for M. Bhaskara Rao & Co.,
Chartered Accountants
Firm Registration No. 000459S

M. V. Ramana Murthy
Partner
Membership No.206439

Hyderabad, April 21, 2016

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date 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 requirements of 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 Companies Act, 2013 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, with respect to the loans and investments made.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public. Accordingly paragraph 3(v) of the Order is not applicable to the Company.

(vi) In our opinion and according to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under Section 148(1) (d) of the Companies Act, 2013 for the Company.

(vii) According to the information and explanations given to us and according to the books and records as produced and examined by us in accordance with the generally accepted auditing practices in India, in respect of statutory dues:

(a) The Company is generally regular in depositing undisputed statutory dues including provident fund, income tax, sales-tax, service tax, custom duty, value added tax, cess and any other material statutory dues applicable to it with the appropriate authorities during the year. The provisions of employees' state insurance and excise duty are not applicable to at present.

(b) There were no undisputed amounts payable in respect of provident fund, income tax, sales tax, service tax, customs duty, value added tax and cess which were in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.

(c) Details of dues of income tax and service tax which have not been deposited as on March 31, 2016 on account of disputes are given below:

Statute	**Nature of dues**	**Forum where dispute is pending**	**Period to which the amount relates**	**Amount involved** (In ₹)
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	2004-05 to 2009-10	153,329,275
Finance Act, 1994	Service tax and penalty	CESTAT	2007-08 to 2013-14	56,416,535

(viii) The Company does not have any loans or borrowings from any financial institutions, banks, government or debenture holders during the year; accordingly, provisions of 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 give to us and based on our examination of the records of the Company, no managerial remuneration has been paid or provided during the year. 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 financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations give to us and based on 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.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him during the year.

(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 Registration No. 000459S

M. V. Ramana Murthy
Partner
Membership No.206439

Hyderabad, April 21, 2016

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls 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 Satyam Venture Engineering Services Private Limited ("the Company") as of March 31, 2016 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.

Auditors' 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 2016, 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, April 21, 2016

BALANCE SHEET AS AT MARCH 31, 2016

(in ₹)

	Note		**As at March 31, 2016**		As at March 31, 2015
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	3	**70,889,600**		70,889,600	
Reserves and Surplus	4	**979,509,372**		636,314,632	
			1,050,398,972		707,204,232
Non Current Liabilities					
Long Term Provisions	5		**77,449,011**		61,591,057
Current Liabilities					
Trade Payables	6	**181,773,439**		127,269,436	
Other Current Liabilities	7	**56,008,425**		27,268,910	
Short Term Provisions	8	**642,055,246**		626,318,316	
			879,837,110		780,856,662
Total			**2,007,685,093**		1,549,651,951
ASSETS					
Non Current Assets					
Fixed Assets	9				
Tangible Assets		**47,740,269**		32,940,582	
Intangible Assets		**63,532,006**		42,652,291	
Capital Work in Progress		**212,768**		1,230,988	
Non Current Investments	10.1	**11,435,736**		11,435,736	
Deferred Tax Asset	11	**91,050,000**		75,490,000	
Long Term Loans and Advances	12	**339,228,239**		221,801,207	
Other Non Current Assets	13	**30,084,552**		20,000,000	
			583,283,570		405,550,804
Current Assets					
Current Investments	10.2	**3,500,000**		-	
Trade Receivables	14	**729,939,883**		516,864,411	
Cash and Bank Balances	15	**301,625,834**		350,467,645	
Short Term Loans and Advances	16	**238,771,138**		187,792,240	
Other Current Assets	17	**150,564,668**		88,976,851	
			1,424,401,523		1,144,101,147
Total			**2,007,685,093**		1,549,651,951

Corporate Information and Significant accounting policies 1 & 2

Accompanying notes form an intergral part of the financial statements

In terms of our report attached
for M. Bhaskara Rao & Co.
Chartered Accountants

M.V. Ramana Murthy
Partner

Hyderabad, April 21, 2016

for and on behalf of the board

G Jayaraman Director	**V Venkata Kumar Raju** Director	**Rakesh Soni** Director
J Venkateswarlu Director	**C Subramanyam Reddy** Director	**Rao S Vadlamudi** C.E.O.
Srinivas R AVP-Finance	**Aradhana R** Company Sercretary	

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

(in ₹)

	Note		Year ended March 31, 2016		Year ended March 31, 2015
Revenue					
Revenue from operations	18	**2,681,421,611**		2,144,419,291	
Other Income	19	**72,069,930**		27,532,752	
Total			**2,753,491,541**		2,171,952,043
Expenses					
Employee Benefits Expense	20	**1,757,874,390**		1,406,835,344	
Depreciation and Amortization Expense	9	**59,031,546**		33,156,122	
Other expenses	21	**522,048,155**		482,894,704	
Total			**2,338,954,091**		1,922,886,170
Profit Before Tax			**414,537,450**		249,065,873
Tax Expense					
- Current tax			**158,950,000**		93,020,000
- Current tax relating to earlier years			**(72,000,000)**		90,014,324
- Deferred tax			**(15,560,000)**		(6,070,000)
Profit for the year			**343,147,450**		72,101,549
Earnings per equity share of face value of ₹10 each					
Basic and Diluted - `	28		48.41		10.17

Corporate Information and Significant accounting policies 1 & 2

Accompanying notes form an intergral part of the financial statements

In terms of our report attached
for M. Bhaskara Rao & Co.
Chartered Accountants

M.V. Ramana Murthy
Partner

Hyderabad, April 21, 2016

for and on behalf of the board

G Jayaraman Director	**V Venkata Kumar Raju** Director	**Rakesh Soni** Director
J Venkateswarlu Director	**C Subramanyam Reddy** Director	**Rao S Vadlamudi** C.E.O.
Srinivas R AVP-Finance	**Aradhana R** Company Sercretary	

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

(in ₹)

		March 31, 2016	March 31, 2015
A.	**Cash flow from operating activities**		
	Profit before tax	**414,537,450**	249,065,873
	Adjustments for		
	Depreciation and amortisation	**59,031,546**	33,156,122
	Loss / (Profit) on sale of fixed assets	**(933,348)**	(89,921)
	Unrealised foreign exchange (gain) / loss	**2,326,188**	2,486,671
	Interest income	**(18,772,778)**	(25,229,500)
	Operating profit / (loss) before working capital changes	**456,189,058**	259,389,245
	Changes in working capital:		
	Adjustments for (increase) / decrease in operating assets:		
	Loans and advances - Long Term	**(6,213,375)**	(993,425)
	Loans and advances - Short Term	**(84,634,320)**	(25,249,937)
	Trade Receivables	**(213,075,472)**	(31,581,993)
	Other current assets	**(69,036,478)**	(22,203,766)
	Adjustments for increase / (decrease) in operating liabilities:		
	Long Term Provisions	**15,857,954**	19,792,498
	Trade Payables	**54,504,002**	8,832,222
	Short Term Provisions	**14,300,961**	2,886,398
	Other Current Liabilities	**28,739,515**	18,973,901
	Cash generated from operations	**196,631,845**	229,845,143
	Income Tax paid (Net)	**(162,948,187)**	(218,620,968)
	Net cash flow from operating activities (A)	**33,683,658**	11,224,175
B.	**Cash flow from investing activities**		
	Capital expenditure including Capital Work in Progress	**(93,703,469)**	(71,762,014)
	Proceeds from sale of fixed assets	**944,089**	105,694
	Purchase of Long term investments - Subsidiaries	**18,775**	(1,926,021)
	Investments in bank deposits (having original maturity of more than three months)	**(155,773,429)**	(239,832,528)
	Redemption / maturity of bank deposits (having original maturity of more than three months)	**296,278,744**	269,884,105
	Investments in Mutual Funds	**(3,500,000)**	-
	Interest received	**26,221,439**	33,116,097
	Net cash flow from / (used in) investing activities (B)	**70,486,148**	(10,414,667)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016 CONTD.

(in ₹)

	March 31, 2016	March 31, 2015
C. Cash flow from financing activities	**-**	-
Net cash flow from / (used in) financing activities (C)	**-**	-
Net increase / (decrease) in cash and cash equivalents	**104,169,807**	809,508
Effect of exchange difference on cash and cash equivalents held in foreign currency	**(2,326,188)**	(2,486,671)
Cash and cash equivalents at the beginning of the year	**110,913,723**	112,590,887
Cash and cash equivalents at the end of the year	**212,757,342**	110,913,723

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, April 21, 2016

for and on behalf of the board

G Jayaraman Director	**V Venkata Kumar Raju** Director	**Rakesh Soni** Director
J Venkateswarlu Director	**C Subramanyam Reddy** Director	**Rao S Vadlamudi** C.E.O.
Srinivas R AVP-Finance	**Aradhana R** Company Sercretary	

NOTES TO THE FINANCIAL STATEMENTS

1. Corporate Information

Satyam Venture Engineering Services Private Limited (“the Company”) was incorporated in March 2000 as a 50:50 joint venture between erstwhile Satyam Computer Services Limited (SCSL) and Venture Global Engineering LLC. SCSL has been merged with Tech Mahindra Ltd consequent to a scheme of amalgamation and arrangement as approved by the Hon’ble High Court of Judicature Andhra Pradesh and Hon’ble High Court of Bombay. The Company provides engineering services such as product design, tool design and computer aided engineering simulation services to automotive industry across the globe, through its Indian operations and through its foreign branches in USA, Germany, Canada, United Kingdom and Japan. The financial statements reflect the results of its operations carried on by Indian operations and overseas branches.

2. Significant Accounting Policies

2.1 Basis of Accounting and Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply in all material respects with the Accounting Standards specified under Section 133 of Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act,2013 (“the 2013 / Companies Act, 1956 (“the 1956 Act”); as applicable. The accounting policies adopted in the preparation of financial statements are consistent with those followed in the previous year.

2.2 Use of estimates

The preparation of the financial statements in conformity with GAAP requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise.

2.3 Revenue recognition

Revenue from services consists primarily of revenue earned from services performed on a “time and material basis”. The related revenue is recognized as and when the services are performed.

The Company also performs time bound fixed price engagements, under which revenue is recognized, using the percentage of completion method of accounting. The cumulative impact of any revision in estimates of percentage of work completed is reflected in the period in which the change becomes known. Provisions for estimated losses on such engagements are made during the period in which a loss becomes probable and can be reasonably estimated.

Amounts received or billed in advance of services performed are recorded as unearned revenue. Unbilled revenue, included in other current assets, represents amounts recognized based on services performed in advance of billing in accordance with contract terms.

Interest income is recognised on time proportionate basis taking into account the amount outstanding and interest rate applicable.

2.4 Fixed Assets and Depreciation/Amortisation

Fixed assets are stated at actual cost less accumulated depreciation. The actual cost includes material cost, freight, installation cost, duties and taxes, finance charges, and other incidental expenses incurred during the construction/ installation stage. Depreciation on fixed assets is provided on straight-line method over their estimated useful lives, which are higher than the useful lives indicated in Part C of Schedule II of the Companies Act, 2013. The higher useful lives have been determined by the management based on technical assessment keeping in view the historical usage. Intangible assets, primarily comprising of software, is depreciated over actual license period or estimated life whichever is less. The cost and accumulated depreciation for fixed assets sold, retired or otherwise disposed off are removed from the stated values and the resulting gains and losses are included in the statement of profit and loss. The estimated useful lives of assets are as follows:

Particulars	**Estimated useful life**
Plant & Machinery (including Computers)	3 years
Office Equipment	3 years
Furniture, Fixtures and Interiors	3 years
Vehicles	3 years
Intangible assets – Software	License period or 3 years whichever is less

2.5 Impairement of Assets

The Carrying amount of assets is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. The recoverable amount is the greater of the asset's net selling price and value in use which is determined based on the estimated future cash flow discounted to their present values. An impairement loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Imparirement loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

2.6 Leases

The Company's leasing arrangements are in respect of operating leases for premises. The leasing arrangements are usually cancelable / renewable by mutual consent on agreed terms. The aggregate lease rents payable are charged as rent in the statement of profit and loss.

2.7 Foreign Currency Transactions

Foreign currency transactions are accounted at the exchange rates prevailing on the date of transactions. Gains and losses resulting from settlement of such transactions are recognised in the Statement of Profit and Loss.

Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the period are translated at year end rates. The difference in translation of monetary assets and liabilities and realised gains and losses on foreign exchange transactions are recognised in the Statement of Profit and Loss. Foreign Branches are classified as integral foreign operations and are accounted on the basis of the same principle detailed above.

Foreign subsidiaries are classified as non-integral foreign operations. Assets and Liabilities (both monetary and non-monetary) are translated at the closing rate at the year end. All resulting exchange differences are accumulated in a separate account 'Foreign Currency Translation Reserve' till the disposal of the net investments.

2.8 Investments

Investments are classified as long term and current investments. Long Term Investments are carried at cost less provision for other than temporary diminution, if any, in value of such investments. Current investments are carried at lower of cost or fair value.

2.9 Employee Benefits

Liability for employee benefits, both short and long term, for present and past services which are due as per the terms of the employment are recorded in accordance with Accounting Standard – 15 "Employee Benefits". Contribution to Provident fund is charged as expense, being a defined contribution plan. Liability for compensated absences (treated as long term liability) and gratuity are provided on the basis of valuation of the liability by an independent actuary.

2.10 Taxes on Income

Tax expense for the year comprises of current tax and deferred tax of Indian and foreign branches. Current taxes are measured at the amounts expected to be paid using the applicable tax rates and tax laws. Deferred tax assets and liabilities are recognised for future tax consequences attributable to timing differences between taxable income and accounting income that are capable of reversal in one or more subsequent years and are measured using relevant enacted tax rates. The carrying amount of deferred tax assets at each Balance sheet date is reduced to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which the deferred tax asset can be realized.

2.11 Earnings Per Share

Basic earning per equity shares is computed by dividing the net profit for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earning per share is computed by dividing the net profit for the year adjusted for the effects of diluted potential equity shares, attributable to the equity shareholders by the weighted average number of equity shares and dilutive potential equity shares outstanding during the year except where the results are anti dilutive.

2.12 Provisions and Contingent Liabilities

The Company recognizes provisions when there is present obligation as a result of past event and it is probable that there will be outflow of resources and reliable estimate can be made of the amount of the obligation. A disclosure for contingent liabilities is made in the notes on accounts when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Contingent assets are neither recognized nor disclosed in the financial statements

2.13 Cash Flow Statement

Cash flows are reported using indirect method, where by profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregated based on the available information.

Cash comprises cash on hand and demand deposits with banks, cash equivalents are short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificiant risk of changes in value.

3. Share Capital

	As at March 31, 2016		As at March 31, 2015	
	Number of Shares	**Amount (in ₹)**	Number of Shares	Amount (in ₹)
Authorised Capital				
Equity Shares of ₹ 10/- each	**7,500,000**	**75,000,000**	7,500,000	75,000,000
Issued, Subscribed and Fully Paid up				
Equity Shares of ₹ 10/- each	**7,088,960**	**70,889,600**	7,088,960	70,889,600
	7,088,960	**70,889,600**	7,088,960	70,889,600

3.1 Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the reporting period.

	As at March 31, 2016		As at March 31, 2015	
Equity Shares of ₹ 10 each	**Number of Shares**	**Amount (in ₹)**	Number of Shares	Amount (in ₹)
Balance at the beginning of the period	**7,088,960**	**70,889,600**	7,088,960	70,889,600
Add: Alloted during the period	**-**	**-**	-	-
Balance at the end of the period	**7,088,960**	**70,889,600**	7,088,960	70,889,600

3.2 Rights, preferences and restrictions attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The percentage of shareholding shall be maintained as set out in Article 4 of Articles of Association and the fresh issue to be offered to both the shareholders in proportion to their shareholding. Any shares not accepted shall in the first instance be offered to the other remaining member and affiliates nominated by thereof.

3.3 Shares held by holding/ultimate holding Company and/or their subsidiaries/associates

Equity shares of ₹ 10 each fully paid held by:	As at March 31, 2016 Number of Shares	As at March 31, 2016 Amount (in ₹)	As at March 31, 2015 Number of Shares	As at March 31, 2015 Amount (in ₹)
Tech Mahindra Limited	**3,544,480**	**35,444,800**	3,544,480	35,444,800
Venture Global Engineering Services LLC	**3,544,480**	**35,444,800**	3,544,480	35,444,800

3.4 Details of shares held by each shareholders holding more than 5% shares in the Company

Equity shares of ₹ 10 each fully paid	As at March 31, 2016 Number of Shares	As at March 31, 2016 % of Holding	As at March 31, 2015 Number of Shares	As at March 31, 2015 % of Holding
Tech Mahindra Limited	**3,544,480**	**50%**	3,544,480	50%
Venture Global Engineering Services LLC	**3,544,480**	**50%**	3,544,480	50%

(in ₹)

	As at March 31, 2016	As at March 31, 2015
4. Reserves and Surplus		
General Reserve		
Opening balance	**1,250,000**	1,250,000
Add: Transfers during the year	**-**	-
Closing Balance	**1,250,000**	1,250,000
Foreign Currency Translation Reserve		
Opening Balance	**31,035**	(62,069)
Add: Effect of foreign exchange variations during the year	**47,290**	93,104
Closing Balance	**78,325**	31,035
Surplus in Statement of Profit and Loss		
Opening Balance	**635,033,597**	562,932,048
Add: Profit for the year after tax	**343,147,450**	72,101,549
Closing Balance	**978,181,047**	635,033,597
Total	**979,509,372**	636,314,632
5. Long Term Provisions		
Provision for Employee Benefits (Refer note 5.1 & 5.2)		
Gratuity	**46,907,082**	39,190,938
Compensated Absences	**30,541,929**	22,400,119
Total	**77,449,011**	61,591,057

5.1 The following table sets forth the status of the Gratuity Plan of the Company, and the amounts recognized in the balance sheet and Statement of profit and loss.

(in ₹)

	As at March 31, 2016	As at March 31, 2015
Projected benefit obligation at the beginning of the year	**40,986,919**	25,723,296
Current service cost	**10,512,084**	6,121,867
Interest cost	**3,107,631**	2,338,590
Actuarial loss/(gain)	**4,333,193**	7,685,641
Benefits paid	**(2,290,984)**	(882,475)
Projected benefit obligation at the end of the year	**56,648,843**	40,986,919

(in ₹)

	As at March 31, 2016	As at March 31, 2015
Amounts recognized in the balance sheet		
Projected benefit obligation at the end of the year	**56,648,843**	40,986,919
Fair value of plan assets at end of the year	**-**	-
Funded status of the plans - asset / (liability)	**-**	-
Liability recognized in the balance sheet	**56,648,843**	40,986,919
Gratuity cost for the year		
Current service cost	**10,512,084**	6,121,867
Interest cost	**3,107,631**	2,338,590
Net actuarial (gain)/loss recognized in the year	**4,333,193**	7,685,641
Net gratuity cost	**17,952,908**	16,146,098
Assumptions		
Discount rate	**7.90%**	7.80%
Long-term rate of compensation increase	**9.00%**	9.00%

5.2 Experience History

(in ₹)

		31-Mar-12	31-Mar-13	31-Mar-14	31-Mar-15	**31-Mar-16**
1	Defined Benefit Obligation at end of the Period	(12,466,648)	(17,845,357)	(25,723,296)	(40,986,919)	**(56,648,843)**
2	Plan Assets at end of the period	-	-	-	-	**-**
3	Funded Status	(12,466,648)	(17,845,357)	(25,723,296)	(40,986,919)	**(56,648,843)**
4	Experience Gain/(Loss) adjustments on plan liabilities	425,921	(536,247)	(1,276,461)	380,631	**(5,099,777)**
5	Experience Gain/(Loss) adjustments on plan assets	-	-	-	-	**-**
6	Actuarial Gain/(Loss) due to change on assumptions	Not Available	Not Available	Not Available	Not Available	**766,584**

(in ₹)

		As at March 31, 2016	As at March 31, 2015
6.	**Trade Payables**		
	Other than acceptances (Refer note 6.1 & 6.2)	**181,773,439**	127,269,436
	Total	**181,773,439**	127,269,436

6.1 Includes ₹ 2,953,600 (31.03.2015: ₹ 2,150,136) dues to related parties (Refer note 27)

6.2 The Company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the MSMED Act, 2006) claiming their status as micro or small enterprises. Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by management and the required disclosures are given below:

(in ₹)

		As at March 31, 2016	As at March 31, 2015
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 succedding years, until such date when the interest dues as above are acually paid to the small enterprises.	**Nil**	Nil

(in ₹)

		As at March 31, 2016	As at March 31, 2015
7.	**Other Current Liabilities**		
	Other Payables		
	- Dues for capital assets	**1,513,313**	6,911,520
	- Statutory payables	**54,495,112**	20,258,715
	- Others	**-**	98,675
	Total	**56,008,425**	27,268,910
8.	**Short Term Provisions**		
	Provision for employee benefits		
	- Gratuity	**9,741,761**	1,795,981
	- Compensated absences	**18,491,795**	12,136,614
	Provision for Income Tax	**84,679,881**	83,243,912
	(Net of advance tax and tax deducted at source ₹ 163,231,778 (31:03:2015: ₹ 458,804,799))		
	Provision for Contingencies (Refer note 22.2)	**529,141,809**	529,141,809
	Total	**642,055,246**	626,318,316

9. Fixed Assets

(in ₹)

	Gross Block (At Cost)				Depreciation / Amortisation				Net Block	
	As at March 31, 2015	**Additions**	**Deletion / Adjustment**	**As at March 31, 2016**	**Upto March 31, 2015**	**For the year**	**Deletion / Adjustment**	**As at March 31, 2016**	**As at March 31, 2016**	**As at March 31, 2015**
Tangible Assets										
Plant and Machinery	126,578,461	29,815,156	6,398,043	149,995,574	101,125,143	20,193,344	6,398,043	114,920,444	35,075,130	25,453,318
Office Equipment	21,614,635	5,586,104	1,351,218	25,849,521	16,337,300	3,860,872	1,348,661	18,849,511	7,000,010	5,277,335
Furniture, Fixtures & Interiors	25,605,465	4,947,173	3,356,180	27,196,458	23,395,536	1,987,462	3,347,997	22,035,001	5,161,457	2,209,929
Vehicles	4,322,960	604,738	425,690	4,502,008	4,322,960	101,066	425,690	3,998,336	503,672	-
Total	**178,121,521**	**40,953,172**	**11,531,132**	**207,543,561**	**145,180,939**	**26,142,744**	**11,520,391**	**159,803,292**	**47,740,269**	**32,940,582**
Previous Year	157,580,547	31,029,316	10,488,342	178,121,521	139,231,788	16,421,720	10,472,569	145,180,939	32,940,582	18,348,759
Intangible Assets										
Software	241,542,321	53,768,517	-	295,310,838	198,890,030	32,888,802	-	231,778,832	63,532,006	42,652,291
Total	**241,542,321**	**53,768,517**	**-**	**295,310,838**	**198,890,030**	**32,888,802**	**-**	**231,778,832**	**63,532,006**	**42,652,291**
Previous Year	201,773,732	39,768,589	-	241,542,321	182,155,628	16,734,402	-	198,890,030	42,652,291	19,618,104

9.1 Depreciation / Amortisation Expense

(in ₹)

	Year ended March 31,2016	Year ended March 31,2015
Tangible Assets	**26,142,744**	16,421,720
Intangible Assets	**32,888,802**	16,734,402
Total	**59,031,546**	33,156,122

(in ₹)

		As at March 31, 2016	As at March 31, 2015
10.	**Investments**		
	10.1 Non Current Investments		
	Trade (Unquoted, At Cost)		
	Investment in equity instruments		
	In Subsidiaries		
	Satyam Venture Engineering Services (Shanghai) Co. Ltd	**9,416,611**	9,416,611
	Satven GmbH	**2,019,125**	2,019,125
	Total	**11,435,736**	11,435,736
	10.2 Current Investments		
	Trade (Unquoted, Lower of Cost and fair value)		
	Investment in Mutual Funds		
	Liquid Funds	**3,500,000**	-
		3,500,000	-
	Aggregate amount of Quoted Investments	**3,594,103**	-
	Aggregate amount of Unquoted Investments	**11,435,736**	11,435,736
11.	**Deferred Tax Assets**		
	Deferred Tax Asset on timing differences due to:		
	Depreciation	**30,970,000**	29,100,000
	Provision for doubtful debts	**20,600,000**	20,240,000
	Provision for compensated absences, gratuity and other employee benefits	**39,480,000**	26,150,000
	Total	**91,050,000**	75,490,000
12.	**Long - Term Loans And Advances**		
	Unsecured, considered good		
	Capital Advances	**229,025**	2,499
	Security deposit (Refer note 12.1)	**23,747,059**	17,664,646
	Advance Tax and Tax Deducted at Source	**315,252,155**	204,134,062
	(Net of provisions ₹858,055,970 (31.03.2015: ₹476,221,646))		
	Total	**339,228,239**	221,801,207

12.1 Includes ₹ 1,405,866 (31.03.2015: ₹ 1,310,302) fixed deposits pledged with government authorities.

		As at March 31, 2016	As at March 31, 2015
13.	**Other Non Current Assets**		
	Fixed Deposits having maturities of more than 12 months from the Balance Sheet date	**30,084,552**	20,000,000
		30,084,552	20,000,000
14.	**Trade Receivables**		
	Unsecured		
	Outstanding for a period exceeding six months from the date they were due for payment		
	Considered Good	**59,862,202**	41,144,417
	Considered Doubtful	**59,534,298**	59,534,298
		119,396,500	100,678,715
	Less: Provision for doubtful debts	**(59,534,298)**	(59,534,298)
		59,862,202	41,144,417
	Others		
	Considered Good	**670,077,681**	475,719,994
	Total	**729,939,883**	516,864,411

14.1 Includes ₹ 212,197,904 (31.03.2015: ₹ 251,407,884) amounts receivable from related parties (Refer note:27)

		As at March 31, 2016	(in ₹) As at March 31, 2015
15.	**Cash and Bank Balances**		
15.1	**Cash and Cash Equivalents**		
	Cash on hand	**49,450**	-
	Balances with banks		
	In current accounts	**-**	-
	In Rupees	**11,530,099**	14,657,171
	In Foreign Currency	**188,677,793**	96,256,552
	In Deposits with original maturity of less than 3 months	**12,500,000**	-
		212,757,342	110,913,723
15.2	**Other Bank Balances**		
	In Deposit Account	**88,868,492**	239,553,922
	Total	**301,625,834**	350,467,645
16.	**Short - term loans and advances**		
	Unsecured, considered good		
	Loans and Advances to Employees	**54,420,870**	26,452,012
	Balance with government authorities	**81,372,911**	68,412,869
	MAT Credit Entitlement	**-**	33,683,937
	Prepaid expenses	**74,058,252**	49,662,335
	Others	**28,919,105**	9,581,087
	Total	**238,771,138**	187,792,240
17.	**Other Current Assets**		
	Unsecured, considered good		
	Unbilled Revenue	**147,679,721**	78,643,243
	Interest Accrued on Bank Deposits	**2,884,947**	10,333,608
	Total	**150,564,668**	88,976,851

		Year ended March 31, 2016	(in ₹) Year ended March 31, 2015
18.	**Revenue From Operations**		
	Sale of services		
	- Overseas / Export	**2,457,877,212**	2,118,987,317
	- Domestic	**223,544,399**	25,431,974
	Total	**2,681,421,611**	2,144,419,291
19.	**Other Income**		
	Interest on Bank Deposits	**18,772,778**	25,229,500
	Gain on Exchange Fluctuations (Net)	**50,207,194**	-
	Profit on sale of assets (Net)	**933,348**	89,921
	Miscellaneous income	**2,156,610**	2,213,331
	Total	**72,069,930**	27,532,752

	Year ended March 31, 2016 (in ₹)	Year ended March 31, 2015 (in ₹)
20. Employee Benefits Expenses		
Salaries and wages	**1,684,648,468**	1,347,349,535
Contribution to provident and other funds	**39,249,710**	30,434,970
Gratuity	**17,973,350**	16,956,531
Staff welfare expenses	**16,002,862**	12,094,308
Total	**1,757,874,390**	1,406,835,344
21. Other Expenses		
Rent	**38,468,532**	32,580,835
Rates and taxes	**2,133,248**	1,561,307
Power and fuel	**13,271,761**	13,333,107
Travelling and Conveyance	**154,338,192**	100,441,742
Communication	**8,734,549**	4,982,735
Marketing expenses	**12,259,350**	6,065,395
Office Maintenance	**9,570,428**	6,679,173
Repair and Maintenance - Others	**2,890,357**	2,410,947
Computer Maintenance(Includes Software & Hardware)	**85,933,915**	76,838,857
Computer Hire Charges	**13,029,116**	12,536,387
Security Services	**3,931,283**	2,092,506
Recruitment, Training and Development	**18,034,972**	12,197,518
Printing and Stationery	**4,675,024**	3,979,782
Subcontracting Charges	**98,861,298**	127,752,837
Legal and professional	**34,642,211**	37,058,065
Auditors' Remuneration (Refer note 26)	**3,125,500**	1,584,834
Corporate Social Responsibility Expenses	**5,544,844**	6,761,345
Loss on Exchange Fluctuations (Net)	**-**	25,195,794
Directors Sitting Fees	**165,000**	-
Bank Charges	**6,463,632**	5,179,811
Miscellaneous expenses	**5,974,943**	3,661,727
Total	**522,048,155**	482,894,704

	As at March 31, 2016 (in ₹)	As at March 31, 2015 (in ₹)
22. Contingent liability		
Claims against the Company not acknowledged as debt		
Disputed income tax matters (Refer Note 22.1)	**137,269,569**	125,689,186
Disputed service tax liability for which the Company preferred appeal	**59,850,589**	10,493,852
Disputed interest liability on service tax for which the Company preferred appeal	**Not Ascertained**	
Others (Refer Note 22.2)	**779,780,000**	528,870,000

22.1.Income tax matters under dispute

Income tax assessments for AY 2004-05 to 2011-12 are completed and are in appeal before appropriate appellate authorities. Significant tax demand represented additions made on reopened assessments. The demands related to deductibility of expenditure, transfer pricing matters and exemptions u/s 10A of the Income Tax Act 1961. The dispute regarding reopening of assessment for AY 2002-03, 2003-04 and 2004-05 is decided in favour of the Company by the Income Tax Appellate

Tribunal. Accordingly, the Company reversed provision of ₹ 72,000,000 made for the said Assessment Years. Out of total demands for the AY 2004-05 to 2011-12, ₹ 137,269,569 is not provided as the Company is confident of favourble out come in the appellate proceedings.

22.2.Contingent Liability - Others

The Company was promoted as 50:50 Joint Venture by Satyam Computer Services Ltd ("Satyam") and Venture Global Engineering LLC US ("Venture"). The joint venture partners entered into a Shareholders' Agreement (SHA) dated October 20, 1999 that provided for a royalty payment from the Company to both the joint venture partners in terms of a separate Royalty Agreement to be entered into between the Company and the joint venture partners. The Royalty Agreement was not entered into between the Company and the joint venture partners as envisaged in the SHA.

The Company and joint venture partners entered into separate Sales Commission Agreements that provided for payment of sales commission to the joint venture partners as per terms and conditions contained in the said agreements. In line with the provisions contained therein, the Company has been accruing and paying commission to its joint venture partners up to the year 2005-06.

During the year 2005-06, Satyam commenced arbitration proceedings against Venture in the London Court of International Arbitration ("LCIA") by invoking the arbitration clause in the SHA. Satyam's claims were upheld by the LCIA in its award dated April 2006 ("the Award"). Since then both the joint venture partners have raised numerous claims against each other resulting in a spate of litigation both in India and the USA that are still ongoing.

On January 7, 2009, the then Chairman of Satyam vide his letter addressed to then existing Board of Directors of Satyam, the stock exchanges and SEBI admitted to several financial irregularities in Satyam. Consequent to a global bidding process to take over the management of Satyam, M/s Venturbay Consultants Private Limited (the successful bidder) took over the management of Satyam.

Notwithstanding the dispute, the Company under its erstwhile management, continued to accrue the sales commission in its books. The newly reconstituted Board approved the accounts of the Company for the years 2008-09, 2009-10 and 2010-11, with continued accrual of sales commission. This was based on a view taken by the newly constituted Board that the matter is sub-judice that was corroborated by legal opinion and continued as prudent measure.

During the meetings held in 2011-12, the Board discussed the need to accrue the sales commission, as Venture did not render any services to the Company either during the year or during the past many years since the dispute. Further, in so far as the Company was concerned, Venture had not, till that point of time, claimed any amounts towards sales commission. The Board also took note of the fact (based on an updated legal opinion) that the issue of sales commission is not a disputed matter before the Courts either in India or in USA and not sub judice, as per original view.

Under the circumstances, the Board took the view on May 14, 2012 when the financial statements for the year ended March 31, 2012 was tabled for approval, that the accrual of sales commission from FY 05-06 to FY 10-11 of ₹ 359,406,780 be written back as other income in the Statement of Profit and Loss and the sales commission for the period from April 2011-December 2011 be reversed. However, as a prudent measure, the Board directed that the Company provide an amount of ₹ 529,141,809 as a provision for contingency, covering the period from FY 05-06 to FY 11-12 which in its opinion would be adequate to cover any possible outflow that may arise in respect of the 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 passed by the City Civil Court, in a suit filed by Venture before it, directing the Company, Venture and Satyam to maintain status quo with regard to transfer of 50% shares of Venture and with regard to taking major decisions which are prejudicial to interest of Venture were served on the Company. The Company has challenged the ex-parte orders of the City Civil Court Secunderabad, before the Hon'ble High Court of Andhra Pradesh ("the High Court").

In a related development, the City Civil Court, Hyderabad set aside the Award in January 2012, against which Satyam has filed an appeal before the High Court.

The High Court by its Judgement dated August 23, 2013 has allowed the appeals filed by the Company and set aside the ex-parte interim orders against the Company. The High Court has also set aside the Order of the City Civil Court, Hyderabad setting aside the Award and upheld the Award in favour of Satyam. The High Court as an interim measure ordered status quo with regard to transfer of shares, originally given by Supreme Court to be maintained for four (4) weeks which was extended for a further period of 3 weeks by High Court on 19th September, 2013.

Venture filed an SLP before the Supreme Court of India which was heard by the Apex Court on 21st October, 2013 and Supreme Court as an interim measure ordered status quo with regard to transfer of shares. TechM has filed a Special leave Petition before the Supreme Court of India challenging the judgement of the High Court only on the limited issue as to whether the Civil Court has jurisdiction to entertain VGE's challenge to the Award. The said petition is pending before the Supreme Court.

The Company has not modified the the provision for contingencies amounting to ₹ 529,141,809 as on March 31, 2012. The Company has also disclosed an amount of ₹ 779,780,000 (March 31, 2015 ₹ 528,870,000) as contingent liability, to cover any possible charge that may arise in respect of the above said matter, in the financial statements for the year ended March 31, 2016 by way of abundant caution notwithstanding the Board's view that there is no need to accrue sales commission since Venture did not provide any services to the Company.

(in ₹)

	As at March 31, 2016	As at March 31, 2015
23. Capital and other commitments		
Capital commitments	**6,183,192**	28,750

24. Preparation of financial statements

At the Annual General Meetings of the Company held on 29.10.2012, 10.09.2013, 22.09.2014 and 07.09.2015 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 and 2015 respectively. In terms of Article 66 of the Articles of Association of the Company, the adoption of audited financial statements requires unanimous consent of both the shareholders of the Company. Therefore, the said financials have not been approved by the shareholders.

The financial statements as at and for the year ended March 31, 2016 have been drawn up incorporating the opening balances based on above said financial statements which have not been adopted by the Shareholders. Adjustments required, if any, will be made in accounts as and when determined.

25. Segment Reporting

25.1. Business Segment: The Company has only one primary business segment viz., engineering services.

25.2. Geographic Segment: Revenue and assets attributable to location of customers is as follows.

(in ₹)

Geographic Location	India	USA	Europe	Asia Pacific	South Africa	Canada
Revenue	234,992,058	1,532,438,985	478,403,642	433,246,360	322,055	2,018,512
31.03.2015	25,431,974	1,385,026,489	537,116,563	195,079,370	1,764,895	-
Segment Assets	1,235,407,103	302,911,605	148,034,481	230,281,905	-	-
31.03.2015	1,121,437,698	227,292,233	98,433,106	26,998,913	-	-
Additions to fixed Assets	93,330,175	755,101	625,729	10,683	-	-
31.03.2015	63,489,901	346,817	6,823,384	137,803	-	-

26. Auditors Remuneration

(in ₹)

	March 31, 2016	March 31, 2015
Statutory Audit fee	**963,000**	750,000
Tax Audit fee	**230,000**	200,000
Other Services	**1,932,500**	634,834
Total	**3,125,500**	1,584,834

27. Related Party Transactions

27.1. Following is the list of related parties and their relationships

A. Joint Venture Partners
1. Tech Mahindra Limited
2. Venture Global Engineering LLC

B. Subsidiaries
3. Satyam Venture Engineering Services (Shanghai) Co. Ltd
4. Satven GmbH

C. Holding Company of Tech Mahindra Limited
5. Mahindra & Mahindra Ltd

D. Under control of Tech Mahindra Limited
6. Tech Mahindra Technologies Inc.
7. Tech Mahindra BPO Limited (merged into Tech Mahindra Ltd., w.e.f 29th March, 2016)
8. Tech Mahindra (Shanghai) Co., Ltd.
9. Tech Mahindra GmbH
10. Tech Mahindra Foundation

E. Under control of Venture Global Engineering LLC
11. Jiangyin Venture Interior System
12. Millard design
13. Metro Tool & Die
14. Peguform
15. Venture Diversified Products
16. Candence Innovation
17. Venture Mould & Engg Co
18. Venture Otto South Africa (Prop) Ltd
19. Venture Auto Design(Shanghi)Co. Ltd

F. Key Managerial Personnel
20. Rao S Vadlamudi - Chief Executive Officer
21. Aradhana Rewatkar - Company Secretary

27.2 Related party transactions for the year ended March 31, 2016 are as follows:

(in ₹)

	As at March 31, 2016	As at March 31, 2015
Tech Mahindra Limited		
Revenue	**28,644,603**	97,327,448
Reimbursement of Expenditure	**21,190,559**	15,374,748
Tech Mahindra Technologies Inc		
Revenue	**544,877,449**	512,924,046
Tech Mahindra GmbH		
Revenue	**133,452,259**	102,097,956
Subcontracting Charges	**3,727,534**	64,430,972

27.2 Related party transactions for the year ended March 31, 2016 are as follows:

(in ₹)

	As at March 31, 2016	As at March 31, 2015
Mahindra & Mahindra Ltd		
Revenue	**14,163,693**	5,379,770
Venture Auto Design (Shanghi) Co. Ltd		-
Revenue		175,025
Venture Otto South Africa (Prop) Ltd		
Revenue	**322,717**	1,717,398
Satyam Venture Engineering Services (Shanghai) Co. Ltd		
Revenue	**115,068**	13,232,160
Satven GmbH		
Other Income	**60,195**	-
Reimbursement of Expenditure & Interest	**2,432,880**	4,002,047
Tech Mahindra Foundation		
Contribution made toward CSR Expenditure	**5,544,844**	6,761,345
Remuneration to key management personal	**9,555,526**	8,845,518
Year end Balances:		
Debit balances outstanding as at March 31, 2016		
Tech Mahindra Limited	**16,209,238**	7,718,394
Tech Mahindra Technologies Inc	**159,144,451**	168,033,070
Tech Mahindra GmbH	**30,314,426**	70,537,390
Mahindra & Mahindra Ltd	**7,736,737**	3,812,709
Jiangyin Venture Interior Systems	**982,448**	911,258
Millard design	**318,164**	318,164
Metro Tool & Die	**198,687**	198,687
Peguform	**1,117,699**	1,117,699
Venture	**697,926**	655,892
Venture Diversified Products	**290,901**	263,214
Cadence Innovation	**555,487**	555,487
Venture Otto South Africa (Prop) Ltd	**320,674**	29,376
Satyam Venture Engineering Services (Shanghai) Co. Ltd	**12,910,605**	25,383,599
Satven GmbH	**8,186,655**	2,090,087
Credit balances outstanding as at March 31, 2016		
Venture Mould & Engg.Co	**25,508**	24,061

The remuneration to key management person does not include the provisions made for gratuity and leave benefits as they are determined on an actuarial basis for the company as a whole.

28. Earnings Per Equity Shares

		March 31, 2016	March 31, 2015
Net profit after tax	**In ₹**	**343,147,450**	72,101,549
Weighted average number of equity shares outstanding during the period	**In Nos.**	**7,088,960**	7,088,960
Face Value of Equity Shares	**In ₹**	**10.00**	10.00
Basic and Diluted Earnings per Share *	**In ₹**	**48.41**	10.17

* The Company has no dilutive instruments during the year ended March 31, 2016.

(In ₹)

29. Earning and Expenditure in foreign currency	**March 31, 2016**	March 31, 2015
Earnings in foreign exchange during the year : Sale of services	**2,457,877,212**	2,118,987,317
CIF value of imports : Capital goods	**16,319,921**	16,851,537
Expenditure incurred in foreign currency :		
Travelling Expenses	**80,367,922**	58,557,893
Expenditure incurred at overseas branches	**1,082,221,652**	784,513,883
Salary Re-imbursements	**32,074,763**	14,732,990
Subcontracting Charges	**98,906,764**	127,752,837

30. The foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

		March 31, 2016		March 31, 2015	
Particulars		**In foreign currency**	**In ₹**	In foreign currency	In ₹
Sundry Debtors					
	USD	**8,368,843**	**554,477,675**	5,675,578	354,695,250
	Euro	**1,904,232**	**143,601,908**	2,121,841	142,589,807
	GBP	**125,653**	**12,002,269**	27,062	2,501,665
	JPY	**21,708,666**	**12,803,771**	15,879,163	8,274,632
	CND	**3,637**	**186,348**	3,637	178,365
Cash and Bank Balances					
	USD	**787,580**	**52,181,137**	933,494	58,338,734
	Euro	**397,687**	**29,990,384**	335,007	22,512,816
	GBP	**3,342**	**319,212**	2,971	274,628
	JPY	**180,039,098**	**106,187,060**	29,035,443	15,130,374
Other assets (Unbilled Revenue)					
	USD	**265,875**	**17,615,516**	140,827	8,800,955
	Euro	**122,263**	**9,220,112**	189,609	12,741,883
	JPY			8,306,225	4,328,374
	CNY	**1,007,136**	**10,128,486**	1,312,740	13,232,160
	GBP	**-**	**-**	6,696	618,998
Loans and Advances					
	USD	**3,419**	**226,526**	1,268	79,244
	Euro	**108,559**	**8,186,655**	37,254	2,503,454
	CNY	**271,318**	**2,782,119**	2,518,264	25,383,599

Particulars		**March 31, 2016**		March 31, 2015	
		In foreign currency	**In ₹**	In foreign currency	In ₹
Trade Payables					
	USD	**4,253**	**281,749**	1,620	101,242
	Euro	**13,330**	**1,005,264**	86,638	5,848,238
	CNY	**-**	**-**	330,000	171,963
	GBP	**17,225**	**1,645,333**	23,259	2,150,136
	THB	**639,042**	**1,203,763**	-	-
Other Current Liabilities					
	USD	**15,888**	**1,052,664**	108,235	6,764,177

31. Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current year classification / disclosure.

In terms of our report attached
for M. Bhaskara Rao & Co.
Chartered Accountants

M.V. Ramana Murthy
Partner

Hyderabad, April 21, 2016

for and on behalf of the board

G Jayaraman
Director

V Venkata Kumar Raju
Director

Rakesh Soni
Director

J Venkateswarlu
Director

C Subramanyam Reddy
Director

Rao S Vadlamudi
C.E.O.

Srinivas R
AVP-Finance

Aradhana R
Company Sercretary

INDEPENDENT AUDITORS' REPORT

To
The Members Of
Satyam Venture Engineering Services Private Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Satyam Venture Engineering Services Private Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in the terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the group and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Holding Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at March 31, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

Without qualifying our opinion, we draw attention to the following notes in the financial statements:

a) Note 22.2 regarding reckoning of ₹ 779,780,000/- as contingent liability, towards any possible charge that may arise in respect of ongoing dispute between the promoters, for the period from April 01, 2012 to March 31, 2016 based on legal advice and for reasons stated in the said note notwithstanding the status of litigation between the promoters on various issues relating to the Shareholders Agreement, the outcome of which is not determinable at this stage.

b) Note 24 regarding drawing up of accounts for the period incorporating opening balances based on the financial statements of previous years which have not been adopted by the shareholders.

Our opinion is not modified in respect of this matters.

Other Matter

We did not audit the financial statements of two subsidiaries whose financial statements reflect total assets (net) of ₹ 44,051,697 as at March 31, 2016, total revenues (net) of ₹ 49,265,064 and net cash inflows amounting to ₹ 3,735,862 for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, insofar as it relates the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, 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 bySection143(3) of the Act, we report, to the extent applicable, that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   (c) The consolidated balance sheet, the consolidated statement of profit and loss and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) The matter relating to contingent liability described in paragraph (a) under the Emphasis of Matters above, in our opinion, may have an adverse effect on the functioning of the Company.

   (f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2016 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 Group 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 Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 22 to the consolidated financial statements;

ii. No provisioning is required under any law or accounting standards, for material foreseeable losses on long term contracts except for the contingent liability described under note 22.2 for which provision is not made since the matters involving these litigations are sub-judice at present, the impact of these pending litigations on its financial position could not be stated in the Consolidated Financial Statements. Further, according to the information and explanations given to us and in our opinion, there were no derivative contracts entered into by the Company as at March 31, 2016.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India.

for M. Bhaskara Rao & Co.
Chartered Accountants
Firm Registration No.000459S

M.V. Ramana Murthy
Partner
Membership No.206439

Hyderabad, April 21, 2016

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")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, 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.

Auditors' 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") issued by ICAI 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 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 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 March 31, 2016, 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, April 21, 2016

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2016

(in ₹)

	Note		As at March 31, 2016		As at March 31, 2015
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	3	**70,889,600**		70,889,600	
Reserves and Surplus	4	**983,899,574**		639,471,475	
			1,054,789,174		710,361,075
Non Current Liabilities					
Long Term Provisions	5		**77,449,011**		61,591,057
Current Liabilities					
Trade Payables	6	**185,668,354**		128,615,529	
Other Current Liabilities	7	**59,565,086**		31,352,383	
Short Term Provisions	8	**642,371,976**		626,493,032	
			887,605,416		786,460,944
Total			**2,019,843,601**		1,558,413,076
ASSETS					
Non Current Assets					
Fixed Assets	9				
Tangible Assets		**47,751,933**		32,972,430	
Intangible Assets		**63,532,006**		42,652,290	
Capital work in progress		**212,768**		1,230,988	
Deferred Tax Asset (Net)	10	**91,050,000**		75,490,000	
Long Term Loans and Advances	11	**339,228,239**		221,801,207	
Other Non Current Assets	12	**30,084,552**		20,000,000	
			571,859,498		394,146,915
Current assets					
Current Investments	13	**3,500,000**		-	
Trade Receivables	14	**757,028,438**		542,035,215	
Cash and Bank Balances	15	**317,632,946**		361,499,805	
Short Term Loans and Advances	16	**229,386,537**		184,986,450	
Other Current Assets	17	**140,436,182**		75,744,691	
			1,447,984,103		1,164,266,161
Total			**2,019,843,601**		1,558,413,076
Corporate information and significant accounting policies	1 & 2				

Accompanying notes form an intergral part of the financial statements

In terms of our report attached
for **M. Bhaskara Rao & Co.**
Chartered Accountants

M.V. Ramana Murthy
Partner

for and on behalf of the Board

G.Jayaraman	**V.Venkata Kumar Raju**	**Rakesh Soni**
Director	Director	Director
J.Venkateswarlu	**C.Subramanyam Reddy**	**Rao.S.Vadlamudi**
Director	Director	CEO
Srinivas R	**Aradhana R**	
AVP-Finance	Company Secretary	

Hyderabad, April 21, 2016

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

(in ₹)

	Note		Year ended March 31, 2016		Year ended March 31, 2015
Revenue					
Revenue from operations	18	**2,730,571,607**		2,174,336,272	
Other Income	19	**72,048,443**		27,619,300	
Total			**2,802,620,050**		2,201,955,572
Expenses					
Employee Benefits Expense	20	**1,797,162,788**		1,426,976,172	
Depreciation and Amortization Expense	9	**59,051,605**		33,175,364	
Other expenses	21	**530,577,090**		485,556,730	
Total			**2,386,791,482**		1,945,708,265
Profit Before Tax			**415,828,568**		256,247,307
Tax Expense					
- Current tax			**159,652,160**		93,624,811
- Current tax relating to earlier years			**(72,000,000)**		90,014,324
- Deferred tax			**(15,560,000)**		(6,070,000)
Profit for the period			**343,736,408**		78,678,172
Earnings per equity share of face value of ₹10 each					
Basic and Diluted - ₹	30		**48.49**		11.10
Corporate information and significant accounting policies	1 & 2				

Accompanying notes form an intergral part of the financial statements

In terms of our report attached
for **M. Bhaskara Rao & Co.**
Chartered Accountants

M.V. Ramana Murthy
Partner

Hyderabad, April 21, 2016

for and on behalf of the Board

G.Jayaraman
Director

V.Venkata Kumar Raju
Director

Rakesh Soni
Director

J.Venkateswarlu
Director

C.Subramanyam Reddy
Director

Rao.S.Vadlamudi
CEO

Srinivas R
AVP-Finance

Aradhana R
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

(in ₹)

		March 31, 2016	March 31, 2015
A.	**Cash flow from operating activities**		
	Profit before tax	**415,828,568**	256,247,307
	Adjustments for		
	Depreciation and amortisation	**59,051,605**	33,175,364
	Loss / (Profit) on sale of fixed assets	**(933,348)**	(89,921)
	Unrealised foreign exchange gain / loss	**(2,326,188)**	2,486,671
	Interest income	**(18,741,569)**	(25,252,187)
	Operating profit / (loss) before working capital changes	**452,879,067**	266,567,234
	Changes in working capital:		
	Adjustments for (increase) / decrease in operating assets:		
	Loans and advances - Long Term	**(6,213,375)**	(993,425)
	Loans and advances - Short Term	**(78,084,024)**	(29,304,083)
	Trade Receivables	**(214,993,224)**	(48,830,837)
	Other current assets	**(72,140,152)**	(8,971,606)
	Adjustments for increase / (decrease) in operating liabilities:		
	Long Term Provisions	**15,857,954**	19,792,498
	Trade Payables	**57,052,825**	10,178,318
	Short Term Provisions	**14,300,962**	2,886,398
	Other Current Liabilities	**28,212,703**	22,848,566
	Cash generated from operations	**196,872,737**	234,173,064
	Income Tax paid (Net)	**(163,508,333)**	(219,051,063)
	Net cash flow from operating activities (A)	**33,364,404**	15,122,001
B.	**Cash flow from investing activities**		
	Capital expenditure including Capital Work in Progress	**(93,704,933)**	(71,762,013)
	Proceeds from sale of fixed assets	**945,677**	103,180
	Investments in bank deposits (having original maturity of more than three months)	**(155,773,429)**	(239,832,533)
	Redemption / maturity of bank deposits (having original maturity of more than three months)	**296,278,744**	269,884,105
	Investments in Mutual Funds	**(3,500,000)**	-
	Interest received	**26,190,230**	33,138,784
	Foreign Currency translation adjustment (arising on consolidation)	**691,691**	676,022
	Net cash flow from / (used in) investing activities (B)	**71,127,979**	(7,792,455)
C.	**Cash flow from financing activities**	**-**	-
	Net cash flow from / (used in) financing activities (C)	**-**	-
	Net increase / (decrease) in cash and cash equivalents	**104,492,383**	7,329,546
	Effect of exchange difference on cash and cash equivalents held in foreign currency	**2,326,188**	(2,486,671)
	Cash and cash equivalents at the beginning of the year	**121,945,883**	117,103,008
	Cash and cash equivalents at the end of the year	**228,764,454**	121,945,883

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, April 21, 2016

for and on behalf of the Board

G.Jayaraman Director	**V.Venkata Kumar Raju** Director	**Rakesh Soni** Director
J.Venkateswarlu Director	**C.Subramanyam Reddy** Director	**Rao.S.Vadlamudi** CEO
Srinivas R AVP-Finance	**Aradhana R** Company Secretary	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

Satyam Venture Engineering Services Private Limited ("the Company") was incorporated in March 2000 as a 50:50 joint venture between erstwhile Satyam Computer Services Limited (SCSL) and Venture Global Engineering LLC. SCSL has been merged with Tech Mahindra Ltd consequent to a scheme of amalgamation and arrangement as approved by the Hon'ble High Court of Judicature Andhra Pradesh and Hon'ble High Court of Bombay. The Company provides engineering services such as product design, tool design and computer aided engineering simulation services to automotive industry across the globe, through its Indian operations and through its foreign branches in USA, Germany, Canada, United Kingdom and Japan. The financial statements reflect the results of its operations carried on by Indian Operations and overseas branches. The Consolidated financial statements reflect the results of its operations carried on by Indian operations, overseas branches and subsidiaries incorporated in China and Germany, collectively referred to as the "Group".

2. Significant Accounting Policies

2.1 Principles of Consolidation

The consolidated financial statements have been prepared on the following basis:

"The financial statements of the Company and its subsidiary companies have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and unrealised profits or losses on intra-group transactions as per Accounting Standard (AS) 21 - ""Consolidated Financial Statements"" specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014and the relevant provisions of the Companies Act, 2013 (""the 2013 / Companies Act, 1956 (""the 1956 Act"") as applicable.."

The accounting policies adopted in the preparation of financial statements are consistent with those followed in the previous year.

The financial statements of the subsidiaries, used in the consolidation are drawn up to the same reporting date as that of the Company, i.e. March 31, 2016.

Minority interest in the net assets of the consolidated subsidiaries is identified and presented in consolidated balance sheet separately from current liabilities and equity of the Company.

Minority interest in the net profit for the year of consolidated subsidiaries is identified and adjusted against the profit after tax of the group.

Intra-group balances and intra-group transactions and resulting unrealised profits/loss has been eliminated. In case of foreign subsidiaries being non-integral foreign operations, revenue items are consolidated at monthly average of exchange rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in "Foreign Currency Translation Reserve".

The consolidated financial statements are prepared to the extent possible using uniform accounting policies for like transactions and other events in similar circumstances and are presented to extent possible, in the same manner as the Company's Separate financial statements.

Investment in subsidiaries not considered for consolidation have been accounted as per Accounting Standard (AS) 13 – Accounting for Investments and the relevant provisions of the 1956 Act/2013 Act, as applicable.

2.2 Basis of Accounting and Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply in all material respects with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 / Companies Act, 1956 ("the 1956 Act") as applicable. The accounting policies adopted in the preparation of financial statements are consistent with those followed in the previous year.

2.3 Use of estimates

The preparation of the financial statements in conformity with GAAP requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise.

2.4 Revenue recognition

Revenue from services consists primarily of revenue earned from services performed on a “time and material basis”. The related revenue is recognized as and when the services are performed.

The Company also performs time bound fixed price engagements, under which revenue is recognized, using the percentage of completion method of accounting. The cumulative impact of any revision in estimates of percentage of work completed is reflected in the period in which the change becomes known. Provisions for estimated losses on such engagements are made during the period in which a loss becomes probable and can be reasonably estimated.

Amounts received or billed in advance of services performed are recorded as unearned revenue. Unbilled revenue, included in other current assets, represents amounts recognized based on services performed in advance of billing in accordance with contract terms.

Interest income is recognised on time proportionate basis taking into account the amount outstanding and interest rate applicable."

2.5 Fixed Assets and Depreciation/Amortisation

Fixed assets are stated at actual cost less accumulated depreciation. The actual cost includes material cost, freight, installation cost, duties and taxes, finance charges, and other incidental expenses incurred during the construction/installation stage. Depreciation on fixed assets is provided on straight-line method over their estimated useful lives, which are higher than the useful lives indicated in Part C of Schedule II of the Companies Act, 2013. The higher useful lives have been determined by the management based on technical assessment keeping in view the historical usage. Intangible assets, primarily comprising of software, is depreciated over actual license period or estimated life whichever is less. The cost and accumulated depreciation for fixed assets sold, retired or otherwise disposed off are removed from the stated values and the resulting gains and losses are included in the statement of profit and loss. The estimated useful lives of assets are as follows:

Particulars	Estimated useful life
Plant & Machinery (including Computers)	3 years
Office Equipment	3 years
Furniture, Fixtures and Interiors	3 years
Vehicles	3 years
Intangible assets – Software	License period or 3 years whichever is less

2.6 Impairment of Assets

The Carrying amount of assets is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. The recoverable amount is the greater of the asset's net selling price and value in use which is determined based on the estimated future cash flow discounted to their present values. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

2.7 Leases

The Company’s leasing arrangements are in respect of operating leases for premises. The leasing arrangements are usually cancelable / renewable by mutual consent on agreed terms. The aggregate lease rents payable are charged as rent in the statement of profit and loss.

2.8 Foreign Currency Transactions

Foreign currency transactions are accounted at the exchange rates prevailing on the date of transactions. Gains and losses resulting from settlement of such transactions are recognised in the Statement of Profit and Loss.

Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year end rates. The difference in translation of monetary assets and liabilities and realised gains and losses on foreign exchange transactions are recognised in the Statement of Profit and Loss. Foreign Branches are classified as integral foreign operations and are accounted on the basis of the same principle detailed above.

Foreign subsidiaries are classified as non-integral foreign operations. Assets and Liabilities (both monetary and non-monetary) are translated at the closing rate at the year end. All resulting exchange differences are accumulated in a separate account ‘Foreign Currency Translation Reserve’ till the disposal of the net investments.

2.9 Investments

Investments are classified as long term and current investments. Long Term Investments are carried at cost less provision for other than temporary diminution, if any, in value of such investments. Current investments are carried at lower of cost or fair value.

2.10 Employee Benefits

Liability for employee benefits, both short and long term, for present and past services which are due as per the terms of the employment are recorded in accordance with Accounting Standard – 15 “Employee Benefits”. Contribution to Provident fund is charged as expense, being a defined contribution plan. Liability for compensated absences (treated as long term liability) and gratuity are provided on the basis of valuation of the liability by an independent actuary carried out at the end of each quarter.

2.11 Taxes on Income

Tax expense for the year comprises of current tax and deferred tax of Indian and foreign branches. Current taxes are measured at the amounts expected to be paid using the applicable tax rates and tax laws.

Deferred tax assets and liabilities are recognised for future tax consequences attributable to timing differences between taxable income and accounting income that are capable of reversal in one or more subsequent years and are measured using relevant enacted tax rates. The carrying amount of deferred tax assets at each Balance sheet date is reduced to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which the deferred tax asset can be realized.

2.12 Earnings Per Share

Basic earning per equity shares is computed by dividing the net profit for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earning per share is computed by dividing the net profit for the year adjusted for the effects of diluted potential equity shares, attributable to the equity shareholders by the weighted average number of equity shares and dilutive potential equity shares outstanding during the year except where the results are anti dilutive."

2.13 Provisions and Contingent Liabilities

The Company recognizes provisions when there is present obligation as a result of past event and it is probable that there will be outflow of resources and reliable estimate can be made of the amount of the obligation. A disclosure for contingent liabilities is made in the notes to accounts when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Contingent assets are neither recognized nor disclosed in the financial statements

2.14 Cash Flow Statement

Cash flows are reported using the indirect method, where by profit / (loss), before extraordinary items and tax is adjusted for the effect of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregated based on the available information.

Cash comprises cash on hand and demand deposits with banks, cash equivalents are short term balances (with an original maturity of three months or less from the date of acquisation), highly liquid investments that are readily convertable into known amounts of cash and which are subject to insignificant risk of changes in value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. Share Capital

	As at March 31, 2016		As at March 31, 2015	
	Number of Shares	**Amount (in ₹)**	Number of Shares	Amount (in ₹)
Authorised Capital				
Equity Shares of ₹10/- each	**7,500,000**	**75,000,000**	7,500,000	75,000,000
Issued, Subscribed and Fully Paid up				
Equity Shares of ₹10/- each	**7,088,960**	**70,889,600**	7,088,960	70,889,600
	7,088,960	**70,889,600**	7,088,960	70,889,600

3.1 Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the reporting period.

	As at March 31, 2016		As at March 31, 2015	
Equity Shares of ₹ 10 each	**Number of Shares**	**Amount (in ₹)**	Number of Shares	Amount (in ₹)
Balance at the beginning of the year	**7,088,960**	**70,889,600**	7,088,960	70,889,600
Add: Alloted during the year	**-**	**-**		-
Balance at the end of the year	**7,088,960**	**70,889,600**	7,088,960	70,889,600

3.2 Rights, preferences and restrictions attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The percentage of shareholding shall be maintained as set out in Article 4 of Articles of Association and the fresh issue to be offered to both the shareholders in proportion to their shareholding. Any shares not accepted shall in the first instance be offered to the other remaining member and affiliates nominated by thereof.

3.3 Shares held by holding/ultimate holding Company and/or their subsidiaries/associates

	As at March 31, 2016		As at March 31, 2015	
Equity shares of ₹10 each fully paid held by	**Number of Shares**	**Amount (in ₹)**	Number of Shares	Amount (in ₹)
Tech Mahindra Limited	**3,544,480**	**35,444,800**	3,544,480	35,444,800
Venture Global Engineering Services LLC	**3,544,480**	**35,444,800**	3,544,480	35,444,800

3.4 Details of shares held by each shareholders holding more than 5% shares in the Company

	As at March 31, 2016		**As at March 31, 2015**	
Equity shares of ₹10 each fully paid	**Number of Shares**	**% of Holding**	Number of Shares	% of Holding
Tech Mahindra Limited	**3,544,480**	**50%**	3,544,480	50%
Venture Global Engineering Services LLC	**3,544,480**	**50%**	3,544,480	50%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

			(in ₹)
		As at March 31, 2016	As at March 31, 2015
4.	**Reserves and Surplus**		
	General Reserve		
	Opening balance	**1,250,000**	1,250,000
	Add: Transfers during the year	**-**	-
	Closing Balance	**1,250,000**	1,250,000
	Foreign Currency Translation Reserve		
	Opening Balance	**784,958**	108,935
	Add: Effect of foreign exchange variations during the year	**691,690**	676,023
	Closing Balance	**1,476,648**	784,958
	Surplus in Statement of Profit and Loss		
	Opening Balance	**637,436,517**	558,758,345
	Add: Profit for the year after tax	**343,736,408**	78,678,172
	Closing Balance	**981,172,926**	637,436,517
	Total	**983,899,574**	639,471,475
5.	**Long Term Provisions**		
	Provision for Employee Benefits		
	Gratuity	**46,907,082**	39,190,938
	Compensated Absences	**30,541,929**	22,400,119
	Total	**77,449,011**	61,591,057
6.	**Trade Payables**		
	Other than acceptances (Refer note 6.1 & 6.2)	**185,668,354**	128,615,529
	Total	**185,668,354**	128,615,529

6.1 Includes ₹ 4,394,096 (31.03.2015: ₹ 2,150,136) dues to related parties (Refer note 28)

6.2 The Company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the MSMED Act, 2006) claiming their status as micro or small enterprises. Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by management and the required disclosures are given below:

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 succedding years, until such date when the interest dues as above are acually paid to the small enterprises.	**Nil**	Nil

		As at March 31, 2016	(in ₹) As at March 31, 2015
7.	**Other Current Liabilities**		
	Other Payables		
	- Dues for Capital assets	**1,513,313**	6,911,520
	- Statutory payables	**58,051,773**	24,342,188
	- Others	**-**	98,675
	Total	**59,565,086**	31,352,383
8.	**Short Term Provisions**		
	Provision for employee benefits		
	- Gratuity	**9,741,761**	1,795,981
	- Compensated absences	**18,491,795**	12,136,614
	Provision for Income Tax	**84,996,611**	83,418,628
	(Net of advance tax and tax deducted at source ₹163,231,778 (31:03:2015: ₹ 4,588,04,799))		
	Provision for Contingencies (Refer note 22.2)	**529,141,809**	529,141,809
	Total	**642,371,976**	626,493,032

9. Fixed Assets

(in ₹)

	Gross Block (At Cost)				Depreciation / Amortisation				Net Block	
	As at March 31, 2015	Additions	Deletion / Adjustment	As at March 31, 2016	Upto March 31, 2015	For the period	Deletion / Adjustment	Upto March 31, 2016	As at March 31, 2016	As at March 31, 2015
Tangible Assets										
Plant and Machinery	126,643,649	29,816,620	6,398,043	150,062,226	101,158,483	20,213,403	6,396,455	114,975,432	35,086,794	25,485,165
Office Equipment	21,614,635	5,586,104	1,351,218	25,849,521	16,337,300	3,860,872	1,348,661	18,849,511	7,000,010	5,277,335
Furniture, Fixtures & Interiors	25,605,465	4,947,173	3,356,180	27,196,458	23,395,536	1,987,462	3,347,997	22,035,001	5,161,457	2,209,929
Vehicles	4,322,960	604,738	425,690	4,502,008	4,322,960	101,066	425,690	3,998,336	503,672	-
Total	**178,186,709**	**40,954,635**	**11,531,132**	**207,610,213**	**145,214,279**	**26,162,802**	**11,518,803**	**159,858,280**	**47,751,933**	**32,972,430**
Previous Year	157,643,228	31,029,316	10,485,835	178,186,709	139,245,893	16,440,961	10,472,576	145,214,279	32,972,430	18,397,335
Intangible Assets										
Software	241,542,320	53,768,518	-	295,310,838	198,890,030	32,888,802		231,778,832	63,532,006	42,652,290
Total	**241,542,320**	**53,768,518**	**-**	**295,310,838**	**198,890,030**	**32,888,801**	**-**	**231,778,832**	**63,532,006**	**42,652,290**
Previous Year	201,773,732	39,768,588	-	241,542,320	182,155,628	16,734,401	-	198,890,030	42,652,290	19,618,104
Grand Total	**419,729,029**	**94,723,153**	**11,531,132**	**502,921,051**	**344,104,309**	**59,051,603**	**11,518,803**	**391,637,112**	**111,283,939**	**75,624,720**
Previous Year	359,416,960	70,797,904	10,485,835	419,729,029	321,401,521	33,175,363	10,472,576	344,104,309	75,624,720	38,015,439

9.1 Depreciation / Amortisation expense

(in ₹)

	Year ended March 31,2016	Year ended March 31,2015
Tangible Assets	**26,162,802**	16,440,961
Intangible Assets	**32,888,801**	16,734,401
Total	**59,051,603**	33,175,363

(in ₹)

	As at March 31, 2016	As at March 31, 2015
10. Deferred Tax Assets		
Deferred Tax Asset on timing differences due to:		
Depreciation	**30,970,000**	29,100,000
Provision for doubtful debts	**20,600,000**	20,240,000
Provision for compensated absences, gratuity and other employee benefits	**39,480,000**	26,150,000
Total	**91,050,000**	75,490,000
11. Long Term Loans and Advances		
Unsecured, considered good		
Capital Advances	**229,025**	2,499
Security deposit (Refer note 11.1)	**23,747,059**	17,664,646
Advance Tax and Tax Deducted at Source (Net of provisions ₹ 858,055,970 (31.03.2015: ₹ 476,221,646))	**315,252,155**	204,134,062
Total	**339,228,239**	221,801,207

11.1 Includes ₹ 1,405,866 (31.03.2015: ₹ 1,310,302) fixed deposits pledged with government authorities.

	As at March 31, 2016	As at March 31, 2015
12. Other Non Current Assets		
Fixed Deposits having maturities of more than 12 months from the Balance Sheet date.	**30,084,552**	20,000,000
	30,084,552	20,000,000
13. Current Investments		
Trade (Unquoted, Lower of Cost and fair value)		
Investment in Mutual Funds		
Liquid Funds	**3,500,000**	-
	3,500,000	-
Aggregate amount of Quoted Investments	**3,594,103**	-
Aggregate amount of Unquoted Investments	**-**	-
14. Trade Receivables		
Unsecured		
Outstanding for a period exceeding six months from the date they were due for payment		
Considered Good	**60,471,296**	41,144,418
Considered Doubtful	**59,534,298**	59,534,298
	120,005,594	100,678,716
Less: Provision for doubtful debts	**(59,534,298)**	(59,534,298)
	60,471,296	41,144,418
Others		
Considered Good	**696,557,143**	500,890,797
Total	**757,028,438**	542,035,215

14.1 Includes ₹ 209,415,786 (31.03.2015: ₹ 251,407,884) amounts receivable from related parties (Refer note: 28.2)

	As at March 31, 2016	(in ₹) As at March 31, 2015
15. Cash and Bank Balances		
Cash and Cash Equivalents		
Cash on hand	**49,450**	-
Balances with banks		
In current accounts	**-**	-
In Rupees	**11,530,099**	14,657,171
in Foreign Currency	**204,684,905**	107,288,712
In Deposits with original maturity of less than 3 months	**12,500,000**	-
	228,764,454	121,945,883
Other Bank Balances		
In Deposit Account	**88,868,492**	239,553,922
Total	**317,632,946**	361,499,805
16. Short term loans and advances		
Unsecured, considered good		
Loans and Advances to Employees	**55,365,236**	26,452,012
Balance with government authorities	**82,012,718**	68,412,869
MAT Credit Entitlement	**-**	33,683,937
Prepaid expenses	**74,058,252**	49,662,335
Others	**17,950,331**	6,775,297
Total	**229,386,537**	184,986,450
17. Other Current Assets		
Unsecured, considered good		
Unbilled Revenue	**137,551,235**	65,411,083
Interest Accrued on Bank Deposits	**2,884,947**	10,333,608
Total	**140,436,182**	75,744,691

	Year ended March 31, 2016	(in ₹) Year ended March 31, 2015
18. Revenue From Operations		
Sale of services		
- Overseas / Export	**2,630,254,268**	2,148,904,298
- Domestic	**100,317,340**	25,431,974
Total	**2,730,571,607**	2,174,336,272
19. Other Income		
Interest on Bank Deposits	**18,741,569**	25,252,187
Gain on Exchange Fluctuations (Net)	**50,210,212**	-
Profit on sale of assets	**933,348**	89,921
Miscellaneous income	**2,163,314**	2,277,192
Total	**72,048,443**	27,619,300

	Year ended March 31, 2016	Year ended March 31, 2015
		(in ₹)
20. Employee Benefits Expense		
Salaries and wages	**1,723,419,086**	1,366,464,193
Contribution to provident and other funds	**39,249,710**	30,434,970
Gratuity	**17,973,350**	16,956,531
Staff welfare expenses	**16,520,641**	13,120,478
Total	**1,797,162,788**	1,426,976,172
21. Other Expenses		
Rent	**39,242,408**	32,921,440
Rates and taxes	**1,901,157**	4,132,304
Power and fuel	**13,271,761**	13,333,107
Travelling and Conveyance	**155,583,172**	100,686,183
Communication	**8,753,806**	5,066,067
Marketing expenses	**14,740,504**	8,223,717
Office Maintenance	**9,570,428**	6,679,173
Repair and Maintenance - Others	**2,890,357**	(1,372,437)
Computer Maintenance(Includes Software & Hardware)	**85,933,915**	76,838,857
Computer Hire Charges	**13,029,116**	12,536,387
Security Services	**3,931,283**	2,092,506
Recruitment, Training and Development	**18,034,972**	12,197,518
Printing and Stationery	**4,928,048**	4,111,111
Subcontracting Charges	**98,325,111**	127,752,837
Legal and professional	**39,582,405**	35,919,044
Auditors' Remuneration (Refer note 29)	**3,125,500**	1,584,834
Corporate Social Responsibility Expenses	**5,544,844**	6,761,345
Loss on Exchange Fluctuations (Net)	**-**	25,195,027
Directors Sitting Fees	**165,000**	-
Bank Charges	**6,521,413**	5,179,811
Miscellaneous expenses	**5,501,893**	5,717,898
Total	**530,577,090**	485,556,730

	As at March 31, 2016	As at March 31, 2015
		(in ₹)
22. Contingent liability		
Claims against the Company not acknowledged as debt		
Disputed income tax matters *(Refer Note 22.1)*	**137,269,569**	125,689,186
Disputed service tax liability for which the Company preferred appeal	**59,850,589**	10,493,852
Disputed interest liability on service tax for which the Company preferred appeal	**Not Ascertained**	
Others *(Refer Note 22.2)*	**779,780,000**	528,870,000

22.1. Income tax matters under dispute:

Income tax assessments for AY 2004-05 to 2011-12 are completed and are in appeal before appropriate appellate authorities. Significant tax demand represented additions made on reopened assessments. The demands related to deductibility of expenditure, transfer pricing matters and exemptions u/s 10A of the Income Tax Act 1961. The dispute regarding reopening of assessment for AY 2002-03, 2003-04 and 2004-05 is decided in favour of the Company by the Income Tax Appellate Tribunal. Accordingly, the Company reversed provision of ₹ 72,000,000 made for the said Assessment Years. Out of total demands for the AY 2004-05 to 2011-12, ₹ 137,269,569 is not provided as the Company is confident of favourble out come in the appellate proceedings.

22.2. Contingent Liability - Others

The Company was promoted as 50:50 Joint Venture by Satyam Computer Services Ltd ("Satyam") and Venture Global Engineering LLC US ("Venture"). The joint venture partners entered into a Shareholders' Agreement (SHA) dated October 20, 1999 that provided for a royalty payment from the Company to both the joint venture partners in terms of a separate Royalty Agreement to be entered into between the Company and the joint venture partners. The Royalty Agreement was not entered into between the Company and the joint venture partners as envisaged in the SHA.

The Company and joint venture partners entered into separate Sales Commission Agreements that provided for payment of sales commission to the joint venture partners as per terms and conditions contained in the said agreements. In line with the provisions contained therein, the Company has been accruing and paying commission to its joint venture partners up to the year 2005-06.

During the year 2005-06, Satyam commenced arbitration proceedings against Venture in the London Court of International Arbitration ("LCIA") by invoking the arbitration clause in the SHA. Satyam's claims were upheld by the LCIA in its award dated April 2006 ("the Award"). Since then both the joint venture partners have raised numerous claims against each other resulting in a spate of litigation both in India and the USA that are still ongoing.

On January 7, 2009, the then Chairman of Satyam vide his letter addressed to then existing Board of Directors of Satyam, the stock exchanges and SEBI admitted to several financial irregularities in Satyam. Consequent to a global bidding process to take over the management of Satyam, M/s Venturbay Consultants Private Limited (the successful bidder) took over the management of Satyam.

Notwithstanding the dispute, the Company under its erstwhile management, continued to accrue the sales commission in its books. The newly reconstituted Board approved the accounts of the Company for the years 2008-09, 2009-10 and 2010-11, with continued accrual of sales commission. This was based on a view taken by the newly constituted Board that the matter is sub-judice that was corroborated by legal opinion and continued as prudent measure.

During the meetings held in 2011-12, the Board discussed the need to accrue the sales commission, as Venture did not render any services to the Company either during the year or during the past many years since the dispute. Further, in so far as the Company was concerned, Venture had not, till that point of time, claimed any amounts towards sales commission. The Board also took note of the fact (based on an updated legal opinion) that the issue of sales commission is not a disputed matter before the Courts either in India or in USA and not sub judice, as per original view.

Under the circumstances, the Board took the view on May 14, 2012 when the financial statements for the year ended March 31, 2012 was tabled for approval, that the accrual of sales commission from FY 05-06 to FY 10-11 of ₹ 359,406,780 be written back as other income in the Statement of Profit and Loss and the sales commission for the period from April 2011- December 2011 be reversed. However, as a prudent measure, the Board directed that the Company provide an amount of ₹ 529,141,809 as a provision for contingency, covering the period from FY 05-06 to FY 11-12 which in its opinion would be adequate to cover any possible outflow that may arise in respect of the 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 passed by the City Civil Court, in a suit filed by Venture before it, directing the Company, Venture and Satyam to maintain status quo with regard to transfer of 50% shares of Venture and with regard to taking major decisions which are prejudicial to interest of Venture were served on the Company. The Company has challenged the ex-parte orders of the City Civil Court Secunderabad, before the Hon'ble High Court of Andhra Pradesh ("the High Court").

In a related development, the City Civil Court, Hyderabad set aside the Award in January 2012, against which Satyam has filed an appeal before the High Court.

The High Court by its Judgement dated August 23, 2013 has allowed the appeals filed by the Company and set aside the ex-parte interim orders against the Company. The High Court has also set aside the Order of the City Civil Court, Hyderabad setting aside the Award and upheld the Award in favour of Satyam. The High Court as an interim measure ordered status quo with regard to transfer of shares, originally given by Supreme Court to be maintained for four (4) weeks which was extended for a further period of 3 weeks by High Court on 19th September, 2013.

Venture filed an SLP before the Supreme Court of India which was heard by the Apex Court on 21st October, 2013 and Supreme Court as an interim measure ordered status quo with regard to transfer of shares. TechM has filed a Special leave Petition before the Supreme Court of India challenging the judgement of the High Court only on the limited issue as to whether the Civil Court has jurisdiction to entertain VGE's challenge to the Award. The said petition is pending before the Supreme Court.

The Company has not modified the the provision for contingencies amounting to ₹ 529,141,809 as on March 31, 2012. The Company has also disclosed an amount of ₹ 779,780,000 (March 31, 2015 ₹ 528,870,000) as contingent liability, to cover any possible charge that may arise in respect of the above said matter, in the financial statements for the period ended March 31, 2016 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.

23. Capital and other commitments

(in ₹)

	As at March 31, 2016	As at March 31, 2015
Capital Commitments	**6,183,192**	28,750

24. Preparation of financial statements:

At the Annual General Meetings of the Company held on 29.10.2012, 10.09.2013, 22.09.2014 and 07.09.2015 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 and 2015 respectively. In terms of Article 66 of the Articles of Association of the Company, the adoption of audited financial statements requires unanimous consent of both the shareholders of the Company. Therefore, the said financials have not been approved by the shareholders.

The financial statements as at and for the year ended March 31, 2016 have been drawn up incorporating the opening balances based on above said financial statements which have not been adopted by the Shareholders. Adjustments required, if any, will be made in accounts as and when determined.

25. Subsidiaries considered for consolidation

Name of the Entity	**Country of Incorporation**	**Proportion of Ownership**	
		Current Year	Previous Year
Satyam Venture Engineering Services (Shanghai) Co. Ltd	China	**100%**	100%
Satven GmbH	Germany	**100%**	NA

26. Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Satyam Venture Engineering Services Pvt. Ltd.,	**Net Assets i.e., Total assets minus total liabilities**		**Share in profit**	
	As a % of Consolidated net assets	**Amount ₹**	**As a % of consolidated profit or loss**	**Amount ₹**
Parent	**98%**	**1,034,239,287**	**100.49%**	**345,405,067**
Subsidiaries - India	**0%**		**0%**	
Subsidiearies - Foreign	**2%**	**20,549,887**	**-0.5%**	**(1,668,659))**
Minority Interest in all Subsidiaries	**0%**		**0%**	
Total	**100%**	**1,054,789,174**	**100%**	**343,736,408**

27. Segment Reporting`

27.1. Business Segment: The Company has only one primary business segment viz., engineering services.

27.2. Geographic Segment: Revenue and segment assets attributable to location of customers is as follows.

(in ₹)

Geographic Location	India	USA	Europe	Asia Pacific	South Africa	Canada
Revenue	234.992,058	1,532,438,985	492,458,987	468,941,011	322,055	2,018,512
31.03.2015	25,431,974	1,385,026,489	537,116,562	224,996,352	1,764,895	
Segment Assets:	1,235,407,103	302,911,605	152,846,679	237,628,214	-	
31.03.2015	1,121,437,699	227,292,233	99,684,044	34,509,100	-	
Additions to Fixed Assets	93,330,131	755,101	625,729	12,193	-	
31.03.2015	63,489,901	346,817	6,823,384	137,802		

28. Related Party Transactions

28.1 Following is the list of related parties and their relationships

A. Joint Venture Partner

1. Tech Mahindra Limited
2. Venture Global Engineering LLC

B. Holding Company of Tech Mahindra Limited

3. Mahindra & Mahindra Ltd

C. Under control of Tech Mahindra Limited

4. Tech Mahindra Technologies Inc.
5. Tech Mahindra BPO Limited (merged into Tech Mahindra Ltd., w.e.f 29th March, 2016)
6. Tech Mahindra (Shanghai) Co., Ltd.
7. Tech Mahindra GmbH
8. Tech Mahindra Foundation

D. Under control of Venture Global Engineering LLC

9. Jiangyin Venture Interior System
10. Millard design
11. Metro Tool & Die
12. Peguform
13. Venture Diversified Products
14. Candence Innovation
15. Venture Mould & Engg Co
16. Venture Otto South Africa (Prop) Ltd
17. Venture Auto Design(Shanghi)Co. Ltd

E. Key Managerial Personnel

18. Rao S Vadlamudi - Chief Executive Officer
19. Aradhana Rewatkar - Company Secretary

28.2 Related party transactions for the period ended March 31, 2016 are as follows:

(in ₹)

	March 31, 2016	March 31, 2015
Tech Mahindra Limited		
Revenue	**28,644,603**	97,327,448
Reimbursement of Expenditure Receivable	**21,190,559**	15,374,748
Tech Mahindra Technologies Inc		
Revenue	**544,877,449**	512,924,046
Tech Mahindra GmbH		
Revenue	**133,452,259**	102,097,956
Subcontracting Charges	**3,727,534**	64,430,972
Venture Otto South Africa (Prop) Ltd		
Revenue	**322,717**	1,717,398
Tech Mahindra Foundation		
Contribution made toward CSR Expenditure	**5,544,844**	6,761,345
Remuneration to key management personal	**9,555,526**	8,845,518

(in ₹)

	As at March 31, 2016	As at March 31, 2015
Debit balances outstanding as at March 31, 2016		
Tech Mahindra Limited	**16,209,238**	7,718,394
Tech Mahindra Technologies Inc	**159,144,451**	168,033,070
Tech Mahindra GmbH	**30,314,426**	70,537,390
Mahindra & Mahindra Ltd	**7,736,737**	3,812,709
Jiangyin Venture Interior Systems	**982,448**	911,258
Millard design	**318,164**	318,164
Metro Tool & Die	**198,687**	198,687
Peguform	**1,117,699**	1,117,699
Venture	**697,926**	655,892
Venture Diversified Products	**290,901**	263,214
Cadence Innovation	**555,487**	555,487
Venture Otto South Africa (Prop) Ltd	**320,674**	29,376
Credit balances outstanding as at March 31, 2016		
Venture Mould & Engg.Co	**25,508**	24,061

The remuneration to key management personal does not include the provisions made for gratuity and leave benefits as they are determined on an actuarial basis for the company as a whole.

29. Auditors Remuneration

(in ₹)

	March 31, 2016	March 31, 2015
Statutory Audit fee	**963,000**	750,000
Tax Audit fee	**230,000**	200,000
Other Services	**1,932,500**	634,834
Total	**3,125,500**	1,584,834

30. Earnings Per Equity Shares

		Year ended March 31, 2016	Year ended March 31, 2015
Net profit after tax	In ₹	**343,736,408**	78,678,172
Weighted average number of equity shares outstanding during the period	In Nos.	**7,088,960**	7,088,960
Face Value of Equity Shares	In ₹	**10.00**	10.00
Basic and Diluted Earnings per Share *	In ₹	**48.49**	11.10

* The Company has no dilutive instruments during the year ended March 31 2016.

(in ₹)

31. Earning in foreign currency	Year ended March 31, 2016	Year ended March 31, 2015
Earnings in foreign exchange during the year : Sale of services	**2,630,254,268**	2,148,904,298
CIF value of imports : Capital goods	**16,319,921**	16,851,537
Expenditure incurred in foreign currency :		
Travelling Expenses	**80,367,922**	58,557,893
Expenditure incurred at overseas branches	**1,082,221,652**	784,513,883
Salary Re-imbursements	**32,074,763**	14,732,990
Subcontracting Charges	**98,325,111**	127,752,837

32. The foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

		March 31, 2016		March 31, 2015	
Particulars		In foreign currency	In ₹	In foreign currency	In ₹
Sundry Debtors					
	USD	**8,368,843**	**554,477,675**	5,675,578	354,695,250
	Euro	**2,029,851**	**153,075,144**	2,121,841	142,589,807
	GBP	**125,653**	**12,002,269**	27,062	2,501,665
	JPY	**21,708,666**	**12,803,771**	15,879,163	8,274,632
	CND	**3,637**	**186,348**	3,637	178,365
	CNY	**1,717,881**	**17,615,319**	1,315,942	12,762,790
Cash and Bank Balances					
	USD	**787,580**	**52,181,137**	933,494	58,338,734
	Euro	**450,206**	**33,950,953**	378,104	25,853,840
	GBP	**3,342**	**319,212**	2,971	274,628
	JPY	**180,039,098**	**106,187,060**	29,035,443	15,130,374
	CNY	**1,174,803**	**12,046,543**	763,025	7,691,136

Particulars		March 31, 2016 In foreign currency	March 31, 2016 In ₹	March 31, 2015 In foreign currency	March 31, 2015 In ₹
Other assets					
(Unbilled Revenue)	USD	**265,875**	**17,615,516**	140,827	8,800,955
	Euro	**122,263**	**9,220,112**	189,609	12,741,883
	JPY			8,306,225	4,328,374
	GBP	**-**	**-**	6,696	618,998
Loans and Advances					
	USD	**3,419**	**226,526**	1,268	79,244
Trade Payables					
	USD	**4,253**	**281,749**	1,620	101,242
	Euro	**13,330**	**1,005,264**	86,638	5,848,238
	CNY			330,000	171,963
	GBP	**17,225**	**1,645,333**	23,259	2,150,136
	THB	**639,042**	**1,203,763**	-	-
Other current liabilities					
	USD	**15,888**	**1,052,664**	108,235	6,764,177

33. Previous years figures have been regrouped / reclassified wherever necessary to correspond with the current year classification / disclosure.

In terms of our report attached
for **M. Bhaskara Rao & Co.**
Chartered Accountants

M.V. Ramana Murthy
Partner

Hyderabad, April 21, 2016

for and on behalf of the Board

G.Jayaraman
Director

V.Venkata Kumar Raju
Director

Rakesh Soni
Director

J.Venkateswarlu
Director

C.Subramanyam Reddy
Director

Rao.S.Vadlamudi
CEO

Srinivas R
AVP-Finance

Aradhana R
Company Secretary

SATYAM VENTURE ENGINEERING SERVICES (SHANGHAI) CO., LTD.

Board of Directors

Mr. P V Krishna Kumar

Registered Office

Room B227, Block.4, No.2118
Guanghua Road
Minhang District, Shanghai
China

Bankers

HSBC Bank

Auditors

Shanghai Teamsoul Certified Public Accountants

DIRECTORS' REPORT TO THE SHAREHOLDERS

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

Financial Results

For the year ended December 31st, 2015	**2015**	**2015**	**2014**	**2014**
	CNY	**₹**	**CNY**	**₹**
Income	4,587,168	47,156,088	3,384,899	33,275,927
Profit / (Loss) before tax	203,681	2,093,842	387,466	3,809,062
Profit/(Loss) after tax	147,436	1,515,637	343,983	3,381,594

Conversion Rate Used for 2014: CNY to ₹ = 9.83

Conversion Rate Used for 2015: CNY to ₹ = 10.28

Review of Operations:

During the year under review, your company recorded an income of CNY 4,587,168 (Equivalent to ₹ 47,156,088). Profit after tax was CNY 147,436 (Equivalent to ₹ 1,515,637). 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 Various Government Authorities and the shareholder/s for the co-operation and assistance received from them.

P. V. Krishnakumar

Director

Shanghai, 12th May,2016

AUDITOR’S REPORT

To: All Shareholders of Satyam-Venture Engineering Services (Shanghai) Co., Ltd.

We have audited the accompanying financial statements of Satyam-Venture Engineering Services (Shanghai) Co., Ltd. (the Company) including the Balance Sheet as of December 31, 2015 and the Income Statement and Cash Flow Statement for the year then ended as well as the notes to these financial statements.

I. Responsibility of the Management for the Financial Statements

It is the responsibility of the Company's management to prepare these financial statements in accordance with the enterprise accounting standards and the *“Enterprise Accounting System”*. This includes (1) designing, implementing and maintaining the internal control related to the preparing of the financial statements to avoid any material misstatement present in these financial statements due to malpractices or mistakes; (2) selecting and applying appropriate accounting policies; and (3) making reasonable accounting estimates.

II. Responsibility of Certified Public Accountant (s)

Our responsibility is to express the audit opinion on these financial statements based on our audit. We conducted our audit in accordance with the Auditing Standards for China Certified Public Accountants. Those standards require that we comply with the professional ethics, plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit relates to the implementation of audit procedure with a view to obtain the audit evidences supporting the amounts and disclosures in the financial statements. The selection of the audit procedure depends on the discretion of the certified public accountant including the assessment on the risk of material misstatement present in the financial statements due to malpractices or mistakes. During the risk assessment, we considered the internal control related to the preparing of the financial statements to design an appropriate audit procedure rather than express any opinion on the effectiveness of internal control. An audit also includes assessing the adequacy of accounting principles used and the rationality of accounting estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidences obtained by us are sufficient and adequate, and which provide a reasonable basis for our audit opinion.

III. Audit Opinion

In our opinion, the financial statements of the Company have been prepared in accordance with the enterprise accounting standards and the *“Enterprise Accounting System”*, present fairly, in all material respects, the financial position of the Company as of December 31, 2015, and the results of its operations and cash flow for the year then ended.

Shanghai Team Soul CPAs — **China Certified Public Accountant:**

China Certified Public Accountant:

Shanghai, China — **May 12, 2016**

Financial Statements of Foreign Investment Enterprises in Shanghai for Year 2015
BALANCE SHEET

KWNQ Form 01
Amount Unit: CNY

Name of Enterprise: Satyam-Venture Engineering Services (Shanghai) Co.,Ltd. 2015-12-31

ITEM	LINE	ENDING BALANCE	BEGINNING BALANCE	ITEM	LINE	ENDING BALANCE	BEGINNING BALANCE
CURRENT ASSETS:	1	—	—	**CURRENT LIABILITIES:**	47	—	—
Monetary assets	2	**1,311,337.92**	1,058,336.17	Short-term loan	48		
Short-term investments	3			Notes payable	49		
Notes receivable	4			Accounts payable	50	**1,288,252.57**	380,070.32
Dividend receivable	5			Prepayment From Customers	51		59,698.80
Interest receivable	6			Accrued wages	52	**23,756.72**	23,517.50
Accounts receivable	7	**1,587,603.41**	672,989.92	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	**82,028.95**	112,755.18
Export return tax receivable	12			Inclu: tax payable	58		
other receivable	13		42,362.65				
	14						
Inventories	15			Other payable	59	**215,051.12**	57,180.52
Including: raw material	16			Accrued expense	60		
Finished products	17			Perceivable liabilities	61		
	18						
Other current assets	19			Deferred income	62		
TOTAL CURRENT ASSETS	20	**2,898,941.33**	1,773,688.74	Long-term liability due within one year	63		
	18			Other current liabilities	64		
LONG TERM INVESTMENTS	19			**TOTAL CURRENT LIABILITIES**	65	**1,609,089.36**	633,222.32
Long-term share investments	20			**LONG TERM LIABILITIES:**	66	—	—
Long-term investment of bonds	21			Long term loans	67		
* Price differenc of merge	22			Bonds payable	68		
	23			Long term other payable	69		
TOTAL LONG TERM INVESTMENTS	24			Special payable	70		
FIXED ASSETS:	25			Other long-term liabilities	71		
Fixed assets-cost	26	**6,500.00**	6,500.00		72		
Less: Accumulated depreciation	27	**4,875.00**	2,925.00		73		
Fixed assets-net value	28	**1,625.00**	3,575.00	DEFERRED TAX:	74		
Less: Provision for loss on fixed-assets	29			Deferred tax credit items	75		
Net value of fixed-assets	30	**1,625.00**	3,575.00	**TOTAL LONG TERM LIABILITIES**	76	**-**	-
Construction materials	31			**TOTAL LIABILITIES**	77	**1,609,089.36**	633,222.32
Construction in progress	32			**OWNERS' EQUITY:**	78		
Disposal of fixed assets	33			Paid-in capital	79		
	34			Investment of Chinese (None RMB____)	80		
	35			Investment of Foreign (None RMB____)	81	**992,650.93**	992,650.93
TOTAL FIXED ASSETS	36			Less: returned investment	82		
INTANGIBLE AND OTHER ASSETS:	37			Net Paid-in capital	83	**992,650.93**	992,650.93
Intangible assets	38			Capital surplus	84	**1,261.64**	1,261.64
Long-term deferred and prepaid expenses	39			Surplus reserves	85		
Other Long-term assets	40			Inside: Legal surplus	86		
The deferred income tax assets	41			Legal accumulated	87		
TOTAL INTANGIBLE AND OTHER ASSETS	42	**1,625.00**	3,575.00	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	**297,564.40**	150,128.85
				Discount difference of foreign currency statement	94		
				TOTAL OWNERS' EQUITY	95	**1,291,476.97**	1,144,041.42
				Less: loss of asset	96		
				TOTAL OWNERS' EQUITY (except the loss of assets)	97	**1,291,476.97**	1,144,041.42
TOTAL ASSETS	46	**2,900,566.33**	1,777,263.74	TOTAL LIABILITIES AND OWNERS' EQUITY	98	**2,900,566.33**	1,777,263.74

Financial Statements of Foreign Investment Enterprises in Shanghai for Year 2015
PROFIT STATEMENTS

KWNQ Form 02

Name of Enterprise: Satyam-Venture Engineering Services (Shanghai) Co.,Ltd. **2015-12** **Amount Unit: CNY**

ITEM	Line	Current Year	Last Year	ITEM	Line	Current Year	Last Year
I. Total Business Income	1	**4,587,168.07**	3,384,899.20	Add: Gain from change of fair value	20		
Business Income	2	**4,587,168.07**	3,384,899.20	Investment Gain	21		
Inside: Main Business Income	3	**4,587,168.07**	3,384,899.20	Include: Gain from Joint-venture	22		
Other Business Income	4			**III. Profit from Business Operation**	23	**203,417.82**	381,027.68
II. Net Business Cost	5	**4,383,750.25**	3,003,871.52	Add: (1) Non-Business revenue	24	**330.00**	6,471.74
Include: (1) Businese cost	6	**1,169,766.00**	302,940.00	include: Gain from disposal of Non-current assets	25		
Inside: Main Business Cost	7	**1,169,766.00**	302,940.00	Gain fron Non-monetary transaction	26		
Other Business Cost	8			Allowance	27		
(2) Operation tax and additional	9	**221,892.56**	58,990.19	Gain from Liability re-arrangement	28		
(3) Operation expense	10	**2,699,634.07**	2,156,732.82	Less: Non-Operation expenditure	29	**66.71**	33.72
(4) Administration expense	11	**293,054.45**	484,906.15	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	**-596.83**	302.36	**IV. Profit before Tax**	33	**203,681.11**	387,465.70
Inside: Interest payout	15			Less: Income Tax	34	**56,245.56**	43,482.64
Interest income	16			Add: Unconfirmed Investment Loss	35		
Net loss of exchange	17			**V. Net Profit**	36	**147,435.55**	343,983.06
(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	**147,435.55**	343,983.06

Financial Statements of Foreign Investment Enterprises in Shanghai for Year 2015
CASH FLOW STATEMENT

KWNQ Form 03

Name of Enterprise: Satyam-Venture Engineering Services (Shanghai) Co.,Ltd. 2015-12 **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	**3,871,704.47**	2,382,065.11	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	**200,233.25**	136,495.45	**Net cash flows from investing activities**	24	**-**	-
Sub-total of cash inflows	5	**4,071,937.72**	2,518,560.56	**3. Cash Flows from Financing Activities:**	25	**—**	—
Cash paid for goods and services	6	**-**		Proceeds from received investment	26		
Cash paid to and on behalf of employees	7	**1,982,365.92**	1,421,717.59	include proceeds of investment by minor shareholder	27		
Cash apid for all type of taxes	8	**677,597.79**	253,850.86	Proceeds from borrowing	28		
Cash paid relating to other operating activities	9	**1,158,972.26**	689,283.62	Other proceeds relating to financing activities	29		
Sub-total of cash outflows	10	**3,818,935.97**	2,364,852.07	Sub-total of cash inflows	30	**-**	-
Net cash flows from operating activities	11	**253,001.75**	153,708.49	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	**253,001.75**	153,708.49
Cash paid to acquire fixed assets, intangible assets and other long-term assets	19			**6. Cash equivalents at the beginning of the period**	39	**1,058,336.17**	904,627.68
Cash paid to acquire investments	20			**7. Cash equivalents at the end of period**	40	**1,311,337.92**	1,058,336.17

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

I. Company Profile

Satyam-Venture Engineering Services (Shanghai) Co.,Ltd.(the Company) was invested and incorporated by SATYAM VENTURE ENGINEERING SERVICES PRIVATE LIMITED,and obtained the "Business License for Enterprises as Legal Persons" (Registration No.: 310000400682585 (Minhang) on May 15, 2012. The registered capital of the Company is USD160,000.00; the registered address of the Company is Room B227, Block 4,No.2118,Guanghua Road Minhang District; and PULAVARTHI VENKATA KRISHNAKUMAR is the legal representative of the Company.

Subject to the approval of the administration of industry and commerce, the Company is principally engaged in technical consultation, technological development,technical transformation, automotive software development and technical services in the field of Automotive Engineering, And, develop and sale motorsoftware products.(operate with license as required).

II. Principal Accounting Policies

Accounting System

These financial statements have been prepared by the Company in accordance with the *"Enterprise Accounting Standards"*.

Accounting Year

Calendar year from January 1 to December 31

Valuation Basis

The Company makes accounting recognition, measurement and report on the accrual basis.

Basis of Measurement

The elements of financial statements are measured by the Company on the basis of historical cost generally; and special notes will be given by the Company in the case of measurement on the basis of replacement cost, net realizable value, present value or fair value.

Recording Currency and Foreign Currency Translation

CNY is used by the Company as the recording currency. Transactions denominated in foreign currencies are stated after being translated into CNY at the market reference exchange rates promulgated by the People's Bank of China prevailing on the date on which the transactions took place, the balance in all foreign currency accounts and settlement accounts will be translated into CNY at the market reference exchange rates prevailing at the end of period, and the exchange gain or loss thus occurred will be taken to "Financial Expenses – Exchange Gain or Loss" other than those occurred during the establishment period which shall be taken to "Long-term Prepaid Expenses – Establishment Charge".

Recognition of Cash Equivalents

Investments held by the Company with short term, strong liquidity and less risk of value change which are easily converted into cash with known amount are recognized as cash equivalents.

Accounting Method for Bad Debts

The Company accounts bad debt loss by using allowance method, and makes provision for bad debts by using specific identification method.

The accounts receivable (1) that cannot be recovered due to the bankruptcy or death of the debtor after the liquidation of such debtor's property or legacy, or (2) that cannot be recovered as a result of the debtor's delay in performing its obligation of debt redemption over three years are recognized as bad debts.

Inventories

Inventories refer to the materials or goods held by the Company in the process of production and operation for sale or to be consumed in the process of production or rendering of service, including products in process and commodity stocks.

Accounting method for inventories: The inventories are measured at their actual costs at acquisition, including procurement costs, processing costs and other costs. The actual costs of delivered inventories are determined using first-in first-out method at delivery of inventories.

The perpetual inventory method is used by the Company as its inventory system. The Company checks inventories regularly, the gain from inventory profit and loss from inventory shortage are taken to the Profit and Loss of the current period.

Provision for Impairment of Inventories

At the end of the year, the provision for impairment of inventories is made or adjusted at the costs or net realizable value of inventories whichever is lower. The provision for impairment of inventories is made upon the single item of inventories.

Fixed Assets and Their Depreciation

Fixed assets refer to the tangible assets held for the purpose of producing products, rendering service, leasing or operating management with the useful life over one accounting year if it is probable that their associated economic benefits can flow to the enterprise and their costs can be measured reliably.

Fixed assets are measured initially at their costs. The Company makes depreciation for all fixed assets other than those to be used continuously after being depreciated fully and the land which will be valuated and stated separately. The depreciation is made using the straight line method.

The type, estimated useful life, estimated net residual value and annual depreciation rates of fixed assets of the Company are defined as follows:

Type of Assets	Estimated Useful Life (year)	Estimated Net Residual Value	Annual Depreciation Rate
Electronic equipment	3	10%	30%

Provision for Impairment of Fixed Assets

At the balance sheet date, the fixed assets are valuated at the lower of their book value or recoverable amount. In case the recoverable amount is lower than the book value, the book value of fixed assets is written down to the recoverable amount, and the write-down amount is recognized as the loss of impairment of assets and taken to the Profit and Loss of the current period while the provision for impairment of fixed assets is made accordingly. The loss of impairment of fixed assets will not be carried back in subsequent accounting periods once it has been recognized.

Long-term Prepaid Expenses

The long-term prepaid expenses of the Company refer to expenses that have been disbursed and will be amortized after normal production and operation over one year, mainly including establishment charge and costs of tools and appliances with useful life over one year. Other than establishment charge which is taken to Profit and Loss in a lump in the starting month of production and operation, all long-term prepaid expenses are amortized evenly within the estimated beneficial period, and taken to the Profit and Loss of each amortization period.

Revenues

1. **Sale of Goods**

   The revenues from sale of goods are recognized at the received or receivable contractual prices from the buyer when (1) the Company has transferred the significant risks and rewards of ownership of the goods to the buyer; (2) retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; (3) the amount of revenues can be measured reliably; (4) it is probable that the economic benefits associated with the transaction can flow to the Company; and (5) the relevant costs incurred or to be incurred can be measured reliably.

2. **Rendering of Service**

   The revenues from rendering of service is recognized using percentage of completion method when the results of rendering of service can be estimated reliably at the balance sheet date.

3. **Transfer of the Right to the Use of Assets**

   The revenues from transfer of the right to the use of assets are recognized by the Company when the economic benefits associated with such transfer can flow to the Company and the amount of revenue can be measured reliably.

   Interest income is computed and determined according to the time of using cash & cash equivalents and the applicable interest rate. The amount of income from charge for use is computed and determined according to the time and method agreed in the relevant contract or agreement.

   Income Tax

   The income tax of the Company is accounted using tax payable method.

III. Taxes

Value added tax	The value added tax rate applicable to the Company in this year is 6%.
Business tax	The business tax rate applicable to the Company in this year is 5%.
Income tax	The income tax rate applicable to the Company in this year is 20%.
Urban construction tax	The Urban construction tax rate applicable to the Company in this year is 1%.
Education surcharge	The Education surcharge rate applicable to the Company in this year is 5%.
River course fee	The River course fee rate applicable to the Company in this year is 1%.

IV. Notes to the main items of the financial statements

Unless otherwise indicated, the currency unit is CNY.

1. Cash & Cash Equivalents

As at December 31, 2015, the balance of Cash & Cash Equivalents is CNY 1,311,337.92:

Item	Book balance at end of year	Book balance at beginning of year
Cash	0.00	0.00
Cash in bank	1,311,337.92	1,058,336.17
Total	1,311,337.92	1,058,336.17

2. Accounts receivable

As at December 31, 2015, the balance of accounts receivable is CNY 1,587,603.41, 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	1,587,603.41	100.00%
1-2 years	0.00	0.00%
Total	1,587,603.41	100.00%

3 Fixed Assets:

Net Value on December 31, 2015 is CNY 1,625.00, Breakdown is listed as follows:

Item	Opening Balance	Increase in Current Period	Decrease in Current Period	Closing Balance
Original value				
Electronic equipment	6,500.00	0.00	0.00	6,500.00
Sub-total	6,500.00	0.00	0.00	6,500.00
Accumulated Depreciation				
Electronic equipment	2,925.00	1,950.00	0.00	4,875.00
Sub-total	2,925.00	1,950.00	0.00	4,875.00
Net Value	3,575.00	-	-	1,625.00

4. Accounts Payable

As at December 31, 2015, the balance of accounts payable is CNY 1,288,252.57. The aging of accounts payable is analyzed below:

Aging	Book balance at end of year	
	Amount	%
Within 1 year	1,225,007.00	95.09%
1-2 years	63,245.57	4.91%
Total	1,288,252.57	100.00%

The major customers are as follows:

The list of units	Amount
SATYAM VENTURE ENGINEERING SERVICES PRIVATE LIMITED	1,278,452.57

5. Other payable

As at December 31, 2015, the balance of other payable is CNY 215,051.12. The aging of other payable is analyzed below:

Aging	Book balance at end of year	
	Amount	%
Within 1 year	215,051.12	100.00%
Total	215,051.12	100.00%

6. Tax Payable

As at December 31, 2015, the balance of tax payable is CNY 82,028.95. The detail is as follows:

	Book balance at end of year
Value added tax	33,545.24
Income tax	0.00
City building duty	1,956.03
Educational expenses to add	1,956.03
River fee	391.21
The individual income tax	44,180.44
Total	82,028.95

7. Paid-in Capital

As at December 31, 2015, the balance of Paid-in Capital is USD160,016.36, (Equivalent to CNY: 993,912.57)

Investor	Book balance at end of year	%
SATYAM VENTURE ENGINEERING SERVICES PRIVATE LIMITED	993,912.57	100.00%
Total	993,912.57	100.00%

The above investment has been verified by the Capital Verification Report (HCLKSWYZ No. 129[2012]) issued by SHANGHAI CHUANLI CERTIFIED PUBLIC ACCOUNTANTS and (HTZWYZ No. 1075[2013]) issued by SHANGHAI TEAMSOUL CERTIFIED PUBLIC ACCOUNTANTS .

8. Undistributed Profits

Undistributed profits at the end of last year	150,128.85
Plus: Increased this year	147,435.55
Less: Decreased this yearUndistributed profits at the end of the year	297,564.40

9. Operating Income & Operating Cost

Detailed as follows:

Item	Actual this year	
	Operating income	Operating cost
Total	4,587,168.07	1,169,766.00

10. Operating Expenses

Item	Amount at current year
Wages	2,176,737.69
External costs	239,961.64
Courier	372.00
Consulting services	282,562.74
Fare	0.00
Business promotion expenses	0.00
Other	0.00
Total	2,699,634.07

11. Management fees

Item	Amount at current year
Office expenses	14,238.80
Travel	99,650.74
Communication costs	750.00
Employee benefits expenditures	58,540.52
Consultancy fee	55,282.87
Auditing and inspection charges	22,000.00
Bookkeeping agency fee	40,641.52
Depreciation expense	1,950.00
Total	293,054.45

12. Finance charges

Item	Amount at current year
Bank charges	2,056.80
Interest return	2,637.08
Exchange gain or loss	-16.55
Total	-596.83

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 1,278,452.57

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.December 31, 2015

SATVEN GmbH

Board of Directors

Mr. Vadlamudi Srinivasa Rao

Registered Office

Leopoldstr.
244, 80807 Munchen

Bankers

HSBC

Auditors

Christoph Sieger

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors present their Report together with the audited accounts of your Company for the year ended March 31, 2016.

Financial Results

For the year ended March 31st, 2016	2016	2016	2015	2015
	EURO	₹	EURO	₹
Income	228,096	16,474,177	51,623	40,02,033
Profit / (Loss) before tax	11,124	803,435	1,138	88,227
Profit/(Loss) after tax	7,324	528,982	738	57,217

Conversion Rate used in 2015: EURO to ₹ = 77.53

Conversion Rate used in 2016: EURO to ₹ = 72.23

Review of Operations:

During the year under review, your company recorded an income of EURO 228,096 (Equivalent to ₹ 16,474,177). Profit after tax was EURO 7,324 (Equivalent to ₹ 528,982). 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 Various Government Authorities and the shareholder/s for the co-operation and assistance received from them.

Mr. Vadlamudi Srinivasa Rao

Director

Hyderabad, April 17, 2016

AUDITOR'S CERTIFICATE FOR SATVEN GMBH, MUNICH

We have audited the annual financial statements-Tested to March 31,2016, including the accounting and the management report of Satven GmbH, Munich, for the financial year April 1, 2015 to March 31, 2016 comprising the balance sheet, Profit and loss statement and notes. The accounting and the preparation of the annual financial statements in accordance with the German commercial law are the responsibility of the company's management. Our responsibility is to express an opinion on the basis of our audit on the financial statements, including the accounting and the management report.

We conducted our audit in accordance with 317HGB 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 the operations in the financial statements in accordance with generally accepted accounting and in the management report of the assets, financial position and results, with reasonable assurance be detected. In the determination of the audit procedures knowledge of the business activities and the economic and legal environment of the group and expectations as to possible misstatements are taken into account. During the audit, the effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the financial statements and management report are examined primarily on a 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 reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the financial statements comply with the legal requirements and give attention to the proper accounting give a true and fair view of the net assets, financial position and results of operations.

Pullach, April 17,2016

Sieger Burggraf GmbH
Wirtschaftsprufungsgesellschaft

(Christoph Sieger)
Chartered Accountant

BALANCE SHEET AS AT 31 MARCH 2016

ASSETS

		EUR	Financial Year EUR	Previous Year EUR
A.	**Current assets**			
I.	Receivables and other assets			
1	Trade Receivables	**125,619.74**		
2	Other Assets	**21,006.91**	**146,626.65**	-
II.	Cash-in-Hand, Central Bank Balance Bank Balance, Cheques		**52,519.08**	49,716.88
			199,145.73	**49,716.88**

EQUITY AND LIABILITIES

		EUR	Financial Year EUR	Previous Year EUR
A.	**Equity**			
I.	Subscribed Capital		**25,000.00**	25,000.00
II.	Retained profits brought forward		**738.05**	-
III.	Net income for the financial year		**7,324.14**	738.05
B.	**Provisions**			
1.	Provision for taxes	**4,200.00**		400.00
2.	Other provisions	**22,000.00**	**26,200.00**	13,150.00
C.	**Liabilities**			
1.	Trade Payables - of which due within one year EUR 20,538.19 (EUR 392.37)	**20,538.19**		392.37
2.	Liabilities to affiliated companies - of which due within one year EUR 108,559.05 (EUR 1,055.96)	**108,559.05**		1,055.96
3.	Other liabilities - of which taxes EUR 9,339.26 (EUR 8,425.50) - of which due within one year EUR 10,786.30 (EUR 8,980.50)	**10,786.30**	**139,883.54**	8,980.50
			199,145.73	49,716.88

INCOME STATEMENT FROM 01.04.2015 TO 31.03.2016

		EUR	Financial Year EUR	Previous Year EUR
1	Sales		**228,096.60**	51,622.82
2	Gross Revenue for the period		**228,096.60**	51,622.82
3	Operating Income			
	a) Income from reversal of provisions		**45.82**	-
4	Personnel expenses			
	a) Wages and Salaries	**141,951.48**		29,085.33
	b) Social Security, Post-employment and other employee benefit costs	**29,383.89**	**171,335.37**	3,422.27
	- of which in respect of old age pensions EUR 307.50 (EUR 0.00)			
5	Other operating expenses			
	a) Ordinary opearting expenses			
	aa) Occupancy Costs	**10,714.86**		4,393.52
	ab) Insurance premiums, fees and contributions	**170.35**		-
	ac) Advertising expenses	**2,916.56**		-
	ad) Miscellaneous other operating expenses	**31,100.36**	**44,902.13**	13,583.65
6	Other interest and similar income		**34.72**	-
7	Interest and similar expenses		**815.50**	-
8	**Result from ordinary activities**		**11,124.14**	1,138.05
9	Taxes on income		**3,800.00**	400.00
10	**Net income for the financial year**		**7,324.14**	738.05

Satven GmbH, Munchen

BALANCE SHEET ACCOUNTS AS AT 31.03.2016

Description	EUR	Financial Year EUR	Previous Year EUR
ASSETS			
Trade Receivables			
Trade Receivables		**125,619.74**	-
Other Assets			
Receivables from employees (Payroll)	**2,522.75**		
Rcvbls employees due within 1 year	**10,000.00**		
Social Security Liabilities	**8,484.16**	**21,006.91**	-
Cash-in-Hand, Central Bank Balances, bank balance and cheques			
Bank HSBC 2756 011		**52,519.08**	49,716.88
Total assets		**199,145.73**	49,716.88
EQUITY AND LIABILITIES			
Subscribed Capital			
Subscribed Capital		**25,000.00**	25,000.00
Retained profits brought forwards			
Retained profits before appropriation of net profits		**738.05**	-
Net income for the financial year			
		7,324.14	738.05
Provision for Taxes			
Provision for trade tax	**2,200.00**		200.00
Provision for corporate income tax	**2,000.00**	**4,200.00**	200.00
Other provisions			
Other provisions	**1,800.00**		150.00
Provisions for personnel expenses	**2,200.00**		-
Provisions period-end closing/ audit costs	**18,000.00**	**22,000.00**	13,000.00
Trade Payables			
Trade Payables		**20,538.19**	392.37
Of which due within one year EUR 20,538.19 (EUR 392.37)			
Trade Payables Liabilities to affiliated companies			
Liabilities to affiliated companies	**95,778.27**		1,055.96
Liabilities interest satyam germany	**780.78**		
Liabilities affiliated companies India	**12,000.00**	**108,559.05**	
of which due within one year EUR 108,559.05 (EUR 1,055.96)			
Liabilities to affi-liated companies			
Liabilities interest satyam germany			
Liabilities affiliated companies India			

BALANCE SHEET ACCOUNTS AS AT 31.03.2016

Description	EUR	Financial Year EUR	Previous Year EUR
Other liabilities			
Deductible input Tax, 19%	**-**		(912.93)
Payroll Liabilities	**277.04**		-
Liabilities Indian PF	**1,170.00**		555.00
Wage and chruch tax payables	**3,516.03**		-
VAT, 19%	**-**		9,808.34
VAT prepayments	**-**		(469.91)
VAT, current years	**5,823.23**	**10,786.30**	-
of which taxes EUR 9,339.26 (EUR 8,425.50)			
Deductible input Tax, 19%			
Wage and chruch tax payables			
VAT, 19%			
VAT prepayments			
VAT, current years			
of which due within one year EUR 10.786,30 (EUR 8.980,50)			
Deductible input tax, 19%			
Payroll liabilities			
Liabilities Indian PF			
Wage and church tax payables			
VAT, 19%			
VAT prepayments			
VAT, current year			
Total equity and liabilities		**199,145.73**	49,716.88

Satven GmbH, Munchen

INCOME STATEMENT ACCOUNTS FROM 01.04.2015 TO 31.03.2016

Description	EUR	Financial Year EUR	Previous Year EUR
Sales			
Revenue, 19% VAT	**194,606.16**		51,622.82
Revenue cost plus, 19% VAT	**33,490.44**	**228,096.60**	-
Income from reversal of provisions			
Income from reversal of provisions		**45.82**	0
Wages and salaries			
Salaries		**(141,951.48)**	(29,085.33)
Social security, post-employment and other employee benefit costs			
Statutory social security expenses	**(28,716.39)**		(3,272.27)
Contrb. to occup. health/safety agency	**(360.00)**		(150.00)
Cost of old age pensions	**(307.50)**	**(29,383.89)**	-
of which in respect of old age pensions EUR 307.50 - (EUR 0,00)			
Cost of old age pensions			
Occupancy costs			
Rent (immovable property)		**(10,714.86)**	(4,393.52)
Insurance premiums, fees and contributions			
Contributions		**(170.35)**	-
Advertising expenses			
Employee trav. expn, accommodation costs	**(2,570.09)**		-
Employee travel expnses, cost of travel	**(346.47)**	**(2,916.56)**	-
Miscellaneous other operating expenses			
Other operating expenses	**(705.00)**		-
Office supplies	**(487.75)**		(411.28)
Legal and consulting costs	**(1,038.48)**		-
Period-end closing and audit costs	**(28,338.75)**		(13,000.00)
Incidental monetary transaction costs	**(530.38)**	**(31,100.36)**	(172.37)
Other interest and similar income			
Other interest and similar income		**34.72**	-
Interest and similar expenses			
Interest and similar expenses		**(815.50)**	-
Taxes on income			
Corporate income tax	**(1,800.00)**		(200.00)
Trade tax	**(2,000.00)**	**(3,800.00)**	(200.00)
Net income for the financial year			
Net income for the financial year		**7,324.14**	738.05

TECH MAHINDRA SERVICOS DE INFORMATICA LTDA

Legal Representative and Country Manager

Mr. José Carlos Pimentel

Registered Office

CENESP (Centro Empresarial de São Paulo)
Avenida Maria Coelho Aguiar, 215 5º Andar
Bloco C – Jardim São,
Sao Paulo, Brazil.

Bankers

Citi Bank
ITAU Bank
Santander
Bradesco

Auditors

Padrao Auditoria S/S Brazil

A free translation from Portuguese into English of Independent Auditor's Report on financial statements prepared in Brazilian currency in accordance with International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board - IASB and accounting practices adopted in Brazil

INDEPENDENT AUDITOR´S REPORT ON FINANCIAL STATEMENTS

To
Shareholders, Board of Directors and Officers
Tech Mahindra Serviços de Informática Ltda.
São Paulo - SP

We have audited the accompanying individual and consolidated financial statements of Tech Mahindra Serviços de Informática Ltda. ("Company"), which comprise the balance sheet as at March 31, 2016, and the related income statement, statement of changes in equity and cash flow statement for the period of nine months, and a summary of significant accounting practices and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with accounting practices adopted in Brazil and in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and for such, internal control as management determines is necessary to enable the preparation of individual and 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 individual and consolidated financial statements based on our audit. We conducted our audit in accordance with the Brazilian and International Standards on Auditing. Those standards require that we comply with ethic requirements and plan and perform the audit to obtain reasonable assurance about whether these individual and consolidated financial statements are free of material misstatements.

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

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

Opinion

In our opinion, the aforesaid individual and consolidated financial statements present fairly, in all material respects, the financial position of Tech Mahindra Serviços de Informática Ltda. as at March 31, 2016 and its financial performance and cash flows for the the year ended, in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and with the accounting practices adopted in Brazil.

São Paulo, May 04, 2016.

PADRÃO AUDITORIA S/S
CRC-2SP 016.650/O-7

YUKIO FUNADA
Contador CRC-1SP 043.351/O-8

A free translation from Portuguese into English of Financial Statements prepared in Brazilian currency in accordance with International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board - IASB and accounting practices adopted in Brazil

BALANCE SHEETS AS OF MARCH 31, 2016 AND MARCH 31, 2015

(In Thousands of Reais)

ASSETS	Note	Individual		Consolidated	
		31.03.2016	31.03.2015	**31.03.2016**	31.03.2015
CURRENT ASSETS		**39,591**	10,456	**54,587**	51,068
Cash and cash equivalents	4	**693**	1,100	**710**	1,102
Trade accounts receivable	5	**13,475**	7,885	**42,186**	43,513
Taxes recoverable		**2,117**	1,290	**3,870**	2,174
Related parties	8	**21,592**	-	**-**	-
Other receivables		**1,714**	181	**7,821**	4,279
NON-CURRENT ASSETS		**42,509**	49,160	**41,996**	37,538
Related parties	8	**3,369**	3,259	**69**	187
Property & equipment		**1,090**	522	**1,676**	1,083
Intangible assets	6	**37,102**	32,847	**39,132**	36,222
Investments	7	**-**	12,486	**-**	-
Judicial deposits		**903**	-	**1,074**	-
Other receivables		**45**	46	**45**	46
TOTAL ASSETS		**82,100**	59,616	**96,583**	88,606

See accompanying notes.

BALANCE SHEETS AS OF MARCH 31, 2016 AND MARCH 31, 2015

(In Thousands of Reais)

LIABILITIES AND EQUITY

		Individual		Consolidated	
	Note	**31.03.2016**	31.03.2015	**31.03.2016**	31.03.2015
CURRENT		**54,068**	8,991	**67,592**	38,072
Trade accounts payable		**4,072**	2,250	**5,678**	4,033
Salary and social charges		**3,236**	1,676	**6,862**	10,302
Taxes liabilities		**571**	466	**887**	1,116
Loans and financing		**-**	-	**6,900**	14,707
Related parties	8	**31,254**	2,885	**30,950**	6,151
Provisions		**1,000**	1,709	**1,000**	1,709
Other liabilities	6	**13,935**	5	**15,315**	54
NON-CURRENT LIABILITIES		**281**	29,941	**1,240**	29,850
Provision for contingencies		**130**	-	**1,240**	-
Related parties	8	**-**	8,941	**-**	8,850
Other liabilities		**-**	21,000	**-**	21,000
Net capital deficiency	7	**151**	-	**-**	-
EQUITY	9	**27,751**	20,684	**27,751**	20,684
Capital		**31,199**	19,685	**31,199**	19,685
Capital to be paid-in		**17,834**	8,203	**17,834**	8.203
Retained losses		**(21,282)**	(7,204)	**(21,282)**	(7,204)
TOTAL LIABILITIES AND EQUITY		**82,100**	59,616	**96,583**	88,606

See accompanying notes.

INCOME STATEMENTS
FOR THE YEAR ENDED AS OF MARCH 31, 2016 AND 2015

(In Thousands of Reais)

		Individual		Consolidated	
	Note	**31.03.2016**	31.03.2015	**31.03.2016**	31.03.2015
Net operating revenue		**45,305**	34,526	**138,027**	119,528
Cost of services rendered		**(42,260)**	(35,578)	**(133,245)**	(116,026)
Gross profit		**3,045**	(1,052)	**4,782**	3,502
Operating income (expenses)					
General and administrative expenses		**(5,657)**	(4,106)	**(12,469)**	(7,517)
Equity method results	7	**(12,267)**	77	**-**	-
Other operating income		**746**	315	**(452)**	315
		(17,178)	(3,714)	**(12,921)**	(7,202)
Financial result					
Financial income		**14,109**	578	**12,884**	1,175
Financial expenses		**(14,054)**	(2,337)	**(18,823)**	(3,771)
		55	(1,759)	**(5,939)**	(2,596)
Loss before income and social contribution taxes		**(14,078)**	(6,525)	**(14,078)**	(6,296)
Income tax and social contribution		**-**	-	**-**	(229)
Total of income tax and social contribution		**-**	-	**-**	(229)
Loss for the year		**(14,078)**	(6,525)	**(14,078)**	(6,525)
Losses per unit of interest – R$	13	**(0.287)**	(0.234)		

The Company has no other comprehensive income.

See accompanying notes.

STATEMENTS OF CHANGES IN EQUITY AS OF MARCH 31, 2016 AND 2015

(In Thousands of Reais)

EVENTS	CAPITAL	CAPITAL TO BE PAID-IN	RETAINED (EARNINGS) LOSSES	TOTAL
Balances at 31.03.2014	19,685	-	(679)	19,006
Capital increase	-	8,203	-	8,203
Loss for the year	-	-	(6,525)	(6,525)
Balances at 31.03.2015	19,685	8,203	(7,204)	20,684
Capital increase	**11,514**	**9,631**	**-**	**21,145**
Loss for the year	**-**	**-**	**(14,078)**	**(14,078)**
Balances at 31.03.2016	**31,199**	**17,834**	**(21,282)**	**27,751**

See accompanying notes.

CASH FLOW STATEMENTS AS OF MARCH 31, 2016 AND 2015

(In Thousands of Reais)

	Individual		Consolidated	
	31.03.2016	31.03.2015	**31.03.2016**	31.03.2015
Cash flow from operating activities				
Income (loss) before income and social contribution taxes	**(14,078)**	(6,525)	**(14,078)**	(6,296)
Adjustments to reconcile net income to cash and cash equivalents provided by operating activities:				
Depreciation and amortization	**277**	63	**1,358**	1,114
Decrease (increase) in assets:				
Trade accounts receivable	**(5,590)**	(3,990)	**1,023**	(24,522)
Taxes recoverable	**(827)**	(520)	**(1,696)**	(1,087)
Other receivables	**(2,435)**	(59)	**(4,615)**	(3,514)
Related parties	**(21,702)**	256	**118**	1,529
Increase (decrease) in liabilities:				
Trade accounts payable	**1,822**	(1,176)	**1,949**	(614)
Taxes payable and others	**1,665**	917	**(3,669)**	6,435
Related parties	**19,428**	11,387	**15,949**	11,999
Provisions	**(579)**	566	**531**	566
Other liabilities	**(7,070)**	20,978	**(5,739)**	21,027
Payment of income tax and social contribution	**-**	-	**-**	(229)
Net cash provided by operating activities	**(29,089)**	21,897	**8,869**	6,408
Cash flow from investing activities				
Fixed asset and intangible purchases	**(5,099)**	(22,611)	**(4,860)**	(25,390)
Investments	**12,637**	(6,971)	**-**	-
Net cash used in investing activities	**7,538**	(29,582)	**(4,860)**	(25,390)
Cash flow from financing activities				
Increase (decrease) in loans and financing	**-**	-	**(7,807)**	9,380
Increase of social capital	**21,144**	8,203	**21,144**	-
Net cash provided by financing activities	**21,144**	8,203	**13,337**	9,380
Increase (decrease) in cash and cash equivalents	**(407)**	518	**(392)**	269
Cash and cash equivalents				
Cash and cash equivalents at the beginning of the year	**1,100**	582	**1,102**	833
Cash and cash equivalents at the end of the year	**693**	1,100	**710**	1,102

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS AS OF MARCH 31, 2016

(In Thousands of Reais)

1. Operations

Tech Mahindra Serviços de Informática Ltda. (“Tech Mahindra” or “Company”) is a limited company and primarily engaged in rendering consulting services related to information technology, implementation of projects and selling software. The Company is located in São Paulo city.

On May 02, 2013, the Company acquired 51% of Complex IT Solution Consultoria em Informática S.A. shares and on December 30, 2014 the Company acquired the 49% remaining shares totaling 100%.

2. Basis for preparation and presentation of financial statements

Authorization to complete these individual and consolidated financial statements was given at the General Meeting held on March 04, 2016.

The individual and consolidated financial statements were prepared in accordance with several assessment bases used in the accounting estimates. Accounting estimates involved in the preparation of the individual and consolidated 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 individual and consolidated 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 individual and consolidated 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 individual and consolidated 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 individual and consolidated 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 temporary goodwill related to acquisition of 100% of Complex IT Solution Consultoria em Informática S.A. shares and software.

The useful life of intangible assets is considered finite or indefinite.

Finite intangible assets are amortized over their economic useful lives and are tested for impairment whenever there is any indication of impairment loss. The amortization period and method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. Amortization of intangible assets with finite lives is recognized in the income statement in the expense category consistent with the use of the intangible asset.

Gains and losses arising from write-off of an intangible asset are measured as the difference between the net sales price and the book value of the asset, recognized in the income statement at the write-off of the asset.

3.7. Impairment of assets

Management annually reviews the net book value of assets in order to evaluate events or changes in economic, operating or technological circumstances that may indicate deterioration or impairment. When such evidence is identified and the net book value exceeds the recoverable value, a provision for impairment is setup, adjusting the net book value to the recoverable value.

The recoverable value of an asset or group of assets is defined as the higher of value in use or the net sales value.

In estimating the asset's value in use, the estimated future cash flows are discounted to their present value, using a discount rate before taxes that reflects the weighted average cost of capital for the segment where the cash-generating unit operates. Whenever possible, the net sales value is determined based on firm sale agreements in transactions made on an arm's length basis between knowledgeable and willing parties, adjusted by expenses attributed to asset sales or, when there is no firm sale agreement, based on the market price of an active market, or the most recent transaction price with similar assets.

3.8. Provisions

3.8.1 General

Provisions are recognized when the Company has a legal or constructive obligation due to a past event, it is probable that economic resources will be required to settle it and a reliable estimate of the obligation amount may be made. When the Company expects that the amount of a provision will be refunded, in full or in part, the refund is recognized as a separate asset, but only when the refund is virtually certain. The expense related to any provision is stated in the income statement, net of any refund.

3.8.2 Provision for litigation

The Company is a party in judicial and administrative proceedings. Provisions are set up for all judicial proceedings involving probable cash outlays to settle them and that may be reliably estimated, if applicable.

The assessment of the likelihood of loss includes analysis of available evidence, hierarchy of laws, available case law, recent court decisions and their relevance for the legislation in force, as well as the opinion of the Company's outside legal counsel.

These provisions are reviewed and adjusted to consider changes in circumstances, such as applicable statute-barring period, conclusions of tax audits or additional exposures found based on new issues or court decisions, if applicable.

The provision for contingencies is determined by management based on expected amount of loss involved by each contingency based on the opinion of the Company's legal advisors, for amounts considered sufficient to cover losses and risks, if applicable.

3.9. Financial instruments

The Company's financial instruments comprise trade accounts receivable, other receivables, trade accounts payable, other liabilities and related parties.

The instruments are only recognized as from the date the Company becomes a party to the contractual provisions of financial instruments.

They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue, excepting financial assets and liabilities classified as at fair value through profit or loss, when such costs are directly posted to income statement for the year. They are subsequently measured at each balance sheet date in accordance with the rules established for each type of classification of financial assets and liabilities.

3.9.1 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 – Cash Flow Statements, issued by Brazilian FASB (CPC).

3.13. Business combination and goodwill

When acquiring a business, the Company assesses the financial assets and financial liabilities assumed in order to classify and allocate them according to the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Initially, goodwill is measured as the excess of the consideration transferred over the net assets acquired (net identifiable assets acquired and liabilities assumed). If the consideration is less than the fair value of net assets acquired, the difference is recognized as a gain in the income statement.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For purposes of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of Company´s cash generating units that are expected to benefit from the synergies of the combination.

4. Cash and cash equivalents

	Individual		Consolidated	
	31.03.2016	31.03.2015	**31.03.2016**	31.03.2015
Cash and banks	**693**	1,100	**710**	1,102
	693	1,100	**710**	1,102

Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or any other purposes.

5. Trade accounts receivable

	Individual		Consolidated	
	31.03.2016	31.03.2015	**31.03.2016**	31.03.2015
Accounts receivable – invoiced	**6,249**	4,181	**19,440**	23,710
Accounts receivable – invoices to be issued	**7,226**	3,804	**23,322**	19,903
(-) Provision for doubtful accounts	**-**	(100)	**(576)**	(100)
	13,475	7,885	**42,186**	43,513

6. Intangible assets

On May 02, 2013, the Company acquired 51% of Complex IT Solution Consultoria em Informática S.A. ("Complex IT") shares. During May 2013, the Company paid an anticipation value which generate a temporary goodwill amount to R$10,739. On December 30, 2014, the Company acquired the remaining 49% of Complex IT Solution shares and recognized the amount of R$ 24,871 totalizing R$ 35,610 related to goodwill. As of March 31, 2016, the accounts payable has an amount of R$ 13,000 which was recorded in current liabilities.

7. Investments

Complex IT Solution Consultoria em Informática S.A. is a privately-held corporation primarily engaged in rendering consulting services related to information technology and implementation of projects involving SAP technology.

	31.03.2015					
	Subsidiary information			Participation		
Investment	**Equity**	**Net income**	**Number of shares**	**%**	**Equity**	**Equity method result**
Subsidiary:						
Complex IT Solution Consultoria em Informática S.A.	12,116	1,297	5,000	100%	12,486*	77*

* Until December 29, 2014, the Company had 51% of Complex IT Solution shares.

	31.03.2016					
	Subsidiary information			Participation		
Investment	Equity	Net loss	Number of shares	%	Equity	Equity method result
Subsidiary:						
Complex IT Solution Consultoria em Informática S.A.	(151)	(12,267)	5,000	100%	(151)	(12,267)

The following shows a summary of financial information of the subsidiary as of March 31, 2016 and March 31, 2015:

Investment	31.03.2015 Total Assets	Total Liabilities	Equity	Net income
Subsidiary:				
Complex IT Solution Consultoria em Informática	44,178	32,062	12,116	1,297

Investment	**31.03.2016 Total Assets**	**Total Liabilities**	**Equity**	**Net loss**
Subsidiary:				
Complex IT Solution Consultoria em Informática	**39,679**	**39,830**	**(151)**	**(12,267)**

8. Related parties

Operation with related parties refer to consulting services rendered to Tech Mahindra Limited and Complex IT Solution Consultoria em Informática S.A..

As of March 31, 2016 and March 31, 2015 the amounts are summarized as follows:

	Individual			Consolidated
	31.03.2016	31.03.2015	**31.03.2016**	31.03.2015
Complex IT Solution Consultoria em Informática S.A.	**21,592**	-	**-**	-
Tech Mahindra Limited	**-**	-	**-**	-
Total current assets	**21,592**	-	**-**	-
Complex IT Solution Consultoria em Informática S.A.	**3,300**	3,072	**-**	-
Tech Mahindra Limited	**69**	187	**69**	187
Total non-current assets	**3,369**	3,259	**69**	187
Mutual		-		3,266
Complex IT Solution Consultoria em Informática S,A,	**304**	-	**-**	-
Tech Mahindra Limited	**31,254**	2,885	**33,210**	2,885
Total current liabilities	**31,558**	2,885	**33,210**	6,151
Tech Mahindra Limited	**-**	8,941	**-**	8,850
Total non-current liabilities	**-**	8,941	**-**	8,850

Remuneration of key management

Expenses related to remuneration of key management personnel of the Company, recognized in P&L, totaled R$710 at March 31, 2016 (R$932 at March 31, 2015).

9. Equity

As of March 31, 2016, the capital is represented by 31,198,763 (Thirty one million, one hundred ninety eight thousands and seven hundred sixty three) and 17,833,554 (Seventeen million, eight hundred thirty three thousands and five hundred fifty four) shares related to capital to be paid-in amounts to R$1.00 recorded as follows:

Shareholders	**Nº Quotas**	**%**
Tech Mahindra Limited	**49,032,317**	**99,99**
Mr. José Carlos Pimentel	**1**	**0,01**
	49,032,318	100,00

10. Financial instrument and risk management

10.1 Risk management

As mentioned in Note 1, the Company primarily engaged in rendering consulting services related to information technology, implementation of projects and selling software.

The key market risks faced by the Company in the normal course of its businesses are as follows:

- Credit risk: arises from possible difficulty in settling accounts receivable from customers. This risk is managed by means of a credit analysis policy.
- Market risk: Complex IT is exposed to market risk that can impact your cash flow.
- Liquidity risk: consists of the possibility of the Company not having sufficient funds to 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.

10.2 Financial instruments

We set out below a comparison between book value and fair value of the Company's financial instruments presented in the financial statements:

Financial assets	Individual		Consolidated	
	31.03.2016	31.03.2016	31.03.2016	31.03.2016
	Book value	Fair value	Book value	Fair value
Cash and cash equivalents	693	693	710	710
Trade accounts receivable	13,475	11,475	42,186	42,186
Taxes recoverable	2,117	2,117	3,870	3,870
Related parties	24,961	24,961	69	69
Other receivables	1,759	1,759	7,866	7,866
	43,005	43,005	54,701	54,701

Financial liabilities	Individual		Consolidated	
	31.03.2016	31.03.2016	31.03.2016	31.03.2016
	Book value	Fair value	Book value	Fair value
Trade accounts payable	4,072	4,072	5,678	5,678
Salary and social charges	3,236	3,236	6,862	6,862
Taxes liabilities	571	571	887	887
Loans and financing	-	-	6,900	6,900
Related parties	31,254	31,254	30,950	30,950
Provisions	1,000	1,000	1,000	1,000
Other liabilities	14,086	14,086	15,315	15,315
	54,219	54,219	67,592	67,592

At March 31, 2016, the Company does not present balances arising from derivatives transactions.

11. Insurance coverage (unaudited)

At March 31, 2016, insurance coverage taken out is considered sufficient by management to cover losses, if any. As these refer to immaterial amounts, they were not audited.

12. Capital management

Management's objective is to ensure reduced exposure to market risk in order to attain the growth and return objective.

Following the global management policy, in order to reduce any risks, the Company maintains relationships only with first tier financial institutions.

13. Earnings (losses) per unit of interest

Calculation of basic earnings (losses) per unit of interest is made by dividing net income (loss) for the period attributed to holders of the Company's units of interest by the weighted average number of units of interest available in the period ended.

The chart below sets out net income and units of interest used in the calculation of basic and diluted earnings per unit of interest:

	Individual and Consolidated	
	31.03.2016	31.03.2015
Basic and diluted earnings per unit of interest		
Numerator		
Income (loss) for the year attributed to Company unit of interest holders (in thousands of reais)	**(14,078)**	(6,525)
Denominator (in units of interest)		
Weighted average number of units of interest	**49,032,318**	27,888,083
Basic and diluted earnings (losses) per units of interest (in R$)	**(0.287)**	(0,234)

14. Commitments

a) Rents

The Company rents properties housing its head office.

Initiation	**End**	**Installments**	**Index**	**Location**
24.04.2013	25.04.2016	R$ 40	IPCA	São Paulo

b) Guarantee letters

At March 31 2016, the Company did not have guarantee letters with financial institutions.

COMPLEX IT SOLUTIONS CONSULTORIA EM INFORMATICA S.A.

Board of Directors

Mr. Arvind Malhotra
Mr. Manoj Bhat

Registered Office

CENESP (Centro Empresarial de Sao Paulo)
Avenida Maria CoelhoAguiar, 215
5thandar – Bloco C – Jardim Sao Luis
BRAZIL, CEP: 05804-900

Bankers

Citi Bank
Banco ITAU
Santander
Bradesco

Auditors

Padrao Auditoria S/S Brazil

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors present their Report together with the audited accounts of your Company for the 15 months period ended March31, 2016.

Financial Results:

Amount in BRL(thousands)

For the period ended	**Year ended 31st March, 2016**	Year ended 31st March, 2015
Income	**88.871.902**	127.272.542
Profit/(Loss) before tax	**(11.747.487)**	2.295.372
Profit/(Loss) after tax	**(11.747.487)**	1.297.611

Review of Operation:

During the period under review, your company has recorded an income of BRL 88.871.902 and PAT of BRL (11.747.487).

Directors:

Consequent to the acquisition of balance 49% by Tech Mahindra Servicos De Informatica Ltd a, Mr. Antonio Carlos Rossi and Mr. Luis Martins has resigned from the Board of Directors.

Outlook for the current period:

Business has been encouraging in Brazil and the company is cautiously optimistic of the future. The company continues to invest in strengthening its infrastructure in Brazil region. We will focus on deepening the relationships with existing customers, as well as looking to continue opening new relationships to increase business in future.

Acknowledgements:

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

Arvind Malhotra

Director

Date: May 4, 2016

Place: São Paulo, Brazil

A free translation from Portuguese into English of Financial Statements prepared in Brazilian currency in accordance with International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board - IASB and accounting practices adopted in Brazil

INDEPENDENT AUDITOR´S REPORT ON FINANCIAL STATEMENTS

To
Shareholders, Board of Directors and Officers
Complex IT Solution Consultoria em Informática S.A.
São Paulo - SP

We have audited the accompanying financial statements of Complex IT Solution Consultoria em Informática S.A. (“Company”), which comprise the balance sheet as at March 31, 2016, and the related income statement, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting practices and other explanatory information.

Management’s responsibility for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting practices adopted in Brazil and in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and for such, internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s responsibility

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

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

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

Opinion

In our opinion, the aforesaid individual and consolidated financial statements present fairly, in all material respects, the financial position of Complex IT Solution Consultoria em Informática S.A. as at March 31, 2016 and its financial performance and cash flows for the year then ended, in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and with the accounting practices adopted in Brazil.

São Paulo, May 04, 2016.

PADRÃO AUDITORIA S/S
CRC-2SP 016.650/O-7

YUKIO FUNADA
Contador CRC-1SP 043.351/O-8

A free translation from Portuguese into English of Financial Statements prepared in Brazilian currency in accordance with International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board - IASB and accounting practices adopted in Brazil

BALANCE SHEETS
AS OF MARCH 31, 2016 AND MARCH 31, 2015

(In Thousands of Reais)

	31.03.2016	31.03.2015
ASSETS		
CURRENT ASSETS	**36,892**	40,612
Cash and cash equivalents (Note 4)	**17**	2
Trade accounts receivable (Note 5)	**27,711**	35,628
Related parties (Note 6)	**304**	-
Taxes recoverable	**1,753**	884
Other receivables	**6,107**	4,098
NON-CURRENT ASSETS	**2,787**	3,566
Property & equipment	**586**	561
Intangible assets	**2,030**	3,005
Judicial deposits	**171**	-
TOTAL ASSETS	**39,679**	44,178
LIABILITIES AND EQUITY		
CURRENT LIABILITIES	**35,420**	29,081
Trade accounts payable	**1,606**	1,783
Salaries and social charges	**3,626**	8,626
Tax liabilities	**316**	650
Loans and financing	**6,900**	14,707
Related parties (Note 6)	**21,592**	3,266
Other liabilities	**1,380**	49
NON-CURRENT LIABILITIES	**4,410**	2,981
Related parties (Note 6)	**3,300**	2,981
Provision for contingencies	**1,110**	-
EQUITY	**(151)**	12,116
Capital (Note 7)	**5,000**	5,000
Retained earnings	**(5,151)**	7,116
TOTAL LIABILITIES AND EQUITY	**39,679**	44,178

.See accompanying notes

INCOME STATEMENTS
AS OF MARCH 31, 2016 AND 2015

(In Thousands of Reais)

	31.03.2016	31.03.2015
Net operating revenue	**92,680**	129,000
Cost of services rendered	**(90,943)**	(119,947)
Gross profit	**1,737**	9,053
Operating income (expenses)		
General and administrative expenses	**(8,010)**	(5,273)
	(8,010)	(5,273)
Financial result		
Financial income	**3,901**	830
Financial expenses	**(9,895)**	(2,314)
	(5,994)	(1.484)
Income before income and social contribution taxes	**(12,267)**	2,296
Income tax and social contribution	**-**	(999)
Net (Loss) income for the year	**(12,267)**	1,297
(Losses) Earnings per unit of interest – R$ (Note 11)	**(2.453)**	0.259

The Company has no other comprehensive income.
See accompanying notes.

STATEMENTS OF CHANGES IN EQUITY AS OF MARCH 31, 2016 AND 2015

(In Thousands of Reais)

EVENTS	CAPITAL	RETAINED EARNINGS (LOSSES)	TOTAL
Balances at 31.03.2014	5,000	5,819	10,819
Net income for the year	-	1,297	1,297
Balances at 31.03.2015	**5,000**	**7,116**	**12,116**
Net loss for the year	**-**	**(12,267)**	**(12,267)**
Balances at 31.03.2016	**5,000**	**(5,515)**	**(151)**

See accompanying notes.

CASH FLOW STATEMENTS AS OF MARCH 31, 2016 AND 2015

	(In Thousands of Reais)	
	31.03.2016	31.03.2015
Cash flow from operating activities		
(Loss) Income before income and social contribution taxes	**(12,267)**	2,296
Adjustments to reconcile net income (loss) to cash and cash equivalents provided by operating activities:		
Depreciation and amortization	**1,081**	1,050
Provision for contingencies	**1,110**	-
Decrease (increase) in assets:		
Accounts receivable	**6,917**	(6,028)
Other receivables	**(3,049)**	(3,094)
Related parties	**(304)**	-
Increase (decrease) in liabilities:		
Trade accounts payable	**(177)**	(612)
Payroll and social charges	**(5,000)**	1,670
Taxes payable	**(334)**	239
Other liabilities	**1,331**	49
Related parties	**18,645**	(2,306)
Payment of income tax and social contribution	**-**	(999)
Net cash provided by operating activities	**7,953**	(6,028)
Cash flow from investing activities		
Fixed asset purchases	**(131)**	(392)
Net cash used in investing activities	**(131)**	(392)
Cash flow from financing activities		
Increase (decrease) of loans and financing	**(7,807)**	7,636
Net cash provided by financing activities	**(7,807)**	7,636
Increase (decrease) in cash and cash equivalents	**15**	(491)
Cash and cash equivalents		
Cash and cash equivalents at the beginning of the year	**2**	493
Cash and cash equivalents at the end of the year	**17**	2

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS AS OF MARCH 31, 2016

(In Thousands of Reais)

1. Operations

Complex IT Solution Consultoria em Informática S.A. (“Complex IT” ou “Company”) is a privately-held corporation primarily engaged in rendering consulting services related to information technology and implementation of projects involving SAP technology. The Company is located in Sao Paulo city in Sao Paulo state.

On May 2, 2013, Tech Mahindra Serviços de Informática acquired 51% of Complex IT shares and on December 30, 2014 acquired the remaining 49%.

2. Basis for preparation and presentation of financial statements

Authorization to complete these financial statements was given at the General Meeting held on May 04, 2016.

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 year 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 software and are amortized in 5 years.

The useful life of intangible assets is considered finite or indefinite.

Finite intangible assets are amortized over their economic useful lives and are tested for impairment whenever there is any indication of impairment loss. The amortization period and method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. Amortization of intangible assets with finite lives is recognized in the income statement in the expense category consistent with the use of the intangible asset.

As of March 31, 2016, the Company did not have intangible assets with indefinite useful life.

Gains and losses arising from write-off of an intangible asset are measured as the difference between the net sales price and the book value of the asset, recognized in the income statement at the write-off of the asset.

3.7. Impairment of assets

Management annually reviews the net book value of assets in order to evaluate events or changes in economic, operating or technological circumstances that may indicate deterioration or impairment. When such evidence is identified and the net book value exceeds the recoverable value, a provision for impairment is setup, adjusting the net book value to the recoverable value.

The recoverable value of an asset or group of assets is defined as the higher of value in use or the net sales value.

In estimating the asset's value in use, the estimated future cash flows are discounted to their present value, using a discount rate before taxes that reflects the weighted average cost of capital for the segment where the cash-generating unit operates. Whenever possible, the net sales value is determined based on firm sale agreements in transactions made on an arm's length basis between knowledgeable and willing parties, adjusted by expenses attributed to asset sales or, when there is no firm sale agreement, based on the market price of an active market, or the most recent transaction price with similar assets.

3.8. Provisions

3.8.1. General

Provisions are recognized when the Company has a legal or constructive obligation due to a past event, it is probable that economic resources will be required to settle it and a reliable estimate of the obligation amount may be made. When the Company expects that the amount of a provision will be refunded, in full or in part, the refund is recognized as a separate asset, but only when the refund is virtually certain. The expense related to any provision is stated in the income statement, net of any refund.

3.8.2. Provision for litigation

The Company is a party in judicial and administrative proceedings. Provisions are set up for all judicial proceedings involving probable cash outlays to settle them and that may be reliably estimated, if applicable.

The assessment of the likelihood of loss includes analysis of available evidence, hierarchy of laws, available case law, recent court decisions and their relevance for the legislation in force, as well as the opinion of the Company's outside legal counsel.

These provisions are reviewed and adjusted to consider changes in circumstances, such as applicable statute-barring period, conclusions of tax audits or additional exposures found based on new issues or court decisions, if applicable.

The provision for contingencies is determined by management based on expected amount of loss involved by each contingency based on the opinion of the Company's legal advisors, for amounts considered sufficient to cover losses and risks, if applicable.

3.9. Financial instruments

The Company's financial instruments comprise trade accounts receivable, other receivables, trade accounts payable, other liabilities and related parties.

The instruments are only recognized as from the date the Company becomes a party to the contractual provisions of financial instruments.

They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue, excepting financial assets and liabilities classified as at fair value through profit or loss, when such costs are directly posted to income statement for the year. They are subsequently measured at each balance sheet date in accordance with the rules established for each type of classification of financial assets and liabilities.

3.9.1. Financial assets: These are classified in the following categories based on the purpose for which they were acquired or issued:

a) *Financial assets at fair value through profit or loss:* Include financial assets held for trading and financial assets initially recognized at fair value through profit or loss. Financial assets are classified as held for trading if acquired to be sold within short term.

The Company evaluated its financial assets at fair value through profit or loss since it intends to trade them within short term.

When the Company is unable to trade these financial assets as a consequence of market inactivity, and management intention of selling them in the near future changes significantly, the Company may opt to reclassify these financial assets in certain circumstances. The reclassification to loans and accounts receivable, available for sale or held to maturity, depends on asset nature. This evaluation does not affect any financial assets classified as at fair value through profit or loss using the option of fair value upon presentation.

b) *Loans and receivables:* Loans and receivables are non-derivative financial assets, with fixed or determinable payments, not quoted in an active market. After initial measurement, these financial assets are stated at amortized cost, using effective interest rate method, less impairment loss. Trade accounts receivable and other receivables were classified in this category.

3.9.2. Financial liabilities: These are classified in the following categories based on the nature of financial instruments taken out or issued:

a) Financial liabilities at fair value through profit or loss: These include financial liabilities held for trading and liabilities designated upon initial recognition at fair value through profit or loss.

They are classified as held for trading when acquired with the objective of sale or repurchase in the short term. Derivative financial instruments are classified as held for trading. They are measured at fair value at every balance sheet date.

Interest, monetary restatement, exchange variation and variations resulting from fair value valuation are recognized in P&L when incurred in financial income or expenses.

b) Loans and financing: Non-derivative financial liabilities that are not usually traded before maturity. After initial recognition, they are subsequently measured at amortized cost using the effective interest rate method. Interest, monetary and exchange variation, as applicable, are recognized in P&L when incurred. Trade accounts payable, other liabilities and related parties were classified in this category.

3.9.3. Market value: The market value of financial instruments actively traded in organized markets is determined based on quoted values in the market at balance sheet date. In case there is no active market, market value is determined through valuation techniques. These techniques include the use of recent market transactions between unrelated parties, reference to market value of similar financial instruments, analysis of discounted cash flows or other valuation models.

3.10. Present value adjustment of assets and liabilities

Non-current monetary assets and liabilities are adjusted at present value, and also current ones but only when the effect is considered significant in relation to the overall financial statements. Present value adjustment is calculated taking into consideration contractual cash flows and the express interest rate and, in certain cases, the implicit interest rate of the related assets and liabilities. As such, embedded interest in revenues, expenses and costs related to these assets and liabilities is discounted in order to be recognized on the accrual basis of accounting.

Subsequently, such interest is relocated in the lines of financial expenses and financial income in the income statement using the effective interest rate method in relation to the contractual cash flows. Applied implicit interest rates were determined based on assumptions and are considered accounting estimates.

3.11. Significant accounting judgments, estimates and assumptions

The Company's financial statements were prepared considering different valuation bases used in accounting estimates. The accounting estimates involved in the preparation of the financial statements were based on objective and subjective factors, considering management's judgment to determine the appropriate amounts to be recorded in the financial statements. Significant items subject to these estimates and assumptions include the selection of the useful life of property and equipment items and their recoverability in operations; the evaluation of financial assets at fair value; assessment of the credit risk for the determination of the allowance for doubtful accounts, as well as the analysis of other risks to determine other provisions, including the provisions for guarantees, realization of tax credits and contingencies. Settlement of transactions involving these estimates may result in amounts significantly different from those recorded in the financial statements due to the probabilistic treatment inherent to the estimate process. The Company periodically reviews its estimates and assumptions at least once a year.

3.11.1. Impairment of non-financial assets

Impairment loss exists when the carrying value of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of fair value less cost to sell and value in use. The calculation of fair value less cost to sell is based on information available on sale transactions of similar assets or market price less additional costs to dispose of the asset.

3.11.2. Taxes

There are uncertainties regarding the interpretation of complex tax regulations and the amount and term of future taxable income. The long-term nature and the complexity of existing contractual instruments, differences between actual results and assumptions adopted, or future changes in these assumptions could require future adjustments in the already recorded revenue and tax expenses.

The Company sets up provisions, based on reasonable estimates of the possible consequences of audits by tax authorities in respective jurisdictions in which it operates.

The value of these provisions is based on various factors such as previous experience of tax audits and differing interpretations of tax regulations by the taxed entity and the respective tax authority. These differences of interpretation may arise on a wide variety of subjects depending on conditions prevailing in the Company's domicile.

Significant judgment from management is required to determine the value of deferred tax assets that can be recognized based on the probable term and level of future taxable income together with future tax planning strategies.

3.11.3. Provision for litigation

The Company recognizes provision for civil, tax and labor proceedings, as applicable. The assessment of the chances of loss includes analysis of available evidence, hierarchy of laws, available case law, recent court decisions and their relevance in the legal system, as well as the opinion of the Company's outside legal counsel. These provisions are reviewed and adjusted to consider changes in circumstances, such as applicable statute-barring period, conclusions of tax audits or additional exposures found based on new issues or court decisions.

3.12. Cash flow statements

Cash flow statements were prepared by the indirect method and are presented in accordance with CPC 03 – Cash Flow Statements, issued by Brazilian FASB (CPC).

4. Cash and cash equivalents

	31.03.2016	31.03.2015
Cash and banks	**17**	2
	17	2

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

	31.03.2016	31.03.2015
Accounts receivable - invoiced	**12,615**	19,529
Accounts receivable - invoices to be issued	**16,096**	16,099
	28,711	35,628

6. Related parties

	31.03.2016	31.03.2015
Current assets		
Tech Mahindra Serviços de Informática Ltda.	**304**	-
	304	-
Current liabilities		
Mutual	**-**	3,266
Tech Mahindra Serviços de Informática Ltda.	**21,592**	-
	21,592	3,266
Non-current liabilities		
Tech Mahindra Serviços de Informática Ltda.	**3,300**	2,981
	3,300	2,981

Remuneration of key management

Expenses related to remuneration of key management personnel of the Company, recognized in P&L, totaled R$1,350 at March 31, 2016 (R$1,764 as of March 31, 2015).

7. Equity

As of March 31, 2015, the capital is represented by 5.000.000 (Five million) shares amounts to R$1.00 recorded as follows:

Shareholders	**31.03.2016**	31.03.2015
Tech Mahindra Serviços de Informática Ltda.	**5,000**	5,000
	5,000	5,000

8. Financial instrument and risk management

8.1. Risk management

As mentioned in Note 1, the Company primarily engaged in rendering consulting services related to information technology and implementation of projects involving SAP technology.

The key market risks faced by the Company in the normal course of its businesses are as follows:

- Credit risk: arises from possible difficulty in settling accounts receivable from customers. This risk is managed by means of a credit analysis policy.
- Market risk: Complex IT is exposed to market risk that can impact your cash flow.
- Liquidity risk: consists of the possibility of the Company not having sufficient funds to honor its commitments due to the different terms for settlement of its rights and obligations. The Company's liquidity and cash flow control is monitored by the Company's financial management department, to ensure that cash flow from operations and the previous funding, when necessary, are sufficient to meet its commitment schedule, not generating liquidity risks for the Company.

8.2. Fair value

We set out below a comparison between book value and fair value of the Company's financial instruments presented in the financial statements:

Financial assets	**Book value 31.03.2016**	Fair value 31.03.2016
Cash and cash equivalents	**17**	17
Trade accounts receivable	**28,711**	28,711
Related parties	**304**	304
Taxes recoverable	**1,753**	1,753
Other receivables	**6,107**	6,107
	36,892	36,892
Financial liabilities		
Trade accounts payable	**1,606**	1,606
Salaries and social charges	**3,626**	3,626
Tax liabilities	**316**	316
Loans and financing	**6,900**	6,909
Related parties	**24,892**	24,892
Other liabilities	**1,380**	1,380
	38,720	38,720

At March 31, 2016, the Company does not present balances arising from derivatives transactions.

9. Insurance coverage (unaudited)

At March 31, 2016, insurance coverage taken out is considered sufficient by management to cover losses, if any. As these refer to immaterial amounts, they were not audited.

10. Capital management

Management's objective is to ensure reduced exposure to market risk in order to attain the growth and return objective.

Following the global management policy, in order to reduce any risks, the Company maintains relationships only with first tier financial institutions.

11. Earnings per unit of interest

Calculation of basic earnings per unit of interest is made by dividing net income (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 period.

The chart below sets out net income (loss) and units of interest used in the calculation of basic and diluted earnings per unit of interest:

	31.03.2016	31.03.2015
Basic and diluted earnings per unit of interest		
Numerator		
Net income (loss) for the year attributed to Company unit of interest holders (in thousands of Reais)	**(12,267)**	1,297
Denominator (in units of interest)		
Weighted average number of units of interest	**5,000,000**	5,000,000
Basic and diluted earnings per units of interest (in R$)	**(2.453)**	0.259

12. Commitments

a) Rents

The Company rents properties housing its head office.

Initiation	End	Installments	Index	Location
24.04.2013	25.04.2016	R$72	IPCA	São Paulo
01.07.2015	30.06.2018	R$33	IGP-M	Rio de Janeiro

b) Guarantee letters

As of March 31, 2016, the loans with guarantee have an amount of R$ 6,900.

TECH MAHINDRA DE MEXICO S DE RL DE CV

Board of Directors

Arvind Malhotra

Pablo Gallegos

Jenny Jacob

Registered Office

Eje 5 Norte No 990,

Edif F Planta Baja Santa Bárbara,

Azcapotzalco, C.P. 02230,

Distrito Federal, Mexico

Bankers

Citi Bank NA

Auditors

Deloitte Haskins & Sells LLP

INDEPENDENT AUDITORS' REPORT TO THE

Partners of Tech Mahindra de México, S. de R. L. de C. V.

We have audited the accompanying financial statements of Tech Mahindra de México, S. de R. L. de C. V. (the "Entity", a subsidiary of Tech Mahindra Limited) which comprise the balance sheet as of December 31, 2015, and the related statements of operations, changes in members' equity, and cash flows for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with International Standards on Auditing. Those standards require that we comply with the 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 evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Tech Mahindra de México, S. de R. L. de C. V. as of December 31, 2015, and their financial performance and their cash flows for the year then ended in accordance with Mexican Financial Reporting Standards.

Other Matters

The accompanying financial statements have been translated into English for the convenience of readers.

Galaz, Yamazaki, Ruiz Urquiza, S. C.

Member of Deloitte Touche Tohmatsu Limited

C. P. C. Miguel Ángel Asencio Asencio

BALANCE SHEETS

For the years ended December 31, 2015 and 2014 (unaudited)

	(In Mexican pesos)	
	2015	2014
		(Unaudited)
Assets		
Current assets:		
Cash and cash equivalents	**3,505,109**	6,899,763
Accounts receivable - Net	**10,481,937**	3,000
Prepaid expenses	**838,183**	-
Total current assets	**14,825,229**	6,902,763
Property and equipment – Net	**4,140,255**	-
Deposits	**1,193,735**	-
Deferred income taxes	**821,265**	-
Deferred statutory employee profit sharing	**-**	-
Total	**20,980,484**	6,902,763
Liabilities and members' equity		
Non Current Liabilities:		
Employee Benefits	**10,277**	-
Total Non Current Liabilities	**10,277**	-
Current liabilities:		
Accounts payable	**18,010**	-
Accrued expenses and taxes	**6,773,757**	-
Employee benefits	**23,183**	-
Total currents liabilities	**6,814,950**	-
Total liabilities	**6,825,227**	-
Members' equity:		
Social parts	**12,934,771**	6,903,000
Retained earnings (accumulated deficit)	**1,220,486**	(237)
Total members' equity	**14,155,257**	6,902,763
Total	**20,980,484**	6,902,763

See accompanying notes to financial statements.

STATEMENTS OF OPERATIONS

For the years ended December 31, 2015 and 2014 (unaudited)

	2015	(In Mexican pesos) 2014 (Unaudited)
Revenues:		
Net sales	**29,387,114**	-
	29,387,114	-
Costs and expenses:		
Cost of sales	**25,219,474**	-
Sales and administrative expenses	**2,217,133**	237
Operating income	**1,950,507**	(237)
Other income, net	**157,294**	**-**
Comprehensive financing results:		
Exchange (loss) – Net	**201,847**	-
	201,847	-
Income (loss) before income tax expense	**1,905,954**	(237)
Income tax expense	**685,231**	-
Net income (loss)	**1,220,723**	(237)

See accompanying notes to financial statements.

STATEMENTS OF PARTNERS' EQUITY

For the years ended December 31, 2015 and 2014 (unaudited)

	Social Parts	Retained earnings (accumulated deficit)	Total partners' equity
			(In Mexican pesos)
Balances at January 1, 2014 (unaudited)	-	-	-
Addition	6,903,000	-	6,903,000
Net loss	-	(237)	(237)
Balances at December 31, 2014 (unaudited)	6,903,000	(237)	6,902,763
Addition	6,031,771	-	6,031,771
Net income	-	1,220,723	1,220,723
Balances at December 31, 2015	12,934,771	1,220,486	14,155,257

See accompanying notes to financial statements.

TECH MAHINDRA DE MEXICO S DE RL DE CV

STATEMENTS OF CASH FLOWS

For the years ended December 31, 2015 and 2014 (unaudited)

	(In Mexican pesos)	
	2015	2014
		(Unaudited)
Operating activities:		
Income (loss) income before income taxes	**1,905,954**	(237)
Items related to investment activities:		
Depreciation	**234,831**	-
Gain on sale of equipment	**-**	-
Interest received	**-**	-
Items related to financing activities:	**-**	-
Interest expense	**-**	
(Increase) decrease in:		
Accounts receivable – Net	**(10,478,937)**	(3,000)
Prepaid expenses	**(838,183)**	-
Deposit	**(1,193,735)**	-
Increase (decrease) in:		
Accounts payable	**82,085**	-
Direct employee benefits	**130,964**	-
Accrued expenses and taxes	**5,105,682**	-
Net cash flows provided by (used in) operating activities	**5,051,339**	(3,237)
Investing activities:		
Acquisitions of equipment	**(4,375,086)**	-
Net cash flows provided by (used in) investing activities	**(4.375,086)**	-
Cash to be applied to (obtained from) financing activities		
Financing activities:		
Shares issued	**6,031,771**	6,903,000
Net cash flows (used in) provided by financing activities	**6,031,771**	6,903,000
Net increase in cash and cash equivalents	**(3,394,654)**	6,899,763
Cash and cash equivalents at the beginning of the year	**6,899,763**	-
Cash and cash equivalents at the end of the year	**3,505,109**	6,899,763

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

For the years ended December 31, 2015 and 2014 (unaudited)

(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.

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, 2015 and 2014 (unaudited) and for the years then ended include balances and transactions denominated in Mexican pesos of different purchasing power.

   c. ***Income (loss) from operations -*** Income (loss) 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.

   d. ***Classification of costs and expenses -*** these were classified according to their function, since it is the industry practice of the entity.

3. **Summary of the main 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 significant accounting policies of the Entity are as follows:

   a. ***Accounting changes -***

   As of January 1, 2015, the Entity adopted the following improvements to NIF 2015:

   NIF that result in accounting changes:

   Bulletin C-9, Liabilities, Provisions, Contingent Assets and Liabilities and Commitments

   NIF that do not result in accounting changes:

   NIF B-13, Events Subsequent to the Date of the Financial Statements and Bulletin C-9, Liabilities, Provisions, Contingent Assets and Liabilities and Commitments

   Some of the principal changes established in these standards are:

   Bulletin C-9, Liabilities, Provisions, Contingent Assets and Liabilities and Commitments– Clarifies and modifies the accounting treatment for liabilities arising from customer advances denominated in foreign currency. When an entity receives advance collections for sales or services denominated in foreign currency, the changes in exchange rates between the functional currency and the transaction currency do not affect the amount of the advance collection. Accordingly, the balance of the customer advances liability should not be modified as a result of such changes in exchange rates.

   NIF B-13, Events Subsequent to the Date of the Financial Statements and Bulletin C-9, Liabilities, Provisions, Contingent Assets and Liabilities and Commitments –NIF B-13 includes in a footnote the disclosures in the financial statements of an entity that are not prepared on a going concern basis in accordance with NIF A-7, Presentation and Disclosure. Such requirement was included as part of the regulatory text in the disclosure standards section of NIF B-13, and as part of Bulletin C-9 to disclose the contingencies arising from the fact that the entity is not operating on a going concern basis. Consequently, Circular 57 Sufficient Disclosure is repealed as a result of the Commercial Bankruptcy Law.

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.

b. ***Recognition of the inflation effects -*** Cumulative inflation rates over the three-year periods ended December 31, 2015 and 2014 were 12.08% y 11.80%, in each period. Accordingly, the economic environment is not inflationary in either such year and no inflationary effects were recognized in the accompanying consolidated financial statements. Inflation rates for the years ended December 31, 2015 and 2014 were 2.13% and 4.08%, respectively.

c. ***Cash and cash equivalents -*** Cash and cash equivalents consist mainly of bank deposits in checking accounts and short-term investments, highly liquid and easily convertible into cash, maturing within three months as of their acquisition date, which are subject to immaterial value change risks. Cash is stated at nominal value and cash equivalents are valued at fair value; any fluctuations in value are recognized in comprehensive financing results of the period.

d. ***Property and equipment –-***Property and equipment are recorded at acquisition cost. The depreciation is calculated using the straight-line method based on the estimated useful lives of the related assets, as follows:

	2015
Plant & Machinery	3 – 5
Furniture and fixtures	5
Equipments and Computers	3 – 5
Leasehold improvements	Lower of Lease Period or expected occupancy (5 Years)

e. ***Impairment of long-lived assets in use -*** The Entity reviews the carrying amounts of long-lived assets in use when an impairment indicator suggests that such amounts might not be recoverable, considering the greater of the present value of future net cash flows or the net sales price upon disposal. Impairment is recorded when the carrying amounts exceed the greater of the aforementioned amounts. Impairment indicators considered for these purposes are, among others, operating losses or negative cash flows in the period if they are combined with a history or projection of losses, depreciation and amortization charged to results, which in percentage terms in relation to revenues are substantially higher than those of previous years, obsolescence, reduction in the demand for the products manufactured competition and other legal and economic factors.

f. ***Provisions -*** Provisions are recognized for current obligations that stet a past event, stet probable to result in the use of economic resources, and that can be reasonably estimated.

g. ***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. ***Employee benefits from termination, retirement and other -*** Liabilities from seniority premiums, pension retirement payments which are treated like a pension and severance for termination of the employment relationships are recorded as accrued and calculated by independent actuaries based on the projected unit credit method using nominal interest rates.

   iii. ***Statutory employee profit sharing -*** 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, 2015 and 2014, PTU is determined based on taxable income, according to Section I of Article 10 of the Income Tax Law.

h. ***Income taxes -*** Income tax ("ISR") are recorded in results of the year in which they are incurred. Deferred tax is 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. Deferred tax assets are recorded only when there is a high probability of recovery.

i. ***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 comprehensive financing results in the accompanying statements of income.

j. ***Revenue recognition -*** Revenues from services rendered are recognized in the period in which they are rendered.

4. Cash and cash equivalents

	(In Mexican pesos)	
	2015	2014
		(Unaudited)
Cash	**3,505,109**	6,899,763
Cash equivalents	**-**	-
	3,505,109	6,899,763

5. Accounts receivable

	(In Mexican pesos)	
	2015	2014
		(Unaudited)
Customers	**7,750,672**	-
Allowance for doubtful accounts	**-**	-
Recoverable taxes, vat	**1,996,565**	-
Recoverable income tax	**-**	-
Guarantee deposits , officers and employees	**3,000**	3,000
Others	**731,700**	-
	10,481,937	3,000

6. Property and equipment (In Mexican pesos)

		December 31, 2015	December 31, 2014 (Unaudited)	Balances at the beginning of 2014 (Unaudited)
a)	Investment			
	Plant & Machinery	**368,252**	-	-
	Furniture and fixtures	**2,494,488**	-	-
	Equipment and computers	**297,152**	-	-
	Leasehold improvements	**1,215,194**	-	-
		4,375,086	**-**	**-**
b)	Accumulated depreciation			
	Plant & Machinery	**18,413**	-	-
	Furniture and fixtures	**180,636**	-	-
	Equipment and computers	**16,282**	-	-
	Leasehold improvements	**19,500**	-	-
		234,831	**-**	**-**
	Net property and equipment	**4,140,255**	-	-

Depreciation in 2015 and 2014 that was recognized in the results was $ 234,831 and $ Nil, respectively.

7. Employee Benefits

a. Net period cost for leave obligation was $ 33,460 in 2015 and $ Nil in 2014.

8. PTU is comprised as follows:

	2015	2014 (Unaudited)
		(In Mexican pesos)
PTU:		
Current	**1,506,496**	-
Deferred	**(821,265)**	-
	685,231	-

9. Deferred PTU assets (liabilities) are comprised as follows:

	2015	2014 (Unaudited)
Deferred PTU assets:		
Employee benefits	**-**	-
Allowance for doubtful accounts	**-**	-
Accrued bonuses and other accruals	**821,265**	-
Accrued professional fees	**-**	-
	821,265	-
Deferred PTU liabilities:		
Property and equipment	**-**	-
Prepaid expenses	**-**	-
Total assets	**821,265**	-

10. Partners' equity

a. As of December 31, 2015 and 2014 member units at par value (historical pesos), is as follows:

	Number of social parts	**Amount in historical pesos**	Number of social parts	Amount in historical pesos
	2015		2014	
Fixed capital				
Series "A" member units* (Non Withdrawable)	**2**	**3,000**	2	3000
Variable capital				
Series "B" member units**	**1**	**12,931,771**	1	6,900,000
Total	3	**12,934,771**	3	6,903,000

* 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. Retained earning include the statutory legal reserve. The General Corporate Law requires that atleast 5% of net income of the year be transferred to the legal reserve until the reserve equals 20% of member units at par value (historical pesos).

The legal reserve may be capitalised but may not be distributed unless the entitly is dissolved. The legal reserve must be replenished if it is reduced for any reason. As of December 31, 2015 and 2014, the legal reserve, in historical pesos, was $ 61,036 and $ Nil, respectively.

c. 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 taxed of the year in which the tax on dividends is paid and the following two fiscal years.

11. 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:

	(In Mexican pesos)	
	2015	2014
		(Unaudited)
Tech Mahindra Limited:		
Sales	**25,630,778**	-
Other income	**157,294**	-

b. Balances due from and to related parties are as follows:

	(In Mexican pesos)	
	2015	2014
		(Unaudited)
Due from Tech Mahindra Limited:		
	4,536,405	-

12. Other income (expenses)

a. Detail as follows:

	(In Mexican pesos)	
	2015	2014
		(Unaudited)
Other income, net	**157,294**	-
	157,294	-

13. Income taxes

The Entity is subject to ISR.

As a result of the new 2014 ISR law (2014Tax Law), the rate is 30% in 2015 and 2014 and it will continue at 30% in 2016 and thereafter.

The CINIF issued INIF 20 Financial Effects of the Tax Reform 2014, effective as of December 31, 2013, to provide guidance regarding the accounting recogntion of the issues included in the 2014 tax reform.

a. ISR consists of the following:

	(In Mexican pesos)	
	2015	2014
		(Unaudited)
ISR:		
Current	**1,506,496**	-
Deferred	**(821,265)**	-
	685,231	-

b. The main items that give rise to a deferred ISR asset (liability) a December 31 are:

	(In Mexican pesos)	
	2015	2014 (Unaudited)
Deferred income tax		
Deferred income tax assets:		
Employee benefits		
Property and equipment		
Allowance for doubtful accounts		
Accrued bonuses and other accruals	**821,265**	
Accrued professional fees		
Statutory employee profit sharing		
Other provisions		
Deferred ISR asset	**821,265**	
Deferred income tax liabilities:		
Prepaid expenses		
Deferred ISR liability		
Net deferred ISR asset	**821,265**	

16. Contingencies

a. In accordance with currently enacted tax legislation, the authorities have the power to review up to the five years prior to the last income tax return filed.

b. Beginning December 1, 2012, the amendments to the Federal Labor Law went into effect in Mexico.

As at March 31, 2015, and the date of the auditor's report, the Company Management and its attorneys have considered that these amendments do not turn into significant effects to the Company.

17. New accounting principles

As of December 31, 2015, the CINIF has issued the following NIFs which may affect the financial statements of the Entity:

a. Effective as of January 1, 2016:

NIF D-3, Employee Benefits

Improvements as 2016 NIF

b. Effective as of January 1, 2018

NIF C-3, Accounts Receivable

NIF C-9, Provisions, Contingencies and Commitments

NIF D-3, Employee benefits - When there is a pre-existing condition of payments for termination of the labor relationship, such payments have to be valued as postemployment benefits. Furthermore, the cost of past services, plan amendments, personnel cutbacks, and the gains and losses from advanced settlements such as severance payments which qualify as termination benefits, are recognized in results immediately. In contrast, the actuarial gains and losses resulting from the re-measurements should be recognized in the ORI and recycled to the (comprehensive) statement of income over the average labor life. Such re-measurements derive from a comparison of the defined benefits obligations and the plan assets determined at the close of the year with the amounts projected at the beginning of the period for the current year. Another significant change consists of associating the discount rate of the benefits obligation with a rates based on high-quality corporate bonds in a deep market, or, in their absence, using government bond rates. This same rates will be used to calculate the projection of the plan assets (net rate). The changes are recognized retrospectively.

Improvements to the NIF 2016 – The following improvements were issued, effective January 1, 2016, which generate accounting changes:

NIF C-1, Cash and cash equivalents and NIF B-2, Statement of cash flows – Modified to consider foreign currency as cash and not as cash equivalents. Clarifies that both the initial and subsequent valuation of cash equivalents must be at fair value.

Bulletin C-2, Financial instruments and Document of amendments to Bulletin C-2 –

i. The definition of financial instruments available for sale is modified to clarify that they are those in which investment is made from time to time with the intention of trading them over the medium-term prior to maturity, so as to obtain profits based on changes in market value, and not only through their related returns.

ii. Criteria for classifying a financial instrument as available for sale is clarified to prohibit such classification when i) the intention is to hold it for an indefinite period, ii) the entity is willing to sell the financial instrument, iii) it has a sale or redemption option on the instrument, and iv) the issuer of the instrument has the right to liquidate the financial instrument at an amount significantly lower than its amortized cost.

iii. The concept of purchase expenses is eliminated and the definition of transaction costs is incorporated.

iv. The reversal of impairment losses from financial instruments held to maturity is allowed, in the net income or loss for the period.

Bulletin C-9, Liabilities, Provisions, Contingent Assets and Liabilities and Commitments– Clarifies and modifies the accounting treatment for liabilities arising from customer advances denominated in foreign currency. When an entity receives advance collections for sales or services denominated in foreign currency, the changes in exchange rates between the functional currency and the transaction currency do not affect the amount of the advance collection. Accordingly, the balance of the Customer advances liability should not be modified as a result of such changes in exchange rates.

At the date of issuance of these financial statements, the Entity is in process of assessing the effects of adopting these new standards on its financial information.

18. Financial statements issuance authorization

On May 20, 2016, the issuance of the financial statements was authorized by Mr. Jenny Jacob. These financial statements are subject to the approval of the Board of Partners and the general ordinary members' meetings, where they may be modified, based on provisions set forth by the General Corporate Law.

FIXSTREAM NETWORKS INC

Board of Directors

Manoj Bhat
UlhasYargop
Manish Vyas
Sameer Padhye

Registered Office

Our office address is:
2680 North First Street, Suite 250
San Jose, California 95134

Bankers

Comerica Bank
2 Embarcadero Center, Suite 300
San Francisco, California 94111

Auditors

Catrakilis Kraitzick Hrabova, LLC
CPAs and Advisors

DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Shareholders,

Your Directors respectfully submit their report together with the audited financial statements of FixStream Networks Inc. for the year ended March 31, 2016.

Financial Results:

For the year ended March 31	**2016**	2015
	USD	USD
Income	**9,705**	249,480
Profit/(Loss)Before Tax	**(6,576,585)**	(3,795,149)
Profit/(Loss)after Tax	**(3,764,178)**	(2,052,852)

Review of Operations:

The Company is a 75% 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.

The Company product, Meridian,was released for commercial launch in March 2016. The Meridian Platform has attracted a large amount of clients and rapidly enlarged the company's client base. As a new and advanced product, it will be continually improved and customized to better meet clients' needs.

Rewards and Recognitions:

The Company has been recognized by the industry and received several awards and honors including, Best of Interop 2015 in the Cloud/Virtualization category, CIO Review "20 Most Promising SDN Solution Providers 2015", "Itoa50" Top 50 IT Operations Analytics Companies, and "One of the 10 SDN Startups Driving Innovation" and in May 2016 was selected as a finalist for Red Herring's Top 100 North America award.

Board:

Mr. Manoj Bhat, Mr. Manish Vyas, Mr. Ulhas Yargop, and Mr. Sameer Padhye, are the members of the Board of Directors.

Acknowledgements:

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

For FixStream Networks Inc

Sameer Padhye

Directors

California, April 18,2016

INDEPENDENT AUDITOR'S REPORT

Board of Directors
FixStream Networks,Inc.
a subsidiary of Tech Mahindra Limited, an India Corporation
San Jose, California

We have audited the accompanying financial statements of FixStream Networks, Inc. (the"Company") a 75% owned subsidiary of Tech Mahindra Limited, an India corporation, which comprise the balance sheets as of March 31, 2016 and 2015,and the related statements of operations and accumulated deficit, and cash flows for the periods then ended, and the related notes to the financial statements.

Management's Responsibilityfor the Financial Statements

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

Auditor's Responsibility

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

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

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

Basis for Qualified Opinion

As discussed in Note 2B to the financial statements, accounting principles generally accepted in the United States of America require the company to consolidate its 100% owned subsidiaries in its financial statements. For the purposes of these financial statements, the financial position and the results of operations of its wholly owned subsidiary, Quexa Systems Private Limited has not been consolidated. The non-consolidation of the wholly owned subsidiary is not in accordance with accounting principles generally accepted in the United States of America. The effects of this departure from accounting principles generally accepted in the United States of America on the financial position, results of operations, and cashflows have not been determined.

Qualified Opinion

In our opinion, except for the matter discussed in the Basis of Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of FixStream Networks, Inc. a 75% owned subsidiary of Tech Mahindra Limited, as of March 31, 2016 and 2015, the results of its operations and its cash flows for the periods then ended in accordance with accounting principles generally accepted inthe 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 herein are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Catrakilis Kraitzick Hrabova, LLC
Atlanta, Georgia
April 18, 2016

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTAL INFORMATION

Board of Directors
FixStream Networks,Inc.
a subsidiary of Tech Mahindra Limited, an India corporation
San Jose, California

Our report on our audits of the financial statements of Fix Stream Networks, Inc., a 75% owned subsidiary of Tech Mahindra Limited, an India corporation, (the "Company") as of and for the periods ended March 31,2016 and 2015, appears on pages herein. We conducted our audits in accordance with auditing standards generally accepted in the United States of America for the purpose of forming an opinion on the financial statements taken as a whole. The information on pages herein is presented for purpose of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the consolidated financial statements, and, accordingly, we express no opinion on it.

USD amounts in the supplemental schedules are translated for convenience in to Indian Rupees (INR) the exchange rate of INR 66.255 to 1.00 USD for both 2016 and 2015.

Catrakilis Kraitzick Hrabova, LLC.
Atlanta, Georgia

April 18, 2016

FIXSTREAM NETWORKS INC

SUPPLIMENTAL BALANCE SHEETS

		March 31,			
		2016		2015	
	Note	**USD**	**INR**	USD	INR
ASSETS:					
Current Assets:					
Cash		**1,372,174**	**90,913,388**	4,212,375	279,090,906
Due from parent company	4	**39,705**	**2,630,655**	-	-
Due from affiliated company	5	**-**	**-**	174,320	11,549,572
Prepaid expenses		**65,023**	**4,308,099**	76,810	5,089,047
Total current assets		**1,476,902**	**97,852,142**	4,463,505	295,729,525
Investment in subsidiary	6	**42,047**	**2,785,824**	42,047	2,785,824
Other assets:					
Restricted cash	3	**281,592**	**18,656,878**	381,013	25,244,016
Security deposits		**11,709**	**775,780**	11,709	775,780
Deferred tax asset	8	**5,052,876**	**334,778,299**	2,240,469	148,442,274
Total other assets		**5,346,177**	**354,210,957**	2,633,191	174,462,070
Property and equipment, net	7	**242,010**	**16,034,373**	269,556	17,859,433
Total Assets		**7,107,136**	**470,883,296**	**7,408,299**	490,836,852
LIABILITIES AND STOCKHOLDER'S EQUITY (DEFICIT)					
Liabilities:					
Current liabilities:					
Accounts payable		**52,560**	**3,482,363**	26,607	1,762,849
Accrued expenses		**123,802**	**8,202,505**	92,063	6,099,634
Due to parent company	4	**170,744**	**11,312,643**	-	-
Due to affiliated company	5	**8,030**	**532,027**	-	-
Line of credit	10	**-**	**-**	100,000	6,625,500
Loan from parent	4	**3,307,515**	**219,139,405**	-	-
Note payable to related party	9	**194,731**	**12,901,902**	189,703	12,568,772
Total current liabilities		**3,857,382**	**255,570,845**	408,373	27,056,755
Convertible-redeemable preferred stock	13	**10,000,000**	**662,550,000**	10,000,000	662,550,000
Stockholder's equity (deficit)					
Common stock	14	**650**	**43,066**	621	41,144
Additional paid in capital		**34,621**	**2,293,814**	20,644	1,367,768
Accumulated deficit		**(6,785,517)**	**(449,574,429)**	(3,021,339)	(200,178,815)
Total stockholder's equity (deficit)		**(6,750,246)**	**(447,237,549)**	(3,000,074)	(198,769,903)
Total Liabilities and Stockholder's Equity (Deficit)		**7,107,136**	**470,883,296**	**7,408,299**	490,836,852

See notes to supplemental financial statements

SUPPLEMENTAL STATEMENTS OF OPERATIONS AND ACCUMULATED DEFICIT

		Twelve months ended March 31,			
		2016		2015	
		USD	**INR**	USD	INR
REVENUE	I	**9,705**	**643,005**	249,480	16,529,297
OPERATING EXPENSES					
Personnel	II	**4,547,631**	**301,303,292**	2,949,968	195,450,130
General and administrative	III	**1,910,792**	**126,599,524**	1,011,928	67,045,291
Depreciation		**114,628**	**7,594,678**	55,019	3,645,284
Total operating expenses		**6,573,051**	**435,497,494**	4,016,915	266,140,705
OTHER INCOME (EXPENSE)					
Interest income		**2,651**	**175,642**	9,968	660,430
Other income		**-**	**-**	566	37,500
Interest expense		**(15,890)**	**(1,052,792)**	(8,248)	(546,471)
Other expense		**-**	**-**	(30,000)	(1,987,650)
Total other income (expense)		**(13,239)**	**(877,150)**	(27,714)	(1,836,191)
Loss before income tax benefit		**(6,576,585)**	**(435,731,640)**	(3,795,149)	(251,447,597)
INCOME TAX BENEFIT	Note 8	**(2,812,407)**	**(186,336,026)**	(1,742,297)	(115,435,888)
NET LOSS		**(3,764,178)**	**(249,395,614)**	(2,052,852)	(136,011,709)
Accumulated deficit, beginning of period		**(3,021,339)**	**(200,178,815)**	(968,487)	(64,167,106)
Accumulated deficit, end of period		**(6,785,517)**	**(449,574,429)**	(3,021,339)	(200,178,815)

See notes to supplemental financial statements

SUPPLEMENTAL STATEMENTS OF CASH FLOWS

	Twelve months ended March 31,			
	2016		2015	
	USD	**INR**	USD	INR
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net loss	**(3,764,178)**	**(249,395,614)**	(2,052,852)	(136,011,709)
Adjustments to reconcile net loss to net cash used in operating activities:				
Depreciation	**114,628**	**7,594,678**	55,019	3,645,284
Deferred income tax benefit	**(2,812,407)**	**(186,336,026)**	(1,742,297)	(115,435,888)
Changes in operating assets and liabilities:				
Due from parent company	**(39,705)**	**(2,630,655)**	-	-
Receivable from subsidiary	**174,320**	**11,549,572**	(174,320)	(11,549,572)
Prepaid expenses	**11,786**	**780,881**	(62,042)	(4,110,593)
Security deposits	**-**	**-**	(8,057)	(533,817)
Accounts payable	**25,954**	**1,719,582**	(6,257)	(414,558)
Payable to related party	**178,774**	**11,844,672**	-	-
Loan to parent	**3,307,515**	**219,139,406**	-	-
Accrued expenses	**31,739**	**2,102,869**	69,053	4,575,107
Income tax payable	-	-	-	-
Net Cash Provided by (Used in) Operating Activities	(2,771,574)	(183,630,635)	(3,921,753)	(259,835,746)
CASH FLOWS FROM INVESTING ACTIVITIES				
Capital expenditures	**(87,082)**	**(5,769,618)**	(316,645)	(20,979,314)
Net Cash Used in Investing Activities	**(87,082)**	**(5,769,618)**	(316,645)	(20,979,314)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Decrease (Increase) in restricted cash	**99,421**	**6,587,138**	(381,013)	(25,244,016)
Issued common stocks	**29**	**1,921**	7	464
Issued additional paid in capital	**13,977**	**926,046**	3,159	209,300
Net change of notes payable to related party	**5,028**	**333,130**	(1,276,028)	(84,543,235)
Net (repayment) borrowing underline of credit	**(100,000)**	**(6,625,500)**	100,000	6,625,500
Net Cash Provided by (Usedin)Financing Activities	**18,455**	**1,222,735**	(1,553,875)	(102,951,987)
Net increase (decrease) in cash	**(2,840,201)**	**(188,177,518)**	(5,792,273)	(383,767,047)
Cash, beginning of period	**4,212,375**	**279,090,906**	10,004,648	662,857,953
Cash, end of period	**1,372,174**	**90,913,388**	4,212,375	279,090,906
Supplemental Disclosures:				
Cash paid for interest	**2,474**	**163,915**	1,869	123,831
Cash paid for incometax	**800**	**53,004**	-	-

See notes to supplemental financial statements

NOTES TO SUPPLEMENTAL FINANCIAL STATEMENTS MARCH 31,2016 AND 2015

1. NATURE OF OPERATIONS

Fix Stream Networks, Inc. (the "Company") is a 75% owned subsidiary of Tech Mahindra Limited ("TechM"), acompany 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 owns100% of Quexa Systems Private Limited ("Quexa"). Quexa was incorporated under the laws of India and is engaged in the business of providing products and services, including but not limited to,information technology enabled services such as software consulting, software development, computer software, technical training and allied services and products.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

On April 30, 2014, TechM acquired 18,400,279 shares of the Company's Series A Preferred Stock, $ 0.0001 (INR0.0066) par value per share (the “Series A Preferred Stock”), at a purchase price of $ 0.54347 per share, and maintained 75% ownership of the Company. The financial statements presented herein is from the period of May1,2014, the effective date of TechM's ownership.

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

B. NON-CONSOLIDATED SUBSIDIARY

The Company has elected not to present the consolidated financial statements of the Company and it's wholly owned subsidiary Quexa. Management is of the opinion that at the Company level stand-alone company financial statements are considered more meaningful to the readers of the financial statements.

C. USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS

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

D. CASH AND CASH EQUIVALENTS

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

E. PROPERTY AND EQUIPMENT

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

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

F. REVENUE RECOGNITION

Revenues from contracts for technology integration consulting services, where the Company designs/redesigns, builds and implements new or enhanced systems applications and related processes for its clients are recognized on the percentage-of-completion method, which involves calculating the percentage of services provided during the reporting period compared to the total estimated services to be provided over the duration of the contract. Contracts for technology integration consulting services generally span six months to two years.This method is followed where reasonably dependable estimates of revenues and costs can be made. Estimates of total contract revenues and costs are continuously monitored during the term of the contract, and recorded revenues and estimated costs are subject to revision as the contract progresses.Such revisions may result in increases or decreases to revenues and income and are reflected in the financial statements in the periods in which they are first identified. If the 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.

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

G. EMPLOYEE STOCK-BASED COMPENSATION ARRANGEMENTS

Stock-based compensation expense is recognized over the requisite service period for awards of equity instruments to employees based on the grant date fair value of those awards expected to ultimately vest. Forfeitures are estimated on the date of grant and revised if actual or expected forfeiture activity differs materially from original estimates. As of March 31,2015, 229,849 granted shares have vested.

H. INCOME TAXES

The Company accounts for income taxes using FASB Accounting Standards Codification (ASC)740, Income Taxes. Under FASB ASC740, 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 the irrespective 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 position staken for filing with the Internal Revenue Service (IRS) and all state jurisdictions where it operates.

3. CASH AND RESTRICTED CASH

As of March 31, 2016 and 2015, cash and restricted cash are summarized as follows:

	March31,			
	2016		2015	
	USD	**INR**	USD	INR
Cash	**1,653,766**	**109,570,266**	4,593,388	304,334,922
Less: restricted cash-money market	**(281,592)**	**(18,656,878)**	(381,013)	(25,244,016)
Net available cash	**1,372,174**	**90,913,388**	4,212,375	279,090,906

The lender required the Company to maintain a compensating cash balance for the outstanding line of credit. The outstanding line of creditis summarized in Note 10 below.

4. TRANSACTIONS WITH PARENT COMPANY

During the periods ended March 31, 2016 and 2015, Fix Stream Networks had inter company transactions with its parent company, TechM. Transactions with the parent company are summarized below:

	Twelve Months Ended March31, 2016		Eleven Months Ended March31, 2015	
	USD	**INR**	USD	INR
Beginning balance, due from (to) parent company	**-**	**-**	-	-
Income and reimbursements from parent	**(166,944)**	**(11,060,875)**	-	-
Services rendered from parent-unbilled	**(3,800)**	**(251,769)**	-	-
Transfer sout	**-**	**-**	-	-
Receivable due from parent	**39,705**	**2,630,655**	-	-
Intereston loan to parent company	**(7,515)**	**(497,906)**	-	-
Loan from parent company	**(3,438,554)**	**(227,821,395)**	-	-

Due from (to) parent company consists of:

	March 31, 2016		March 31, 2015	
	USD	**INR**	USD	INR
Loan payable to parent company	**(3,307,515)**	**(219,139,406)**	**-**	**-**
Amounts due to parent company	**(170,744)**	**(11,312,644)**	**-**	**-**
Amounts due from parent company	**39,705**	**2,630,655**	**-**	**-**
	(3,438,554)	**(227,821,395)**	-	-

5. TRANSACTIONS WITH AFFILIATED COMPANY

During the period ended March 31, 2016 and 2015, Fix Stream Networks had inter company transactions with its wholly-owned subsidiary Quexa Systems Private Limited ("Quexa"). Quexa provides software development service to the Company and bills the Company for such services on a monthly basis.

	Twelve Months Ended March31, 2016		Eleven Months Ended March31, 2015	
	USD	**INR**	USD	INR
Beginning balance, due from (to) Quexa	**174,320**	**11,549,572**	-	-
Quexa billings for R&D services	**(1,101,757)**	**(72,996,910)**	(625,680)	(41,454,428)
Advances paid to Quexa	**919,407**	**60,915,310**	800,000	53,004,000
Ending balance,due from Quexa	**(8,030)**	**(532,028)**	174,320	11,549,572

Due from (to) Quexa consists of:

	March 31, 2016		March 31, 2015	
	USD	**INR**	USD	INR
Amounts due to Quexa	**(8,030)**	**(532,028)**	-	**-**
Amounts due to from Quexa	**-**	**-**	174,320	11,549,572
	(8,030)	**(532,028)**	174,320	11,549,572

The Company owns 100% investment (17,006 shares) of Quexa Systems Private Limited, which is accounted for using the cost method. The book value of the subsidiary was reported at $160,077 (INR10,605,902) and $ 90,720 (INR6,010,654) at March 31, 2016 and 2015 respectively. The fair value of the investment is not estimated since there are no identified events or changes in circumstances that may have a significant advers eeffect on the fair value and the Company does not estimate the fair value of financial instruments because it is not practicable to estimate fair value.

7. PROPERTY AND EQUIPMENT

As of March 31, 2016 and 2015, property and equipment are summarized as follows:

	March 31, 2016		March 31, 2015	
	USD	**INR**	USD	INR
Computer equipment	**374,457**	**24,809,649**	311,708	20,652,214
Furniture	**4,240**	**280,921**	4,240	280,921
Software	**20,334**	**1,347,229**	-	-
Lease hold improvements	**14,319**	**948,706**	10,320	683,752
Less: accumulated depreciation	**(171,340)**	**(11,352,132)**	(56,712)	(3,757,454)
Property and equipment, net	**242,010**	**16,034,373**	269,556	17,859,433

Depreciation expense for the twelve and eleven months ended March 31, 2016 and 2015 was $114,628 (INR 7,594,678)and $55,019 (INR 3,645,284).The depreciation policies followed by the Company are described in Note 2E.

8. INCOME TAXES

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

	Twelve Months Ended		Eleven Months Ended	
	March31, 2016		March31, 2015	
	USD	**INR**	USD	INR
Current income tax expense consists of the following:				
Federal	**-**	**-**	-	-
State	**-**	**-**	800	53,004
Total deferred income tax benefit	**-**	**-**	800	53,004
Deferred income tax benefit consists of the following				
Federal	**(2,231,684)**	**(147,860,223)**	(1,280,801)	(84,859,470)
State	**(580,723)**	**(38,475,803)**	(462,296)	(30,629,422)
Total deferred income tax benefit	**2,812,407)**	**(186,336,026)**	(1,743,097)	(115,488,892)
Total current and deferred income tax benefit	**2,812,407)**	**(186,336,026)**	(1,743,097)	(115,488,892)

	March31, 2016		March31, 2015	
	USD	**INR**	USD	INR
Deferred tax assets consists of the following:				
Federal	**4,009,857**	**265,673,076**	1,778,172	117,812,786
State	**1,043,019**	**69,105,223**	462,297	30,629,488
	5,052,876	**334,778,299**	2,240,469	148,442,274

As of March 31, 2016 and 2015, the Company had approximately $ 9,815,649 (INR650,335,824) and $ 5,185,000 (INR343,532,175) of estimated federal net operating losses and $ 9,810,400 (INR649,961,550) and $ 5,181,000 (INR343,267,155) of state net operating losses available to be carried forward, respectively. The Company expects to be able to utilize the entire deferred tax benefit, therefore, no valuation allowance has been recorded to reduce the asset. The Company is subject to taxation in the United States and various states jurisdictions. Tax years that remains ubjectto examination by major tax jurisdictions date back to the year ended March 31, 2013.

Intheordinary course of business, there are many inter company transactions that affect the calculation and estimation of the Company's taxliability. 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 theCompany's income tax provisions and accruals.

9. NOTE PAYABLE TO RELATEDPARTY

Note payable to related party consists of the following:

	March 31, 2016		March 31, 2015	
	USD	**INR**	USD	INR
Unsecured notes payable due to an officer of the Company, interest at 3% per annum, unpaid interest and principle are due on demand.	**167,593**	**11,103,874**	167,593	11,103,874
Accrued interest on related party notes payable	**27,138**	**1,798,028**	22,110	1,464,898
Total note payable to related party	**194,731**	**12,901,902**	189,703	12,568,772

Interest expense on related party notes payable were for the twelve and eleven months ended March 31,2016 and 2015, respectively.

10. LINE OF CREDIT

On July18, 2014, the Company entered in to a revolving line of credit agreement with a bank. The line has a maximum borrowing of $ 350,000 (INR21,873,250) with an annual interest rate of Prime plus 3%. The line of credit is secured by compensating cash held in the form of a Certificate of Deposit with a balance including accrued interest there on at March 31, 2016 and 2015 of $ 281,592 (INR18,656,879) and $ 381,013 (INR25,282,378). The balance of the outstanding line of credit at March 31, 2016 and 2015 was $ 0 (INR 0) and $100,000 (INR6,625,500), respectively. The line is payable on demand by the Company. Interest expense was $3,347 (INR 221,755) and $ 1,869 (INR 123,831) for the twelve and eleven months ended March 31,2016 and 2015, respectively.

11. EMPLOYEE BENEFIT PLAN

The Company maintains a defined contribution 401 (k) plan covering all eligible employees of the Company. Employees are allowed to contribute upto the maximum amount under the Internal Revenue Code. The plan allows the Company to make a discretionary match of employee contributions. There were no matching contributions in the eleven months ended March 31, 2015.

The Plan's administrative expenses for the twelve month and eleven month ended March 31, 2016 and 2015 was $2,674 (INR177,166) and $2,121 (INR140,527), respectively.

12. STOCK-BASED COMPENSATION

Key employees are granted stock options under 2013 Equity Incentive Plan. For all of the stock options granted before September 30, 2014, the exercise price is a set price of $ 0.04 (INR 2.5) per share on the date of the grant and an option's maximum term is ten years. For stock options granted after September 30,2014, the exercise price is a set price of $0.11 (INR6.9) per share on the date of the grant and an option's maximum term is ten years. Twenty five percent of the Shares subject to the Option shall vest on the one year anniversary of the Vesting Commencement Date. The balance of the remaining Shares subject to the Option shall vest each month thereafter, in equal installments, 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, 2016, 2,772,165 shares have been granted and 552,159 shares have been vested.

As of March 31, 2016 and 2015, the aggregate intrinsic value of stock options outstanding was $ 1,224,481 (INR 81,127,989) and $ 1,230,526 (INR 81,528,500); the aggregate intrinsic value of stock options exercisable was $ 254,356 (INR 16,852,257) and $115,722(INR7,667,161).

A summary of stock options for the twelve months and eleven months ended is presented below:

	Twelve Months Ended March 31, 2016		
	Shares	**Weighted-Average Exercise Price**	**Weighted-Average Exercise Price**
		USD	**INR**
Outstanding at beginning of period	**2,728,000**	**0.09**	**6.0**
Granted	**1,960,751**	**0.09**	**6.0**
Exercised	**(284,516)**	**0.05**	**3.3**
Forfeited or expired	**1,632,070)**	**0.10**	**6.6**
Outstanding at end of period	**2,772,165**	**0.08**	**5.3**

	Eleven Months Ended March 31, 2015		
	Shares	Weighted-Average Exercise Price	Weighted-Average Exercise Price
		USD	INR
Outstanding at beginning of period	2,083,054	-	-
Granted	2,203,000	0.11	7.3
Exercised	(79,172)	0.04	2.7
Forfeited or expired	(1,478,882)	0.06	4.0
Outstanding at end of period	2,728,000	0.05	3.3

The Weighted Average Exercise Price was calculated using the Black Scholes fair value based method for service based grants using the following assumptions:

	March 31, 2016	
	USD	**INR**
Weighted average fair value per option granted during the period	**0.54**	**35.8**
Assumptions:		
Weighted average stock price volatility	**0.00%**	**0.00%**
Weighted average risk free rate of return	**0.64%**	**0.64%**
Weighted average expected termin years	**6.25**	**6.25**

	March 31, 2015	
	USD	INR
Weighted average fair value per option granted during the period	0.54	35.8
Assumptions:		
Weighted average stock price volatility	0.00%	0.00%
Weighted average risk free rate of return	0.64%	0.64%
Weighted average expected termin years	6.25	6.25

The Company expects all granted shares to vest.

13. CONVERTIBLE - REDEEMABLE PREFERRED STOCK

On April 18, 2014, the Company issued 18,400,279 shares of Preferred Stock, all of which have been designated Series A Preferred Stock, to Tech Mahindra Limited.

Preferential rights:

Dividends: The Company shall not declare or pay any dividends on shares of any other class or series unless the holders of the Series A Preferred Stock first receive a dividend on each outstanding share of Series A Preferred Stock.

Conversion: Each share of Series A Preferred Stock shall be convertible, at the option of the holder,and without the payment of additional consideration by the holder, in to such number of fully paid and non-assessable shares of Common Stock as is determined by dividing the Series A Original Issue Price ($0.54347 or INR 33.964) by the Series A Conversion Price, currently set at $0.54347 (INR33.964).

Redemption: Shares of Series A Preferred Stock shall be redeemed by the Company at a price equal to the Series A Original Issue Price per share ($0.54347 or INR33.964), plus all declared but unpaid dividends there on in three annual installments commencing by the Company at any time on or after April 30, 2018, from the holders of at least a majority of the then outstanding shares of Series A Preferred Stock.

Liquidation: In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company or Deemed Liquidation Event, the holders of shares of Series A Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Company available for distribution to its stock holders 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, prorata based on the number of shares held by each such holder.

14. COMMON STOCK

The Company has authorized 33,000,000 shares of common stock at $ 0.0001 (INR 0.0062) par value and 6,757,016 are issued and outstanding. The Company has no Common Stock at it's Treasury. All outstanding Common Stock are subject to right of first refusal in favor of the Company upon any proposed transfer. The Company has reserved 6,135,000 shares of Common Stock for issuance to officers, directors, employees and consultants of the Company pursuant to its 2013 Equity Incentive Plan,see Note12.

15. OPERATING LEASE

The Company leases its office space under a non-cancelable operation lease with an effective date of June 1, 2014 through June 30, 2017. Total rental expense related to this lease was $135,862 (INR 9,001,537) and $ 104,298 (INR6,910,264) for twelve and eleven months ended March 31,2016 and 2015, respectively

The future minimum rental payments for this lease are as follows

Year ended March 31,	**USD**	**INR**
2017	**139,944**	9,271,990
2018	**35,157**	2,329,327
	175,101	11,601,317

16. CONCENTRATION OF CREDIT RISK

The Company places its cash and cash equivalents on deposit with financial institutions in the United States of America. The Federal Deposit Insurance Corporation covers $ 250,000 (INR16,563,750) for substantially all depository accounts. As of March 31,2016 and 2015, the Company had $ 1,403,766 (INR 93,006,516) and $ 4,376,341(INR 289,954,473) deposited with the financial institution that exceed the Federally insured limit.

17. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through April 18, 2016, the date the financial statements were available to be issued. No significant events occurred subsequent to the balance sheet date but prior to April18, 2016, that would have a material impact on the financial statements.

SUPPLEMENTAL SCHEDULES OF REVENUE AND EXPENSES (USD&INR)

	Twelve months ended March 31,			
	2016		2015	
	USD	**INR**	USD	INR
Schedule I				
REVENUE				
Revenues	**9,705**	**643,005**	249,480	16,529,297
	9,705	**643,005**	249,480	16,529,297
Schedule II				
PERSONNEL EXPENSES				
Pesonnel cost	**3,167,249**	**209,846,082**	**2,093,319**	138,692,850
Payroll taxes	**226,082**	**14,979,063**	150,808	9,991,784
Employee benefits	**277,380**	**18,377,812**	184,759	12,241,208
Employee related expenses	**142,695**	**9,454,257**	175,877	11,652,731
Contract services	**734,225**	**48,646,077**	345,205	22,871,557
	4,547,631	**301,303,291**	2,949,968	195,450,130
Schedule III				
GENERAL AND ADMINISTRATIVE				
R&D expense	**1,234,850**	**81,814,987**	610,866	40,472,927
Rent	**135,862**	**9,001,537**	104,298	6,910,264
Travel	**119,504**	**7,917,738**	54,055	3,581,414
Professional fees	**164,465**	**10,896,629**	126,133	8,356,942
Office expense	**114,341**	**7,575,663**	72,862	4,827,472
Sales and marketing	**97,593**	**6,466,024**	14,230	942,809
Taxes-other	**6,104**	**404,421**	9,168	607,426
Miscellaneous expense	**13,649**	**904,314**	7,479	495,521
Insurance	**14,556**	**964,408**	7,006	464,183
Communications	**9,868**	**653,804**	5,831	386,333
	1,910,792	**126,599,525**	1,011,928	67,045,291

QUEXA SYSTEMS PRIVATE LIMITED

Board of Directors

Abhinay Padhye Prabhakar

Suhas Nilkanth Phadke

Registered Office

Flat No. 1, Runwal Maestro,

Sr. No. 96/97, Plot No. 175/176,

Bhusari Colony, Kothrud,

Pune, Maharashtra

Bankers

HDFC Bank

ICICI Bank

Auditors

Richa Khetawat

BOARD'S REPORT

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, 2016

Quexa Systems Private Limited ("**Company**") was incorporated on January 14, 2013 with the Registrar of Companies,Maharashtra, India and was formed to provide services / products, including but not limited to information technology enabledservices, 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 7times during this financial year.

Sl. No	Date of Board Meeting
1.	April 07, 2015
2.	April 29, 2015
3.	June 22, 2015
4.	September 08, 2015
5.	December 28, 2015
6.	January 01, 2016
7.	February 22, 2016

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013 with respect to Directors' responsibility statement, it is hereby confirmed that:

1. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
3. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. the directors had prepared the annual accounts on a going concern basis.
5. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

EXPLANATION REGARDING QUALIFICATION, RESERVATION, ADVERSE REMARK OR DISCLAIMER IN AUDITORS REPORT

Statutory Auditors

Ms. Richa Khetawat, Chartered Accountant, holds office as the statutory auditors of the Company, until the conclusion of annual general meeting to be held in the year 2019. As required by the provisions of the Companies Act, 2013, her appointment should be ratified by members each year at the annual general meeting. Accordingly, requisite resolution forms part of the notice convening the annual general meeting.

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

in ₹

Particulars	2015-2016	2014-2015
Gross Income	**7,45,23,494/-**	4,29,30,467/-
Profit Before Interest and Depreciation	**1,03,65,522/-**	52,15,307/-
Finance Charges	**28,349/-**	21,261/-
Gross Profit	**1,03,37,173/-**	51,94,046/-
Provision for Depreciation	**9,49,749/-**	4,70,954/-
Net Profit Before Tax	**93,87,424/-**	47,23,092/-
Provision for Tax	**29,02,200/-**	15,40,410/-
Net Profit After Tax	**64,85,224/-**	31,82,682/-
Balance of Profit brought forward	**38,48,731/-**	6,66,048/-
Balance available for appropriation	**1,03,33,955/-**	38,48,731/-
Proposed Dividend on Equity Shares	**Nil**	Nil
Tax on proposed Dividend	**Nil**	Nil
Transfer to General Reserve	**Nil**	Nil
Surplus carried to Balance Sheet	**1,03,33,955/-**	38,48,731/-

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 31.03.2016 AND 20.04.2016 (DATE OF THE REPORT)

There was no material change and commitments affecting the financial position of the Company which have occurred during the period as mentioned above.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO

(A) Conservation of energy-

Steps taken or impact on conservation of energy	The Company is using energy conserving bulbs for lighting purposes. The premises are well ventilated and there is sufficient room to receive natural sunlight. Therefore, during the day, the usage of artificial lighting is minimum
Steps taken by the Company for utilising alternate sources of energy including waste generated	The Company will consider the same in due course.
Capital investment on energy conservation equipment	NIL

(B) Technology absorption-

Efforts made towards technology absorption	The Company is using latest technology in its day to day operations.
Benefits derived like product improvement, cost reduction, product development or import substitution.	The Company does not import any technology. While the Company has derived a lot of benefits from the latest technology, the same has not been quantified by the Company.
In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) (a) the details of technology imported; (b) the year of import; (c) whether the technology been fully absorbed; (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof.	NIL
Expenditure incurred on research and development	NIL

(C) Foreign exchange earnings and outgo-

The foreign exchange earned in terms of actual inflows during the year was ₹7,45,17,333/- (Rupees Seven Crores Forty Five Lakhs Seventeen Thousand Three Hundred and Thirty Three Only) and the Foreign Exchange outgo during the year was NIL.

RISK MANAGEMENT POLICY

The Company is in the process of developing a risk management policy for the Company.

DISCLOSURE ABOUT REVISION OF FINANCIAL STATEMENTS OR REPORT OF THE BOARD

The Company has not revised the financial statements or the report of the Board.

CHANGE IN NATURE OF BUSINESS

There has been no change in nature of the Business of the Company.

DETAILS OF DIRECTORS AND KEY MANANGERIAL PERSONNEL WHO WERE APPOINTED OR RESIGNED DURING THE YEAR

Sl. No.	Name	Change in Designation and Date	Date of appointment	Date of Re appointment
1	Suhas Nilkanth Phadke	-	December 28, 2015	-

Resignation Details

Sl. No.	Name	Effective Date of Resignation	Reason for Resignation
1	Pratik Kishor Potnis	January 01, 2016	Due to Personal Reason

SUBSIDIARIES/JOINT VENTURES/ASSOCIATE COMPANIES

Details of companies which have become or ceased to be Subsidiaries/Joint Ventures/Associate Companies:

The Company does not have any subsidiaries, joint ventures or associate companies.

DETAILS RELATING TO DEPOSITS, COVERED UNDER CHAPTER V OF THE COMPANIES ACT

The Company has not accepted any deposits during the previous financial year.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS

NIL

DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company has established adequate internal control system, commensurate with the nature of its business and size of its operations in order to ensure quality and reliability of underlying processes focused towards achieving operational efficiency reliability of financial data and safeguarding of assets. Internal controls are evaluated by the external/internal auditors and supported by management reviews. All audit observations and follow up actions there on are initiated for resolution by the finance function and reported to the Board of Directors.

DETAILS OF THE EMPLOYEES:

a. Employed throughout the financial year and in receipt of remuneration in the aggregate of the not less than ₹ 60,00,000/- per annum

Sl. No	Name	Designation	Qualification	Date of Joining	Experience	Gross Remuneration
1.	Abhinay Padhye	Director	B.Sc. (Maths)	25.09.2013	More than 25 years	₹ 62,28,402/-
2.	Siddharth Bhatia	Technical staff	B.Tech.	24.12.2014	More than 3 years	₹ 64,93,392/-

b. Employed for part of the Financial year and were in receipt of remuneration of not less than ₹5,00,000/- per month

Sl. No	Name	Designation	Qualification	Date of Joining	Experience	Gross Remuneration
1.	Niranjan Nandrekar	Technical staff	B.E.	01.12.2014	More than 10 years	₹ 49,33,800/-

c. If employed throughout the financial year or part thereof, any employee was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

NIL

DETAILS OF DIRECTORS RECEIVING ANY COMMISSION FROM THE COMPANY (Also from holding or subsidiary companies)

NIL

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 Quexa Systems Private Limited

Abhinay Padhye Prabhakar
Director
DIN: 06699864
No. 43-B, Skylark Greens, 7th Main, Varthur Road,
Ramagondanahalli, Bangalore - 560066
Date: April 20, 2016
Place: Bangalore

Suhas Nilkanth Phadke
Director
DIN: 07380656
No. A-2808, Shobha May Flower, Green Glen Layout,
Bellandur Outer Ring Road, Bangalore - 560103
Date: April 20, 2016
Place: Bangalore

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 31-03-2016
[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	U72200PN2013PTC145988
Registration Date	14/01/2013
Name of the Company	QUEXA SYSTEMS PRIVATE LIMITED
Category / Sub-Category of the Company	Limited Company
Address of the Registered office and contact details	Company having share capital and limited by shares
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:-

SI 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 –

SI 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	NIL	1	1	0.01%	NIL	1	1	0.01%	
b) Central Govt.									
c) State Govt(s).									
d) Bodies Corp.									
e) Banks/ FI									
f) Any Other									
Sub-total (A) (1)	NIL	1	1	0.01%	NIL	1	1	0.01%	
(2)Foreign									
a) NRIs – Individuals									
b) Other – Individuals									
c) Bodies Corp.	NIL	17,006	17,006	99.99%	NIL	17,006	17,006	99.99%	

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	
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 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									
(i) Individual shareholders holding nominal share capital upto ₹1 lakh	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
(ii) Individual shareholders holding nominal share capital in excess of ₹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			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	
1.	FixStream Inc. USA	17,006	99.99%	NIL	17,006	99.99%	NIL	NIL
2.	Kishore Vasant Potnis	1	0.01%	NIL	1	0.01%	NIL	NIL
	Total	**17,007**	**100%**	**NIL**	**17,007**	**100%**	**NIL**	**NIL**

iii) Change in Promoters' Shareholding (please specify, if there is no change)

There has been no change in the promoter's shareholding during the year under review.

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	For each of the Top 10 shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) :				
	At the end of the year (or on the date of separation, if separated during the year)				

v) Shareholding of Directors and Key Managerial Personnel - NIL

Sl. No	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
	At the end of the year				

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	0	0	0	0
Total (i + ii + iii)	**0**	**0**	**0**	**0**
Change in indebtedness during the financial year • Addition • Reduction	0	0	0	0
Net Change	**0**	**0**	**0**	**0**
Indebtedness at the end of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	0	0	0	0
Total (i + ii + iii)	**0**	**0**	**0**	**0**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER

Sl. No	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Abhinay Padhye	Pratik Potnis	Suhas Nilkanth Phadke	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	₹ 62,28,402	₹ 11,33,230	₹ 23,77,570	₹ 97,39,202
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL		
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
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					

C. 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:

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					

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	
h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

2. Details of material contracts or arrangement or transactions at arm's length basis

a)	Name(s) of the related party and nature of relationship	FixStream Networks Inc., USA
b)	Nature of contracts/ arrangements/ transactions	Sale of software services
c)	Duration of the contracts/ arrangements/ transactions	No fixed term. Either party may terminate the agreement with due notice.
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Cost plus 15% mark-up billed on monthly basis.
e)	Date(s) of approval by the Board, if any	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, 2016, no advance amount was paid

For Quexa Systems Private Limited

Abhinay Padhye Prabhakar
Director
DIN: 06699864
No. 43-B, Skylark Greens, 7th Main, Varthur Road,
Ramagondanahalli, Bangalore - 560066
Date: April 20, 2016
Place: Bangalore

Suhas Nilkanth Phadke
Director
DIN: 07380656
No. A-2808, Shobha May Flower, Green Glen Layout,
Bellandur Outer Ring Road, Bangalore - 560103
Date: April 20, 2016
Place: Bangalore

INDEPENDENT AUDITORS' REPORT

To the Members of

QUEXA SYSTEMS PRIVATE LIMITED

Report on the Financial Statements

I have audited the accompanying financial statements of **QUEXA SYSTEMS PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at **March 31, 2016,** and the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters state in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

I conducted my audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the financial statements.

Opinion

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of section of 143 of the Companies Act, 2013, I give in the "Annexure – A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, I report that:

   (a) I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit.

(b) In my opinion, proper books of account as required by law have been kept by the Company so far as it appears from my examination of those books.

(d) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(e) In my opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(f) In my opinion, there are no observations or comments on financial transactions or matters which have any adverse effect on the functioning of the Company.

(g) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

(h) 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 – B”.

(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, in my opinion and to the best of my information and according to the explanation 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.

RICHA KHETAWAT
Chartered Accountant
Membership No.: 416333
Place: Bengaluru
Date: 20 April, 2016

ANNEXURE – “A” TO INDEPENDENT AUDITOR’S REPORT

(Referred to in Paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ of my report of even date)

i. (a) The Company is maintaining proper records of fixed assets, showing full particulars including quantitative details and situation of the fixed assets.

(b) The fixed assets of the Company have been physically verified by the management at reasonable intervals during the 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 managerial remuneration paid or provided by the Company are in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Companies Act, 2013.

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 him. 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: 20 April, 2016

ANNEXURE – "B" TO INDEPENDENT AUDITOR'S REPORT

(Referred to in Paragraph 2(h) 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 QUEXA SYSTEMS PRIVATE LIMITED ("the Company") as of March 31, 2016 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. 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, 2016, 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: 20 April, 2016

BALANCE SHEET AS AT MARCH 31, 2016

In ₹

Details	Notes	March 31, 2016		March 31, 2015	
EQUITY AND LIABILITIES					
Shareholders' funds					
Share capital	2.1	**1,70,070**		1,70,070	
Reserves and surplus	2.2	**1,13,39,284**		48,54,060	
Non-current liabilities					
Long-term provisions	2.3	**35,77,006**		32,87,229	
			1,50,86,360		83,11,359
Current liabilities					
Trade payables	2.4	**7,48,695**		3,22,669	
Other current liabilities	2.5	**46,35,901**		81,63,896	
Short-term provisions	2.6	**2,95,359**		15,70,446	
			56,79,955		1,00,57,011
Total			**2,07,66,315**		1,83,68,370
ASSETS					
Non-current assets					
Fixed assets:	2.7				
- Tangible assets		**16,00,017**		18,01,640	
- Intangible assets		**-**		-	
Long-term loans and advances	2.8	**20,67,150**		15,71,125	
Deferred tax assets (net)	2.9	**10,32,810**		9,91,310	
			46,99,977		43,64,075
Current assets					
Trade receivables	2.10	**5,32,653**		-	
Cash and cash equivalents	2.11	**1,43,76,649**		1,34,19,008	
Short-term loans and advances	2.12	**8,36,036**		5,85,287	
Other current assets	2.13	**3,21,000**		-	
			1,60,66,338		1,40,04,295
Total			**2,07,66,315**		1,83,68,370

The Notes referred to above form an integral part of the Balance Sheet

As per my Report of even date

for and on behalf of the Board
QUEXA SYSTEMS PRIVATE LIMITED

RICHA KHETAWAT
Chartered Accountant
Membership No.: 416333
Place: Bengaluru
Date: 20 April, 2016

ABHINAY PADHYE
Director
DIN: 06699864
Place: Bengaluru
Date: 20 April, 2016

SUHAS PHADKE
Director
DIN: 07380656
Place: Bengaluru
Date: 20 April, 2016

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD

In ₹

Details	Notes		April 01, 2015 to March 31, 2016		April 01, 2014 to March 31, 2015
Income					
Revenue from operations	2.14		**7,45,17,333**		4,27,73,855
Other income	2.15		**6,161**		1,56,612
Total			**7,45,23,494**		4,29,30,467
Expenses					
Employee benefits expense	2.16		**5,42,67,586**		2,98,45,558
Finance costs	2.17		**28,349**		21,261
Depreciation and amortisation expenses	2.7		**9,49,749**		4,70,954
Other expenses	2.18		**98,90,386**		78,69,603
Total			**6,51,36,070**		3,82,07,375
Profit before tax			**93,87,424**		47,23,092
Tax expense					
Current Tax		**29,43,700**		25,76,500	
Deferred tax		**(41,500)**		(10,36,090)	
			29,02,200		15,40,410
Profit after tax			**64,85,224**		31,82,682
Earnings per equity share (of a value of ₹ 10/- each)					
Basic			**381.33**		187.14
Diluted			**381.33**		187.14
Weighted average number of equity shares used in calculating Earnings per share			**17,007**		17,007

The Notes referred to above form an integral part of the Statement of Profit and Loss

As per my Report of even date

for and on behalf of the Board
QUEXA SYSTEMS PRIVATE LIMITED

RICHA KHETAWAT
Chartered Accountant
Membership No.: 416333
Place: Bengaluru
Date: 20 April, 2016

ABHINAY PADHYE
Director
DIN: 06699864
Place: Bengaluru
Date: 20 April, 2016

SUHAS PHADKE
Director
DIN: 07380656
Place: Bengaluru
Date: 20 April, 2016

CASH FLOW STATEMENT FOR THE PERIOD

In ₹

Details	for the year April 01, 2015 to March 31, 2016	for the year April 01, 2014 to March 31, 2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	**93,87,424**	47,23,092
Depreciation and amortization expenses	**9,49,749**	4,70,954
Interest Income	**(6,161)**	(1,56,411)
Decrease / (increase) in trade receivables	**(5,32,653)**	20,21,115
Decrease / (increase) in short-term loans and advances	**(1,38,528)**	(5,19,872)
Decrease / (increase) in other current assets	**(3,21,000)**	-
Increase / (decrease) in long-term provisions	**2,89,777**	32,87,229
Increase / (decrease) in trade payables	**4,26,026**	81,872
Increase / (decrease) in other current liabilities	**(35,27,995)**	74,18,996
Increase / (decrease) in short-term provisions	**(77,759)**	3,73,118
Income-taxes paid	**(42,53,249)**	(12,31,091)
Net cash from operating activities	**21,95,630**	1,64,69,001
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	**(7,48,126)**	(13,19,442)
Interest Income	**6,161**	1,56,411
Rental deposit	**(4,96,025)**	(12,11,125)
Net cash from investing activities	**(12,37,990)**	(23,74,156)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase / (decrease) in unsecured borrowings	**-**	(15,00,000)
Net cash from financing activities	**-**	(15,00,000)
Total increase / (decrease) in cash and cash equivalents during the period	**9,57,641**	1,25,94,846
Cash and cash equivalents at the beginning of the period	**1,34,19,008**	8,24,162
Cash and cash equivalents at the end of the period	**1,43,76,649**	1,34,19,008

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

The accompanying note form an integral part of the financial statements

As per my Report of even date

for and on behalf of the Board
QUEXA SYSTEMS PRIVATE LIMITED

RICHA KHETAWAT
Chartered Accountant
Membership No.: 416333
Place: Bengaluru
Date: 20 April, 2016

ABHINAY PADHYE
Director
DIN: 06699864
Place: Bengaluru
Date: 20 April, 2016

SUHAS PHADKE
Director
DIN: 07380656
Place: Bengaluru
Date: 20 April, 2016

NOTES TO ACCOUNTS

Company background

Quexa Systems Private Limited (the "Company") was incorporated on January 14, 2013 with the Registrar Of Companies, Maharashtra, India and was formed to provide services / products, including but not limited to information technology enabled services, such as software consulting, software development, computer software, technical training and allied services / products.

Management

The Company is managed by its Board of Directors, whose members are:

Pratik Potnis, Director

Abhinay Padhye, Director

Suhas Phadke, Director

Business, location

The Company currently operates at Bengaluru, Karnataka, India. However, the registered office of the Company is at Pune, Maharashtra, India.

1.0 SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis for preparation of financial statements

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Policies (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed by the Companies (Accounting Standard) Rules, 2006 and the provisions specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

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 financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provisions for doubtful debts, future obligations under employee retirement benefit plans, income taxes and the useful lives of fixed assets and intangible assets.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.3 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. Profit estimates are revised periodically based on changes in facts. Any losses on long term contracts are recognised immediately.

The Company reports revenues net of taxes. Interest is recognized using the time-proportion method, based on rates implicit in the transaction.

Unbilled revenue represents amounts recognised based on services performed in advance of billing in accordance with contract terms and is net of estimated allowance for uncertainties and provision for estimated losses.

1.4 Expenditure

Expenses are accounted on an accrual basis and provision is made for all known losses and liabilities.

1.5 Fixed Assets

Fixed assets are stated at cost of acquisition less accumulated depreciation thereon. Direct costs attributable in bringing the assets to its working condition for intended use are capitalised as cost of acquisition. Borrowing cost directly attributable to acquisition of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised.

1.6 Depreciation

The Company computes depreciation of all tangible fixed assets including for assets taken on lease using the straight line method based on estimated useful life. Depreciation is charged on a pro-rata basis for assets purchased or sold during the period. Management's estimate of the useful life of tangible and intangible assets is as follows:

i.	Computers & peripherals	3 years
ii.	Office equipment	5 years
iii.	Furniture & fixtures	5 years
iv.	Leasehold improvements	Lower of lease period or expected occupancy

Depreciation is accelerated on fixed assets, based on their condition, usability etc, as per the technical estimates of the Management, where necessary.

Leasehold land is amortised over the period of lease.

Assets costing upto ₹ 5,000/- are fully depreciated in the year of purchase.

The cost of software purchased for internal use is capitalized and depreciated in full in the month in which it is put to use.

Project specific intangible assets are amortised over their estimated useful lives on a straight line basis or over the period of the license, whichever is lower.

1.7 Foreign currency transactions

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expenses in the year in which they arise except those arising from investments in non-integral operations.

1.8 Taxation

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income-tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities across various countries of operation are not set off against each other as the company does not have a legal right to do so. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

1.9 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting year. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

1.10 Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. A provision is recognized if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

2.1 SHARE CAPITAL

in ₹

	March 31, 2016	March 31, 2015
Authorised		
30,000 equity shares of ₹ 10/- each.	3,00,000	3,00,000
Issued, subscribed and paid up share capital		
17,007 equity shares of ₹ 10/- each.	**1,70,070**	1,70,070
Total	**1,70,070**	1,70,070

Of the above issued shares; 17,006 shares are held by M/s. FixStream Networks Inc. California, USA, the Holding Company and the Ultimate Holding Company is M/s. Tech Mahindra Limited, India.

The Company has only one class of shares, referred to as equity shares, having a par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the residual assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist, currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

For the period of five years immediately preceding the date as at which the balance sheet is prepared

Sl. No.	Particulars	Details
1.	Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash.	NIL
2.	Aggregate number and class of shares allotted as fully paid up by way of bonus shares.	NIL
3.	Aggregate number and class of shares bought back.	NIL
4.	Terms of any securities convertible into equity/preference shares issued along with the earliest date of conversion in descending order starting from the farthest such date.	N.A.
5.	Calls unpaid (showing aggregate value of calls unpaid by directors and officers).	NIL
6.	Forfeited shares (amount originally paid up).	NIL

Details of Shareholders holding more than 5% of share capital

Particulars	March 31, 2016		March 31, 2015	
	Number of Shares	% held	Number of Shares	% held
Equity Shares				
FixStream Networks Inc., USA	**17,006**	**99.99%**	17,006	99.99%
Total	**17,006**	**99.99%**	17,006	99.99%

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

Particulars	March 31, 2016		March 31, 2015	
	Number of Shares	Amount in ₹	Number of Shares	Amount in ₹
Equity Shares				
Shares outstanding at the beginning of the period	**17,007**	**1,70,070**	17,007	1,70,070
Add: Shares issued during the period	**-**	**-**	-	-
Less: Bought back during the period	**-**	**-**	-	-
Shares outstanding at the end of the period	**17,007**	**1,70,070**	17,007	1,70,070

2.2 RESERVES AND SURPLUS

Details		**March 31, 2016 In ₹**		March 31, 2015 In ₹
Securities premium account				
Balance at the beginning of the period	**10,05,329**		10,05,329	
Add: Addition made during the period	**-**			
Balance at the end of the period		**10,05,329**		10,05,329
Surplus balance in Statement of Profit and Loss				
Balance at the beginning of the period	**38,48,731**		6,66,048	
Add: Profit for the period	**64,85,224**		31,82,682	
Balance at the end of the period		**1,03,33,955**		38,48,731
Total		**1,13,39,284**		48,54,060

2.3 LONG-TERM PROVISIONS

Details	**March 31, 2016 In ₹**	March 31, 2015 In ₹
Provision for employee benefits		
Provision for gratuity	**13,19,365**	4,45,085
Provision for compensated absences	**22,57,641**	28,42,144
Total	**35,77,006**	32,87,229

The Company's liability for employees' gratuity and compensated absences is unfunded.

2.4 TRADE PAYABLES

Details	**March 31, 2016 In ₹**	March 31, 2015 In ₹
Micro, small and medium enterprises	**-**	-
Other payables	**7,48,695**	3,22,669
Total	**7,48,695**	3,22,669

The Company has not received any intimation from "Suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to amount unpaid as at period end together with interest paid / payable under this Act have not been given.

2.5 OTHER CURRENT LIABILITIES

Details	**March 31, 2016 In ₹**	March 31, 2015 In ₹
Statutory dues	**10,51,509**	10,62,677
Other payables		
Contractual payables towards employees'	**35,84,392**	1,92,608
Contractual payables towards directors'	**-**	12,000
Advance from customer	**-**	68,96,611
Total	**46,35,901**	81,63,896

Advance from customer represents advances received from M/s. FixStream Networks Inc., USA, holding company.

2.6 SHORT-TERM PROVISIONS

Details	March 31, 2016 In ₹	March 31, 2015 In ₹
Provision for taxation (net of taxes paid)	**-**	11,97,328
Provision for employee benefits		
Provision for gratuity	**5,745**	2,748
Provision for compensated absences	**2,89,614**	3,70,370
Total	**2,95,359**	15,70,446

2.7 FIXED ASSETS

										In ₹
Description	**Gross Block**				**Accumulated Depreciation / Ammortisation**				**Net Block**	
	As at April 01, 2015	**Additions**	**Deductions**	**As at March 31, 2016**	**As at April 01, 2015**	**for the year**	**Deductions**	**As at March 31, 2016**	**As at April 01, 2015**	**As at March 31, 2016**
Tangible assets										
Computers and peripherals	22,21,501	5,74,453	-	**27,95,954**	5,42,815	8,61,862	-	**14,04,677**	**16,78,686**	**13,91,277**
Office equipments	1,50,708	1,38,155	-	**2,88,863**	41,343	47,470	-	**88,813**	1,09,365	**2,00,050**
Furniture and fixtures	77,360	17,518	-	**94,878**	63,771	22,417	-	**86,188**	13,589	**8,690**
sub-total	24,49,569	7,30,126	-	**31,79,695**	6,47,929	9,31,749	-	**15,79,678**	18,01,640	**16,00,017**
Intangible assets										
Computer software	22,699	18,000	-	**40,699**	22,699	18,000	-	**40,699**	-	**-**
sub-total	22,699	18,000	-	**40,699**	22,699	18,000	-	**40,699**	-	**-**
Total	24,72,268	7,48,126	-	**32,20,394**	6,70,628	9,49,749	-	**16,20,377**	18,01,640	**16,00,017**

2.8 LONG-TERM LOANS AND ADVANCES

(Unsecured, considered good unless otherwise stated)

Details	March 31, 2016 In ₹	March 31, 2015 In ₹
Deposits	**20,67,150**	15,71,125
Total	**20,67,150**	15,71,125

2.9 DEFERRED TAX ASSET / (LIABILITY) - NET

Details	March 31, 2016 In ₹	March 31, 2015 In ₹
Opening balance	**9,91,310**	(44,780)
Add: Adjustment during the period	**-**	10,36,090
Less: Adjustment during the period	**(41,500)**	-
Total	**10,32,810**	9,91,310

2.10 TRADE RECEIVABLES

(Unsecured, considered good unless otherwise stated) .

Details	March 31, 2016 In ₹	March 31, 2015 In ₹
Trade receivables outstanding for a period exceeding six months from the date they were due for payment.	**-**	-
Other trade receivables	**5,32,653**	-
Total	**5,32,653**	-

Represents amount receivable from M/s. FixStream Networks Inc., USA, holding company.

2.11 CASH AND CASH EQUIVALENTS

Details	March 31, 2016 In ₹	March 31, 2015 In ₹
Cash on hand	**1,751**	1,677
Balances with banks in current account	**1,43,74,898**	1,34,17,331
Total	**1,43,76,649**	1,34,19,008

2.12 SHORT-TERM LOANS AND ADVANCES

(Unsecured, considered good unless otherwise stated)

Details	March 31, 2016 In ₹	March 31, 2015 In ₹
Balances with Government authorities	**5,20,602**	3,25,080
Advance payment of income-tax	**1,12,221**	-
Advance to vendors	**-**	10,152
Other loans and advances	**2,03,213**	2,50,055
Total	**8,36,036**	5,85,287

Balances with Government authorities represent balances dues on account of service-tax input credit.

Other loans and advances includes expense advances paid to employees and prepaid expenses.

2.13 OTHER CURRENT ASSETS

(Unsecured, considered good unless otherwise stated)

Details	March 31, 2016 In ₹	March 31, 2015 In ₹
Unbilled revenue	**3,21,000**	-
Total	**3,21,000**	-

2.14 REVENUE FROM OPERATIONS

Details	March 31, 2016 In ₹	March 31, 2015 In ₹
<u>Sale of services</u>		
Software development services:		
Export	**7,45,17,333**	4,27,73,855
Total	**7,45,17,333**	4,27,73,855

2.15 OTHER INCOME

Details	March 31, 2016 In ₹	March 31, 2015 In ₹
Interest income on bank deposits	**-**	1,56,411
Interest income on income-tax refund	**5,920**	-
Other income	**241**	201
Total	**6,161**	1,56,612

2.16 EMPLOYEE BENEFITS EXPENSE

Details	March 31, 2016 In ₹	March 31, 2015 In ₹
Salaries and wages	**5,11,29,938**	2,85,83,081
Contribution to provident and other funds	**16,42,396**	5,97,684
Staff welfare expenses	**14,95,252**	6,64,793
Total	**5,42,67,586**	2,98,45,558

2.17 FINANCE COSTS

Details	**March 31, 2016 In ₹**	March 31, 2015 In ₹
Bank charges	**28,349**	21,261
Total	**28,349**	21,261

2.18 OTHER EXPENSES

Details	**March 31, 2016 In ₹**	March 31, 2015 In ₹
Rent	**21,32,448**	12,91,766
Office expenses	**8,18,816**	5,09,169
Power and fuel charges	**2,97,025**	2,46,632
Communication expenses	**5,31,334**	2,88,589
Travel and conveyance	**5,51,285**	13,90,180
Legal and professional charges	**29,47,143**	21,41,731
Remuneration to auditors'	**3,75,004**	3,00,000
Insurance	**11,69,803**	3,17,465
Repairs and maintenance	**2,49,641**	1,39,338
Printing and stationery	**87,722**	1,07,426
Service tax input credit written off	**3,25,080**	-
Foreign exchange translation losses	**3,38,657**	10,12,719
Miscellaneous expenses	**66,428**	1,24,588
Total	**98,90,386**	78,69,603

3.0 OTHER DISCLOSURES UNDER THE COMPANIES (ACCOUNTING STANDARDS) RULES, 2006

3.1 <u>Accounting Standard (AS) 3 - Cash Flow Statements</u>

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

3.2 <u>Accounting Standard (AS) 11 - The Effects of Changes in Foreign Exchange Rates</u>

During the year the Company incurred a loss of ₹ 3,38,657/- (Previous Year: ₹ 10,12,719/-) on account of (a) the differences in the foreign exchange translation rates on the date of accrual of income and the receipt of the same or (b) restatement of current assets and current liabilities as at the balance sheet date. This loss has been debited to the profit and loss account for the year.

3.3 <u>Accounting Standard (AS) 15 - Employee benefits</u>

<u>Short term employee benefits</u>

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 ₹ 5,11,29,938/- (Previous Year: ₹ 2,85,83,081/-) have been accounted as an expenses and included in "Employee Benefit Expenses" in the Statement of Profit and Loss.

<u>Post employment benefits</u>

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 ₹ 7,65,119/- (Previous Year: ₹ 1,49,851) towards this scheme.

Defined benefit plan: The Company's obligation to pay gratuity and for compensated absences is determined based on actuarial valuation using the Projected Unit Credit Method. This method recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The Company has ascertained the liability for Gratuity payable under the Payment of Gratuity Act, 1972 through an Actuary which is in accordance with requirement of Accounting Standard 15 (Revised - Employee Benefits) amounting to ₹ 13,25,110/- (Previous Year: ₹ 4,47,833/-).

Details of Gratuity	**March 31, 2016 In ₹**	March 31, 2015 In ₹
<u>Assets / Liabilities</u>		
Defined Benefits Obligation (DBO)	**13,25,110**	4,47,833
Fair Value of Plan Assets	**-**	-
Funded status [Surplus / (Deficit)]	**13,25,110**	(4,47,833)
Current liability	**5,745**	2,748
Non-current liability	**13,19,365**	4,45,085
<u>Employer expense</u>		
Current service cost	**9,39,060**	4,47,833
Total employer expense	**8,77,277**	4,47,833
<u>Key assumptions used</u>		
Discount rate	**7.70%**	7.90%
Rate of salary increases	**10.00%**	10.00%

3.4 Accounting Standard (AS) 17 - Segment Reporting

The Company's business activity falls within a single primary business segment, viz. software development and support services.

Geographical segments

The Company operates only from India and provides services only to its holding company, overseas.

Fixed assets and additions thereto, both, tangible and intangible, are located within India only.

3.5 Accounting Standard (AS) 18 - Related Party transactions

Name of the related parties with whom transactions were carried out during the year / previous year's and description of relationship;

Shareholders' with significant interest: **FixStream Networks Inc., USA (Holding Company)**

Names of key management personnel

Key management personnel: Mr. Abhinay Padhey, Director

Mr. Pratik Potnis, Director (Resigned on January 01, 2016)

Mr. Suhas Phadke, Director (Appointed on December 28, 2015)

Related party transactions made during the year

Particulars	**FixStream Networks Inc. USA**		**Key mgt. personnel**	
	March 31, 2016 In ₹	March 31, 2015 In ₹	**March 31, 2016 In ₹**	March 31, 2015 In ₹
Unsecured loan taken / (repaid)	**-**	-	**-**	(15,00,000)
Software development services provided	**7,45,17,333**	4,27,73,855	**-**	-
Remuneration to directors'	**-**	-	**97,39,202**	65,14,208
Re-imbursement of expenses paid / (received)	**(3,50,679)**	(3,29,316)	**4,39,917**	10,56,650

Amount due to / from related parties as at Balance Sheet date

Particulars	**FixStream Networks Inc. USA**		**Key mgt. personnel**	
	March 31, 2016 In ₹	March 31, 2015 In ₹	**March 31, 2016 In ₹**	March 31, 2015 In ₹
Other current liabilities	**-**	68,96,611	**-**	-
Trade receivables	**5,32,653**	-	**-**	-
Expense re-imbursements payable	**-**	-	**-**	12,000
Directors' remuneration payable	**-**	-	**5,37,340**	-

3.6 Accounting Standard (AS) 19 - Leases

The Company's does not have any financial lease obligations during the year.

The operating lease arrangements relate to rented commercial premises. The lease agreements provide an option to the Company to renew or extend the lease period at the end of the lease period. These lease agreements have price escalated clauses, but do not contain any exceptional or restrictive covenants.

Operating lease obligations	**March 31, 2016 In ₹**	March 31, 2015 In ₹
During the year	**21,32,448**	12,91,766
Within one year of the Balance Sheet date	**24,33,123**	20,79,645
Due in a period between one year and five years	**59,07,927**	83,41,050
Due after five years	**-**	-

3.7 Accounting Standard (AS) 20 - Earnings Per Share

Details	**March 31, 2016 In ₹**	March 31, 2015 In ₹
Profit after tax	**64,85,224**	31,82,682
Weighted average number of shares outstanding	**17,007**	17,007
Earnings per share	**381**	187
Par value per share	**10**	10

Details of shares issued	**March 31, 2016 In ₹**	March 31, 2015 In ₹
Number of shares outstanding at the beginning of the year	**17,007**	17,007
Shares issued during the year	**-**	-
Number of shares outstanding at the end of the year	**17,007**	17,007

3.8 Accounting Standard (AS) 22 - Accounting for Taxes on Income

Deferred tax asset for the year is provided for ₹ 41,500/- on account of timing difference arising out of depreciation.

3.9 Accounting Standard (AS) 29 - Provisions, Contingent Assets and Contingent Liabilities

Details of provisions, contingent liabilities and contingent assets as per Accounting Standard 29 issued under the Companies (Accounting Standards) Rules, 2006.

Details	Opening balance as on April 01, 2015	Paid / (reversed) during the year	Provision made during the year	**Closing balance as on March 31, 2016**
Provision for employee benefits				
Gratuity	4,47,833	-	8,77,277	**13,25,110**
Compensated absences	32,12,514	(6,65,259)	-	**25,47,255**

Contingent liabilities and commitments	**March 31, 2016 In ₹**	March 31, 2015 In ₹
A. Contingent liabilities	-	-
Claims against the Company not acknowledged as debts	-	-
Counter-guarantee given to banks in respect of guarantees given to	-	-
Other money for which the Company is contingently liable	-	-
B. Commitments		
Estimated amount of contracts remaining to be executed on capital	-	-
Uncalled liability on shares and other investments partly paid	-	-
Other commitments (specify the nature)	-	-

4.0 OTHER NOTES

4.1 Imports

During the year, the company did not import any capital goods, components and spare parts.

4.2 Earnings in foreign exchange classified under the following heads, namely (reported on accrual basis)

Particulars	**March 31, 2016 In ₹**	March 31, 2015 In ₹
Software development services	**7,45,17,333**	4,27,73,855

4.3 Expenditure incurred in foreign currency (reported on accrual basis) for the year - NIL (Previous Year: NIL)

4.4 Transfer pricing

The Company has undertaken necessary steps to comply with the transfer pricing regulations of the Income Tax Act, 1961. The Management is of the opinion that the international transactions are at arm's length and, hence, the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

4.5 Confirmation of balances

No independent confirmation of balances have been received from creditors and therefore, the amounts reported in the Balance Sheet are those which are reflected in the Company's books of accounts.

4.6 Previous years's figures

The previous period'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
QUEXA SYSTEMS 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: 20 April, 2016	Date: 20 April, 2016	Date: 20 April, 2016

MAHINDRA TECHNOLOGIES SERVICES INC

Board of Directors

Arvind Malhotra
Lakshmanan Chidambaram

RegisteredOffice

101 W Big Beaver,
14th Floor,
Troy,
Michigan 48084

Bankers
Chase Bank

Auditors

Ram Associates

DIRECTOR'S REPORT TO THE SHAREHOLDERS

Your Directors present their Report together with the audited accounts of your Company for the year ended March 31, 2016.

Financial Results

For the year ended March 31	**2016**	2015
	$	$
Income	**4,681,062**	7,906,095
Profit/(Loss) before tax	**242,130**	417,904
Profit/(Loss) after tax	**166,689**	231,255

Review of the operations.

During the year under review, your company recorded an income of US $4,681,062 a decrease of 40.79% over the previous year. Profit after tax for the current year was US$ 166, 689 as against profit of US$ 231,255 compared to the previous year.

Operations

The Revenues and Profits after Tax for the current year were lower as compared to last year mainly due to stagnation in one of the anchor customers of the Company.

Acknowledgements:

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

ARVIND MALHOTRA

Director

Place: Michigan

Date: April 18, 2016

INDEPENDENT AUDITOR'SREPORT

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, 2016 and 2015, and the related statements of income, retained earnings, and cash flows for they ears then ended, and the related notes to financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mahindra Technologies Services as of March 31, 2016 and 2015, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Ram Associates Hamilton, NJ

Place: Hapilton, NJ

Date: April 18, 2016.

BALANCE SHEETS AS AT MARCH 31,

	2016	2015
	$	$
ASSETS		
Current assets:		
Cash	**590,860**	820,457
Accounts receivable	**1,693,654**	1,569,876
Other current assets	**46,798**	31,265
Total current assets	**2,331,312**	2,421,598
Deferred tax assets	**1,899**	-
Fixed assets, net	**18,266**	33,668
Security deposit	**4,324**	4,324
TOTAL ASSETS	**2,355,801**	2,459,590
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	**127,219**	376,021
Deferred tax liabilities	**-**	21,676
Total current liabilities	**127,219**	397,697
Stockholder's equity:		
Common Stock - $10 per share par value - 1,000,000 shares authorized, 105,000 shares issued and outstanding	**1,050,000**	1,050,000
Retained earnings	**1,178,582**	1,011,893
Total stockholder's equity	**2,228,582**	2,061,893
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	**2,355,801**	2,459,590

For MAHINDRA TECHNOLOGIES SERVICES INC.

Arvind Malhotra	Lakshmanan Chidambaram
Director	Director

See accompanying notes to the financial statements.

STATEMENTS OF INCOME FOR THE YEARS ENDED MARCH 31,

	2016	2015
	$	$
Net revenue	**4,681,062**	7,906,095
Cost of revenue	**3,967,663**	6,574,696
Gross income	**713,399**	1,331,399
Operating expenses :		
Selling, general and administration expenses	**455,868**	816,838
Income before other income /(expense)	**257,531**	514,561
Interest income	**-**	1,476
Gain on sale of assets	**-**	8,979
Depreciation	**(15,401)**	(101,496)
Amortization	**-**	(5,616)
Income before income tax benefit/(expense)	**242,130**	417,904
Income tax benefit/(expense)	**(75,441)**	(186,649)
Net income	**166,689**	231,255

For MAHINDRA TECHNOLOGIES SERVICES INC.

Arvind Malhotra
Director

Lakshmanan Chidambaram
Director

See accompanying notes to the financial statements.

STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY/(DEFICIENCY) FOR THE YEARS ENDED MARCH 31,

	Common stock			
	Shares	Amount $	Retained earnings/ (deficit) $	Total stockholder's equity/ (deficiency) $
Balance at March 31, 2014	105,000	1,050,000	780,638	1,830,638
Net income			231,255	231,255
Balance at March 31, 2015	105,000	1,050,000	1,011,893	2,061,893
Net income			**166,689**	**166,689**
Balance at March 31, 2016	**105,000**	**1,050,000**	**1,178,582**	**2,228,582**

For MAHINDRA TECHNOLOGIES SERVICES INC.

Arvind Malhotra
Director

Lakshmanan Chidambaram
Director

See accompanying notes to the financial statements.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED MARCH 31,

	2016	2015
	$	$
Cash flow from operating activities		
Net income	**166,689**	231,255
Adjustments to reconcile net income to net cash provided by/(used in) operating activities		
Depreciation	**15,401**	101,496
Amortization	**-**	5,616
Gain on sale of assets	**-**	(8,979)
Deferred taxes	**(23,575)**	(27,609)
Changes in assets and liabilities		
(Increase) / Decrease in accounts receivable	**(123,778)**	(22,245)
(Increase) / Decrease in other current assets	**(15,533)**	339,090
Increase / (Decrease) in accounts payable and accrued expenses	**(248,801)**	(49,284)
Total adjustments	**(396,286)**	338,085
Net cash provided by /(used in) operating activities	**(229,597)**	569,340
Cash flow from investing activities		
Sale of assets	**-**	107,962
Purchase of fixed assets	**-**	(3,772)
Net cash provided by /(used in) investing activities	**-**	104,190
Cash flow from financing activities		
Increase/(Decrease) in inter-company payables	**-**	(1,011,843)
Net cash provided by/(used in) financing activities	**-**	(1,011,843)
Net increase /(decrease) in cash	**(229,597)**	(338,313)
Cash at the beginning of the year	**820,457**	1,158,770
Cash at the end of the year	**590,860**	820,457
Supplementary disclosures of cash flows information		
Cash paid during the years-		
Interest	**-**	-
Income taxes	**116,120**	143,199

For MAHINDRA TECHNOLOGIES SERVICES INC.

Arvind Malhotra
Director

Lakshmanan Chidambaram
Director

See accompanying notes to the financial statements.

NOTES TO FINANCIAL STATEMENTS MARCH 31,2016

1) ORGANIZATION AND DESCRIPTION OF BUSINESS

Mahindra Technologies Services Inc, "the Company" was incorporated under the laws of the State of Michigan on June 04, 2009 for the purpose of providing Information Technology enabled engineering services that envelope CAD, CAE, e-Engineering and software engineering solutions for automotive, aerospace and manufacturing industries. On October 31, 2014, Mahindra Engineering Services Limited ("MESL") the holding company has merged with Tech Mahindra Limited. Consequently Mahindra Technologies Services Inc. is now a 100% subsidiary of Tech Mahindra Limited ("TML").

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Policies

These financial statements are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("GAAP"); consequently, revenue is recognized when services are rendered rather than when received. Expenses and purchase of assets are recognized when incurred.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates are often based on judgments, probabilities and assumptions that the management believes are reasonable but that are inherently uncertain and unpredictable. As a result, actual results could differ from those estimates.

Management periodically evaluates estimates used in the preparation of the consolidated financial statements for continued reasonableness. Appropriate adjustments, if any, to the estimates used are made prospectively based on such periodic evaluations.

Cash and Cash Equivalents

Cash and cash equivalents consist primarily of highly liquid investments with maturities of three months or less from the date of purchase.

Accounts Receivable

The Company extends credit to clients based upon management's assessment of their creditworthiness on an unsecured basis. The Company provides an allowance for uncollectible accounts based on historical experience and management evaluation of trend analysis. The allowances for uncollectible accounts as of March 31, 2016 were $ Nil.

Revenue Recognition

The Company recognizes revenue in accordance with the SEC's Staff Accounting Bulletin Topic 13 ("Topic 13"), "Revenue Recognition." Revenue is recognized when all of the following criteria are met: (1) persuasive evidence of an arrangement exists, (2) delivery has occurred or services have been rendered, (3) the seller's price to buyer is fixed and determinable, and (4) collectability is reasonably assured.

Revenues are primarily derived from professional services under time and materials contracts, which are recognized in the period in which services are provided.

Revenue related to services performed without a signed agreement or work order are not recognized until there is evidence of an arrangement, such as when agreements or work orders are signed or payment is received; however, the cost related to the performance of such work is recognized in the period the services are rendered.

For all services, revenue is recognized when, and if, evidence of an arrangement is obtained and the other criteria to support revenue recognition are met, including the price is fixed or determinable, services have been rendered and collectability is assured. Unbilled accounts receivable represents amounts recognized as revenue based on services performed in advance of customer billings. As of March 31, 2016 and 2015, the Company had unbilled accounts receivable of $159,234 and$ 183,172 respectively.

Revenues related to fixed price contracts for professional services are recognized using a model that is similar to the proportional performance method. Anticipated losses are recognized when they become known. Revisions in estimated profits are made in the month in which the circumstances requiring the revision become known.

Concentrations

The Company's financial instruments that are exposed to concentration of credit risks consist primarily of cash and accounts receivable. The Company maintains its cash in bank accounts, which, sometimes, exceed federally insured limits.

The Company has not experienced any losses in such accounts. The Company believes it is not exposed to significant credit risk on cash. Concentration of credit risks with respect to accounts receivable are limited because of the credit worthiness of the Company's major customers. Revenue from the Company's major two customers accounted for 96% and 89% of the Company's net sale for the years ended March 31, 2016 and 2015, respectively, and the accounts receivable from the same major two customers were 81% and 59% as of March 31, 2016 and 2015, 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, 2016 and 2015 property and equipment consisted of the following:

	March 31, 2016 $	March 31, 2015 $
Computers	**42,796**	42,796
Office equipment	**10,060**	10,060
Furniture	**88,701**	88,701
Software	**2,647**	2,647
	144,204	144,204
Less: Accumulated depreciation	**125,938**	110,536
Fixed assets, net	**18,266**	33,668

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 $15,401 and $ 107,112 for the years ended March, 31, 2016 and 2015, 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.

During the years ended March 31, 2016 and 2015 the Company received goods and services worth of $27,212 and $NIL respectively, from the Parent Company. The Company during the years ended March 31, 2016 and 2015 provided services worth $NIL and $2,344,605 to the Promoter Group.

As of March 31, 2016 and 2015, the Company had a payable balance of $ 8,401 and $ 76,607, respectively, to the Parent Company. The Company had a receivable balance of $324,000 and $324,000 from the Promoter Group as of March 31, 2016 and 2015 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.

Income tax expense (benefit) was computed as follows:

	March 31, 2016	March 31, 2015
	$	$
Property and equipment	**(1,004)**	(25,434)
Deferred rent expense	**2,903**	3,758
Total Deferred income taxes	1,899	(21,676)

Income tax expense (benefit) was computed as follows:

	March 31, 2016	March 31, 2015
	$	$
Federal income tax	**85,540**	179,778
State income tax	**13,476**	**34,480**
Total income taxes, current provision	**99,016**	214,258
Deferred income taxes (benefit)	**(23,575)**	(27,609)
Total (benefit)/ expense	**75,441**	186,649

The Company's effective tax rate for the years ended March 31, 2016 and 2015 were 31.15% and 44.66%, respectively. The future effective income tax rate depends on various factors, such as the Company's income (loss) before taxes, tax legislation and the geographic composition of pre-tax income.

The Company's tax returns for last three years are subject to examination by federal and state taxing authorities following the date of filing.

7) NEW ACCOUNTING PRONOUNCEMENTS

i) In August 2014, the Financial Accounting Standards Board (“FASB”) issued amended guidance related to disclosure of uncertainties about an entity’s ability to continue as a going concern. The new guidance requires management to evaluate whether there is substantial doubt about the entity’s ability to continue as a going concern and, as necessary, to provide related footnote disclosures. The guidance has an effective date of December 31, 2016. The Company believes that the adoption of this new standard will not have a material impact on its consolidated financial statements.

ii) In May 2014, the Financial Accounting Standards Board, or FASB, issued Accounting Standard Update, or ASU, 2014-09-Revenue from Contracts with Customers, which provides a single, comprehensive revenue recognition model for all contracts with customers. The core principal of this ASU is that an entity should recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This ASU also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. This ASU is effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2016. Early adoption is not permitted. The Company is currently evaluating the impact this ASU will have on its consolidated financial statements.

iii) In January 2015, the Financial Accounting Standards Board, or FASB, issued Accounting Standard Update, or ASU, 2015-01-Income Statement-Extraordinary and Unusual Items, which seeks to simplify income statement presentation by eliminating the concept of Extraordinary Items. This Update eliminates from GAAP the concept of extraordinary items. Subtopic 225-20, Income Statement-Extraordinary and Unusual Items, required that an entity separately classify, present, and disclose extraordinary events and transactions. The amendments in this Update are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. A reporting entity may apply the amendments prospectively. A reporting entity also may apply the amendments retrospectively to all prior periods presented in the financial statements. Early adoption is permitted provided that the guidance is applied from the beginning of the fiscal year of adoption.

8) LEASE COMMITMENTS

The Company has entered into an office lease expiring through December 2017. Accounting principles generally accepted in the United States, require the recognition of rental expense in financial statements on a level basis over the term of the lease. In order to recognize rent expense ratably over the term of the lease, management has accrued additional rent expense of approximately $19,350 in operations. The future minimum rental payments under the lease agreement are as follows:

For the Period ended March 31,

	$
2017	**80,633**
2018	**62,752**
Total	**143,385**

For the years ended March 31, 2016 and 2015, rent expenses were $ 73,524 and $ 99,200 respectively.

9) SUBSEQUENT EVENTS

For the year ended March 31, 2016, the Company has evaluated subsequent events for potential recognition and disclosure through April 18, 2016, the date the financial statements were available for issuance. No reportable subsequent events have occurred through April18, 2016 which would have a significant effect on the financial statements as of March 31, 2016 except as otherwise disclosed.

MAHINDRA ENGINEERING SERVICES (EUROPE) LIMITED

Board of Directors

Arvind Naval Kishore Malhotra
Vikram Narayanan Nair

Registered Office

Atrium Court,
The Ring,
Bracknell RG12 1BW

Bankers

HSBC Limited

Auditors

Lipson & Co.

REPORT OF THE DIRECTORS

Your Directors present their Sixteenth report with the financial statements of the Company for the year ended 31st March, 2016.

PRINCIPAL ACTIVITY

The principal activity of the Company in the year under review was to provide I.T. services for the automotive industries.

REVIEW OF BUSINESS

The results for the year under review and financial position of the company are as follows:

For the year ended March31	**2016**	2015
	GBP	GBP
Income	**3,329,820**	2,638,493
Profit/(Loss) before tax	**550,965**	741,290
Profit/(Loss) after tax	**(260,672)**	585,246

DIVIDEND

Keeping in mind the funding requirements for growth of the Company, no dividend is recommended for the year ended 31st March, 2016.

OPERATIONS

The revenues of the Company has come down, as compared with the previous years.

HOLDING COMPANY

The Company's immediate parent Company is Tech Mahindra Limited, a company in corporated in India.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable laws and regulations. The Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company Law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the Profit or Loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is in appropriate to presume that the company will continue in business.

  The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act, 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ON BEHALF OF THE BOARD:

Vikram Nair

Director

Date :April 18, 2016
Place: Berkshire

INDEPENDENT AUDITOR'S REPORT

to the Shareholders of Mahindra Engineering Services (Europe) Ltd Year ended 31 March 2016

We have audited the financial statements of Mahindra Engineering Services (Europe) Ltd for the year ended 31 March 2016 which comprise the statement of income and retained earnings, statement of financial position and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Myron Lipson FCCA (Senior Statutory Auditor)
For and on behalf of
Lipson & Co Limited
Chartered Certified Accountants & Statutory Auditor
3rd Floor, 210 South Street, Romford, Essex, RM1 1TG

18 April 2016

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016

	Notes	**Mar-16**	Mar-15
		£	£
Fixed Assets	6	**-**	-
Investments	7	**-**	701,234
Curent Assets			
Loan & Advances	8	**4,774,189**	-
Debtors	8	**506,211**	1,015,788
Cash at Bank		**1,595,672**	1,176,791
		6,876,072	2,192,579
Creditors: amounts falling due within one year	9	**4,815,506**	572,575
Net current assets		**2,060,566**	1,620,004
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,060,566**	2,321,238
CAPITAL AND RESERVES			
Share Capital	10	**65,000**	65,000
Reserves	13	**1,995,566**	2,256,238
		2,060,566	2,321,238
		-	-

The financial statements were approved by the Board of Directors on 18th April 2016 and were signed on its behalf by:

Arvind Naval Kishore Malhotra
Director

Vikram Narayanan Nair
Director

DETAILED INCOME STATEMENT FOR THE PERIOD ENDED 31 MARCH 2016

	Year Ended Mar-16 £	Year Ended Mar-15 £
Sales - Services	**3,329,820**	2,638,493
Cost of sales		
Technical Services	**1,510,039**	602,761
Salaries	**1,045,941**	996,035
Employers NI	**79,211**	32,887
Employers Pension Contributions	**196**	167
Internet Charges	**21,027**	24,821
Training Costs	**-**	-
	2,656,414	1,656,671
Gross Profit	**673,406**	981,822
Other Income	**-**	-
Interest Income	**40,720**	13,080
	714,126	994,902
Less: Expenses		
Telephone	**5,843**	6,228
Travelling & Subsistence	**27,059**	60,300
Motor expenses	**133**	445
Software	**-**	758
Advertising	**-**	179
Welfare Expenses	**464**	3,044
Audit & Accountancy	**11,500**	8,096
Legal & Professional	**438**	20,641
Entertainment	**2,746**	3,833
Rent,rates	**8,010**	4,837
Insurance	**289**	771
Bank Charges	**27,730**	1,907
Postage & Stationery	**729**	1,250
Exchange Loss/(Gain)	**(62,680)**	763
Repairs and Renewals	**26**	-
Equipment Hire	**-**	-
Marketing Costs	**137,306**	140,546
Donations	**3,568**	-
	163,161	253,598
Profit before Depreciation	**550,965**	741,304
Less:Depreciation	**-**	14
Provision for dimunition in Investment	**701,234**	-
(Loss)/Profit for the period before taxation	**(150,269)**	741,290
Corporation Tax	**110,403**	156,044
(Loss)/Profit for the period after taxation	**(260,672)**	585,246

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 MARCH 2016

	Notes	**Year Ended Mar-16 £**	Year Ended Mar-15 £
TURNOVER		**3,329,820**	2,638,493
Cost of sales		**2,656,414**	1,656,671
GROSS PROFIT		**673,406**	981,822
Administrative expenses		**163,161**	253,612
OPERATING PROFIT		**510,245**	728,210
Interest receivable and other income		**40,720**	13,080
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		**550,965**	741,290
Tax on profit on ordinary activities	5	**110,403**	156,044
		440,562	585,246
Provision for diminuition in Investment		**(701,234)**	-
(LOSS)/PROFIT FOR THE FINANCIAL PERIOD AFTER TAXATION		**(260,672)**	585,246
(Loss)/Proft For the Year		**(260,672)**	585,246
Rendered Profit Brought forward		**2,256,238**	1,670,992
RETAINED PROFIT CARRIED FORWARD		**1,995,566**	2,256,238

CONTINUING OPERATIONS
None of the company’s activities were acquired or discontinued during the current year or previous period.

TOTAL RECOGNISED GAINS AND LOSSES
The company has no recognised gains or losses other than the profits for the current year or previous period.

For and on behalf of Board of Directors

Arvind Naval Kishore Malhotra
Director

Vikram Narayanan Nair
Director

CASHFLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

		Year Ended Mar-16 £	Year Ended Mar-15 £
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Net Profit/(Loss) before taxation	**(150,269)**	741,290
	Adjustment for:		
	Depreciation/Amortisation	**-**	14
	Interest Income	**(40,720)**	(13,080)
	Interest and Finance Charges	**-**	-
	Loss on sale of Fixed assets	**-**	-
	Provision for Diminution of investment	**701,234**	-
		660,514	(13,066)
	Operating Profit before Working Capital changes	**510,245**	728,224
	Changes in:		
	Trade and other receivables	**(4,264,613)**	369,279
	Trade and other payables	**4,243,073**	(124,414)
		(21,540)	244,865
	Cash Generated from Operations	**488,705**	973,089
	Income Taxes Paid (Net of Refunds)	**(110,544)**	(115,500)
	NET CASH FROM OPERATING ACTIVITIES	**378,161**	857,589
	CASH FLOW FROM INVESTING ACTIVITIES:		
B.	Purchase of fixed assets	**-**	-
	Sale of fixed assets	**-**	-
	Purchase of Investments	**-**	(692,004)
	Sale of Current Investments	**-**	-
	Interest received / Profit on sale of Investment	**40,720**	1,527
	Loss on sale of Fixed assets		
	NET CASH USED IN INVESTING ACTIVITIES	**40,720**	(690,477)
	CASH FLOW FROM FINANCING ACTIVITIES:	**-**	-
	Net Increase/(decrease) in cash and cash Equivalents	**418,881**	167,112
	Opening Balance	**1,176,791**	1,009,679
	Closing Balance	**1,595,672**	1,176,791

For and on behalf of Board of Directors

Arvind Naval Kishore Malhotra
Director

Vikram Narayanan Nair
Director

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES

Accounting convention

These financial statements have been prepared in accordance with Financial Reporting Standard 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The year ended 31 March 2016 is the first year that Financial Reporting Standard 102 applied to the company. There are no material restatements to be made in either the current or preceding year as a result of this change in United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), therefore no restated figures or reconciliations have been provided in these financial statements.

Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”:

• the requirements of Section 7 Statement of Cash Flows.

Turnover

Turnover represents sales of services provided in the normal course of business. Turnover has been measured at the fair value of consideration received, excluding discounts, rebates, value added tax, and other sales taxes or duties.

Depreciation / amortisation of fixed assets:

The company computes depreciation of all tangible fixed assets including for assets taken on lease using Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computers	3 years
Plant and Equipment	3 to 5 years
Furniture and Fixtures	5 years
Vehicles	5 years
Office Equipments	5 years

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

2. TURNOVER

The turnover and loss before tax are attributable to the one principal activity of the company, all of which is derived in the UK.

3. STAFF COSTS

	Year Ended Mar-16 £	Year Ended Mar-15 £
Wages and salaries	**1,045,941**	996,035
Social security costs	**79,211**	32,887
Other pension costs	**196**	167
	1,125,348	1,029,089

The average monthly number of employees during the year was as follows:

	Year Ended Mar-16	Year Ended Mar-15
Administrative	**1**	1
Direct costs	**44**	33
	45	34

4. OPERATING LOSS

The operating loss/profit is stated after charging:

	Year Ended Mar-16 £	Year Ended Mar-15 £
Depreciation	**-**	14
Auditors' remuneration	**8,000**	8,096
Foreign exchange differences	**(62,680)**	763
Directors' remuneration	**-**	-

5. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	Year Ended Mar-16 £	Year Ended Mar-15 £
Current tax:		
UK corporation tax	**110,403**	156,044
Previous year tax	**-**	-
Tax on profit on ordinary activities	**110,403**	156,044

Factors affecting the tax charge
The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	Year Ended Mar-16 £	Year Ended Mar-15 £
Profit on ordinary activities before tax	**(150,269)**	741,290
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015: 21%)	**(30,054)**	155671
Effects of:		
Non deductible expenses	**140,796**	805
Depreciation add back	**-**	3
Capital allowances	**(339)**	(435)
Tax Adjustment		
Current tax charge	**110,403**	156,044

6. TANGIBLE FIXED ASSETS

	Computer Software	**Computer equipment £**	Total **£**
COST			
At 1 April 2015 and 31st March 2016	**18,958**	**34,634**	53,592
DEPRECIATION			
At 1 April 2015			
At 31st March 2016	**18,958**	**34,634**	53,592
NET BOOK VALUE			
At 31st March 2016	**-**	**-**	-
At 31st March 2015	**-**	**-**	**-**

7. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	**701,234**
Additions	
At 31st March 2016	**701,234**
Provision for Dimunition in Value	**701,234**
NET BOOK VALUE	
At 31st March 2016	**-**
At 31 March 2015	**701,234**

The company has invested €11,000 (15.71% of the Share capital) in Mahindra Engineering GmbH,a company incorporated in Germany. By virtue of Court Order dated 29.07.2014, Mahindra Engineering Services(Europe) Limited has become shareholding of 11,000 €.

It was resolved in Extraordinary Shareholders´ meeting of Mahindra Engineering GmbH dated 29.07.2014 that “Mahindra Engineering Services (Europe) Limited, UK shall assign its Repayment Claim in the amount of GBP 692,004 by way of contribution to the Company. This contribution shall be regarded as additional contribution in the equity and shall be shown in the Financial Statements as Capital Reserve inMahindra Engineering GmbH in accordance with Section 272 Sub-section 2 Clause 4 of German Commercial Code (HGB)”.

The Company “Mahindra Engineerng GMBH, has ceased to exist with effect from 19th October , 2015. In view of this a provision has been made to write down the investment.

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Year Ended Mar-16 £	Year Ended Mar-15 £
Trade debtors	**501,599**	1,011,568
Other debtors	**4,612**	4,220
Amounts owed by group undertakings	**4,774,189**	-
	5,280,400	1,015,788

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Year Ended Mar-16 £	Year Ended Mar-15 £
Amounts owed to group undertakings	**4,788,788**	112,330
Provision for Tax	**40,402**	40,544
Social security and other taxes	**53**	7,721
VAT	**(24,797)**	174,139
Trade Creditors	**1,632**	1,320
Other Creditors	**6**	60
Accrued expenses	**9,422**	236,461
	4,815,506	572,575

10. CALLED UP SHARE CAPITAL

Authorised: Number:	Class	**Nominal value**	**Year Ended Mar-16 £**	Year Ended Mar-15 £
1,000,000	Ordinary	**£ 1**	**1,000,000**	1,000,000

Allotted, issued and fully paid: Number:	Class	**Nominal value**	**2016 £**	2015 £
65,000	Ordinary	**£ 1**	**65,000**	65,000

11. ULTIMATE PARENT COMPANY

The immediate and ultimate parent undertaking of the company is Tech Mahindra Limited, a listed company incorporated in India. Tech Mahindra Limited is the parent undertaking of the smallest and largest group respectively of which Mahindra Engineering Services (Europe) Limited is a member and for which group financial statements are produced.

12. RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption in FRS 102 paragraph 33.1A from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

At the balance sheet date, the amount due to Tech Mahindra Limited amounted to £4,788,788 (2015 - £112,330).

At the balance sheet date, £3,773,281 (2015- £Nil) was owed by Sofgen Holdings Limited, a fellow subsidiary undertaking incorporated in Cyprus.

At the balance sheet date, £1,000,907 (2015- £ Nil) was owed by Nth Dimension Limited , a fellow subsidiary undertaking incorporated in UK.

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Year Ended Mar-16 £	Year Ended Mar-15 £
Profit for the financial year	**(260,672)**	585,246
Net addition to shareholders' funds	**(260,672)**	585,246
Opening shareholders' funds	**2,321,238**	1,735,992
Closing shareholders' funds	**2,060,566**	2,321,238

Figures for the previous year have been regrouped / rearranged wherever necessary.

LIGHTBRIDGE COMMUNICATIONS CORPORATION

Board of Directors

Mr. Ashish Tikhe
Mr. Manish Vyas

Registered Office

C/o. CT Corporation
1209 North Orange Street
Wilmington Delaware
USA, 19801

Bankers
Citi Bank
J P Morgan

Auditors
Grant Thornton LLP

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Lightbridge Communications Corporation and Subsidiaries

We have audited the accompanying consolidated financial statements of Lightbridge Communications Corporation (a Delaware corporation) and Subsidiaries which comprise the consolidated balance sheets as of March 31, 2016 and 2015 and the related consolidated statements of operations, comprehensive (loss) income, changes in shareholders' equity, and cash flows for the year ended March 31, 2016 and the three months ended March 31, 2015 and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of LCC Acquisition Holdings BV (Leadcom Group), a wholly-owned subsidiary, which statements reflect total assets constituting 48.0% and 38.5% of consolidated total assets as of March 31, 2016 and 2015, respectively, and total revenues of 34.5% and 28.0% of consolidated total revenues for the twelve months andthree months ended March 31, 2016 and 2015, respectively. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for LeadcomGroup, is based solely on the report of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion, based on our audits and the report of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Lightbridge Communications Corporation and Subsidiaries as of March 31, 2016 and 2015, and the results of their operations and their cash flows for year ended March 31, 2016 and the three months ended March 31, 2015 in accordance with accounting principles generally accepted in the United States of America.

Grant Thorton LLP

Baltimore, Maryland

May 5, 2016

CONSOLIDATED BALANCE SHEETS

(In thousands, except per share amounts)

	March 31,	
	2016	2015
	$	$
Assets		
Current Assets		
Cash and cash equivalents	**31,513**	18,679
Restricted cash	**4,010**	3,896
Receivables, net of allowance for doubtful accounts of $796 and $619	**69,705**	64,654
Unbilled receivables	**90,505**	80,028
Prepaid expenses and other current assets	**27,607**	18,133
Due from related parties	**16,101**	584
Deferred income taxes	**574**	-
Total current assets	**240,015**	185,974
Non-current Assets		
Property and equipment, net	**20,940**	20,612
Deferred tax assets	**430**	—
Goodwill	**3,443**	3,443
Other intangibles, net	**29,204**	34,961
Investments in affiliates	**2,846**	1,897
Other assets	**918**	975
Total Assets	**297,796**	247,862
Liabilities and Shareholders' Equity		
Current Liabilities		
Lines of credit	**100,961**	92,935
Note payable	**24,959**	906
Accounts payable	**32,347**	35,084
Accrued expenses	**26,170**	21,965
Accrued employee compensation and benefits	**16,232**	13,782
Deferred revenue	**7,197**	6,020
Income taxes payable	**11,309**	6,748
Accrued restructuring current	**1,253**	214
Deferred tax liabilities	**—**	1,366
Consideration payable for Leadcom Group acquisition	**3,723**	6,679
Other current liabilities	**3,442**	1,927
Total current liabilities	**227,593**	187,626
Notes payable, net of current portion	**299**	658
Consideration payable for Leadcom Group acquisition	**—**	2,439
Accrued restructuring noncurrent	**131**	353
Deferred tax liabilities	**4,970**	3,057
Other liabilities	**6,316**	4,770
Total Liabilities	**239,309**	198,903

CONSOLIDATED BALANCE SHEETS
(In thousands, except per share amounts)

	March 31,	
	2016	2015
	$	$
Commitments and Contingencies		
Shareholders' Equity		
Class A common stock; $.0001 par value:		
30,000,000 shares authorized at March 31, 2016 and March 31, 2015, respectively;		
25,312,965 issued and outstanding at March 31, 2016 and March 31, 2015, respectively	**3**	3
Paid-in capital	**265,077**	265,077
Accumulated deficit	**(215,377)**	(226,024)
Accumulated other comprehensive income	**8,833**	9,769
Noncontrolling Interest	**(49)**	134
Total Shareholders' Equity	**58,487**	48,959
Total Liabilities and Shareholders' Equity	**297,796**	247,862

CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands)

	For the year ended March 31, 2016 $	For the three months ended March 31, 2015 $
Revenues	**412,585**	98,037
Cost of Revenues	**342,459**	79,603
Gross Profit	**70,126**	18,434
Operating Expense		
Sales and marketing	**9,244**	4,007
General and administrative	**41,293**	11,787
Tech Mahindra acquisition related expenses	**—**	15,071
Restructuring charge	**2,176**	2
Depreciation and amortization	**15,795**	3,680
	68,508	34,547
Income before Other Income (Expense) and Income Taxes	**1,618**	(16,113)
Other Income (Expense)		
Interest income	**5,165**	1,048
Interest expense	**(4,756)**	(1,742)
Tech Mahindra acquisition - other expenses	**—**	(737)
Other	**(310)**	(3,126)
	99	(4,557)
Income (Loss) before Income Taxes	**1,717**	(20,670)
(Benefit) Provision for Income Taxes	**(8,749)**	1,202
Net Income (Loss)	**10,466**	(21,872)
Net (Loss) Income attributable to Noncontrolling Interest	**(181)**	13
Net Income (Loss) attributable to Lightbridge Communications Corporation	**10,647**	(21,885)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(In thousands)

	For the year ended March 31, 2016 $	For the three months ended March 31, 2015 $
Net Income (Loss)	**10,466**	(21,872)
Other comprehensive income:		
Change in fair value of interest rate swap	**(515)**	—
Change in foreign currency translation	**(423)**	906
Comprehensive Income (Loss)	**9,528**	(20,966)

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	For the year ended March 31, 2016 $	For the three months ended March 31, 2015 $
Cash Flows from Operating Activities		
Net Income (loss)	**10,466**	(21,872)
Adjustments to reconcile net (loss) income to net cash (used in) provided by operating activities:		
Depreciation and amortization	**15,795**	3,681
Deferred income taxes	**(744)**	(1,289)
Provision for doubtful accounts	**220**	68
Share-based compensation	**—**	1,002
Transfer pricing	**247**	—
Gain from investments in joint venture	**(419)**	(23)
Restructuring charge	**206**	2
Loss on disposal of fixed assets	**80**	26
Non-cash interest income and other	**(4,210)**	—
Changes in operating assets and liabilities:		
Restricted cash	**(114)**	122
Trade, unbilled, and other receivables	**(17,847)**	(1,487)
Accounts payable and accrued expenses	**(6,674)**	(1,660)
Other current assets and liabilities	**(1,320)**	(531)
Other noncurrent assets and liabilities	**1,178**	3,458
Net Cash Used in Operating Activities	**(3,136)**	(18,503)
Cash Flows from Investing Activities		
Purchases of property and equipment	**(10,440)**	(3,286)
Additional payments on acquisition of Leadcom Group	**(4,232)**	(1,591)
Short term bank deposits	**5**	4
Investments in affiliates and joint venture	**(516)**	(483)
Net Cash Used in Investing Activities	**(15,183)**	(5,356)

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	For the year ended March 31, 2016 $	For the three months ended March 31, 2015 $
Cash Flows from Financing Activities		
Tech Mahindra acquisition related expenses paid by shareholders	**—**	14,744
Proceeds from Tech Mahindra (Americas) notes	**20,000**	—
Net borrowings on lines of credit	**8,345**	58,530
Issuance of notes payable	**5,572**	210
Payments on notes payable	**(2,803)**	(46,774)
Net Cash Provided by Financing Activities	**31,114**	26,710
Effect of Exchange Rate Changes on Cash and Cash Equivalents	**39**	(377)
Net Increase in Cash and Cash Equivalents	**12,834**	2,474
Cash and Cash Equivalents, beginning of the period	**18,679**	16,205
Cash and Cash Equivalents, end of period	**31,513**	18,679
Supplemental Disclosures:		
Cash paid during the period for:		
Interest	**2,844**	2,187
Income taxes	**5,207**	4,052
Supplemental Disclosures of Non-Cash Investing and Financing Activities:		
Fixed asset additions under capital lease	**4,095**	253

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(In thousands)

For the three months ended March 31, 2015 and year ended March 31, 2016

	Common Stock $	Paid-in Capital $	Accumulated Deficit $	Accumulated Other Comprehensive Income (Loss) $	Noncontrolling Interest $	Total $
Balances at January 1, 2015, as previously reported	3	250,201	(203,990)	8,813	(135)	54,892 $
Correction of prior period immaterial error	-	(157)	(149)	50	256	-
Balances at January 1, 2015, as revised	3	250,044	(204,139)	8,863	121	54,892
Share-based compensation	-	1,002	-	-	-	1,002
Tech Mahindra Acquisition related expenses paid by shareholders	-	14,031	-	-	-	14,031
Comprehensive income (loss):						
Other comprehensive loss – foreign currency translation adjustments	-	-	-	906	-	906
Net income (loss)	-	-	(21,885)	-	13	(21,872)
Balances at March 31, 2015	**3**	**265,077**	**(226,024)**	**9,769**	**134**	**48,959**
Comprehensive income (loss):						
Other comprehensive loss – foreign currency translation adjustments	**-**	**-**	**-**	**(421)**	**(2)**	**(423)**
Other comprehensive loss – interest rate swap	**-**	**-**	**-**	(515)	**-**	**(515)**
Net income (loss6)	**-**	**-**	**10,647**	**-**	**(181)**	**10,466**
Balances at March 31, 2016	**3**	**265,077**	**(215,377)**	**8,833**	**(49)**	**58,487**

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, Tech Mahindra (Americas), Inc. a wholly-owned subsidiary of Tech Mahindra Limited ("Tech Mahindra") purchased all of the Company's outstanding common stock for a purchase price of $171.7 million (the "Tech Mahindra Acquisition"). The consolidated financial statements do not reflect any purchase price adjustments to the historical carrying values of the Company's assets and liabilities as the purchase price allocation was applied at Tech Mahindra (Americas), Inc.

Transaction costs related to the Tech Mahindra Acquisition of $16.9 million, including fees for investment banking and legal services and transaction bonuses for executive management and directors, were paid by Tech Mahindra on behalf of the Company's shareholders. Transaction costs of $1.1 million and $15.8 million were expensed by the Company during the year ended December 31, 2014 and the three months ended March 31, 2015, respectively.

LCC conducts business through its direct and indirect wholly-owned subsidiaries that provide services in North America, Europe, Middle East and Africa, Latin America, and Asia.

The Company provides integrated end-to-end solutions for wireless voice and data communications networks with offerings ranging from high level technical consulting, to system design and optimization services, ongoing operations and maintenance services, and deployment services. The Company 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. All material intercompany transactions and balances have been eliminated in the consolidated financial statements. Investments in entities in which the Company does not have majority ownership have been accounted for using the equity method of accounting.

Liquidity

As of March 31, 2016, the Company had an accumulated deficit of approximately $215.4 million, and the Company incurred a net income of approximately $10.5 million and had cash outflows from operations of approximately $3.1 million for the year ended March 31, 2016. As of March 31, 2016, the Company has approximately $125.9 million of short-term borrowings, the most significant of which are a $50.0 million line-of-credit facility scheduled to mature in March 2017 and borrowings of $41.0 million on a line-of-credit facility scheduled to mature in February 2017. 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 new credit facilities, plus availability of cash, if needed, from Tech Mahindra will be adequate to fund the Company's cash requirements for the foreseeable future.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Significant accounting policies are as follows:

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Estimates are used in accounting for, among other things, revenue recognition on contracts, allowance for doubtful accounts, accrual of income taxes, recoverability of investments in affiliates, goodwill and other intangible assets, share-based compensation, and the accrual of restructuring charges. Actual results could differ from these estimates.

Cash Equivalents and Restricted Cash

Cash equivalents include all highly liquid investments purchased with original maturities of three months or less and include overnight repurchase agreements, short-term notes, and short-term money market funds. The Company places its cash and cash equivalents with high-quality financial institutions.

At March 31, 2016 and 2015, the Company had $24.2 million and $12.7 million of cash in foreign bank accounts, respectively. Restricted cash is comprised primarily of cash serving as collateral for a guarantee issued to Saudi tax authorities subject to the conclusion of an income tax appeal process as well as performance and bid bonds in the Europe Middle East and Africa (“EMEA”) region.

Concentration of Credit Risk

Financial instruments that potentially expose the Company to concentration of credit risk consist primarily of trade receivables, cash and restricted cash. The Company sells services globally. Generally, the Company does not require collateral or other security to support customer receivables. The Company performs ongoing credit evaluations of its customers’ financial condition and maintains an allowance for doubtful accounts related to potential credit losses. The Company had the following significant concentrations of trade receivables from customers located outside the United States at March 31, 2016 and 2015:

	March 31,	
	2016	2015
	($ In thousands)	
Europe	**16,701**	26,599
Middle East/Africa	**39,207**	20,529
Other	**5,026**	6,201

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 62% and 70% of its revenues from ten customers for the year ended March 31, 2016 and three months ended March 31, 2015, respectively. The Company derived approximately 56% and 57% of its accounts receivable from ten customers as of March 31, 2016 and 2015, respectively. Individually, one of these top ten customers comprised more than 15% of the Company’s revenue for an aggregate total of 16% and 20% during the year ended March 31, 2016 and three months ended 2015, respectively. Individually, one of these top ten customers of the Company’s net receivable balance accounted for 25% and 21% as of March 31, 2016 and 2015, respectively.

At times, the Company maintains cash balances in financial institutions, which may exceed federally insured limits. The Company has not experienced any losses in its accounts and believes it is not exposed to a significant credit risk on its cash and cash equivalents.

Although the Company believes that the diversity of its customer base may minimize the risk of incurring material losses due to concentrations of credit risk, the Company may be exposed to a declining customer base in periods of market downturns, severe competition, exchange rate fluctuations or other international developments.

Fair Value Measurements

The carrying amounts reported in the consolidated balance sheet for cash and cash equivalents, accounts receivable, accounts payable and accrued expenses and certain other current liabilities approximate fair value due to the immediate to short-term maturity of these financial instruments.

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, valuation of these products does not entail a significant degree of judgment.

Level 2 – Inputs other than quoted prices included in Level 1, which are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active. The Company’s interest rates 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. Accelerated methods are utilized for income tax purposes.

Computer & electronics	3 years
Software	3 years
Machinery & equipment	3 to 7 years
Furniture and office equipment	3 to 15 years
Office building	20 years
Leasehold improvements	Shorter of the term of the lease or estimated useful life
Vehicles	3 to 5 years

Impairment of Long-Lived Assets

The Company’s policy is to review its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable in accordance with ASC 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.

ASC 350 permits an entity to first assess qualitative factors to determine whether it is necessary to perform quantitative impairment tests for goodwill and indefinite-lived intangibles, respectively. If an entity believes, as a result of each qualitative assessment, it is more likely than not that goodwill or an indefinite-lived intangible asset is not impaired, a quantitative impairment test is not required.

The goodwill and indefinite-lived intangibles impairment test consists of a two-step process, if necessary. The Company first assesses qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the two-step goodwill and indefinite-lived intangibles impairment test. The more likely than not threshold is defined as having a likelihood of more than 50 percent. This evaluation includes macroeconomic and industry and market specific considerations, financial performance indicators and measurements, and other factors. If, after assessing the totality of events or circumstances, the Company determines that it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, then performing the two-step impairment test is unnecessary, and goodwill and other indefinite-lived intangible assets are considered to be unimpaired.

However, if based on the Company's qualitative assessment, it concludes that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, the Company will proceed with performing the two-step process. The Company performed a qualitative assessment as of March 31, 2016 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, 2016 and three months ended March 31, 2015.

Allowance for Doubtful Accounts

Accounts receivable from customers are generally due within 60-90 days and are stated at amounts due from customers, net of an allowance for doubtful accounts. The Company makes estimates of the probability of collection of accounts receivable by specifically analyzing customer balances, concentrations, credit-worthiness, current economic trends and changes in customer payment terms when evaluating the adequacy of the allowance for doubtful accounts. Accounts receivable are written off when they become uncollectible.

Revenue Recognition

The Company's principal sources of revenues are derived from consulting, integration, operations and solutions. The Company recognizes revenues from fixed-price contracts using the percentage-of-completion method. Under the percentage-of-completion method, revenues are recognized based on the ratio of individual contract costs incurred to date on a project compared with total estimated contract costs. The Company compares costs incurred to date to progress achieved against project milestones to determine if the percentage of completion is reasonable. Anticipated contract losses are recognized as soon as they become known and estimable. The Company also recognizes revenues on time and materials contracts as the services are performed. Revenues earned but not yet billed are reflected as unbilled receivables in the accompanying consolidated balance sheets. The Company expects substantially all unbilled and billed receivables to be collected within one year. Amounts billed but not yet earned are reflected as deferred revenue in the accompanying consolidated balance sheets.

In deployment projects, the Company generally receives purchase orders for individual cell sites based on agreed upon fixed prices for types of standard cell sites. Non-standard services related to a cell site are priced on a variable basis using either agreed upon rates per hour or a rate schedule for such non-standard services. Deployment of cell sites may take up to several months and revenues and costs are recognized on a percentage of completion basis based upon the Company's engineering estimates.

Income Taxes

Income taxes are determined in accordance with ASC 740, Income Taxes. Under this guidance, temporary differences arise as a result of the differences between the reported amounts of assets and liabilities and their tax basis. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

The Company recognizes the financial statement effect of an income tax position when it is more likely than not, based on technical merits, that the position will be sustained upon examination by a taxing authority. Recognized tax positions are initially and subsequently measured as the largest amount of tax benefit that is more likely than not of being realized upon ultimate settlement with the relevant taxing authority. The Company has chosen to treat interest and penalties related to uncertain tax liabilities as income tax expense and as an increase to the income tax liability. For the year ended March 31, 2016 and three months ended March 31, 2015, the Company did not record any interest or penalties related to uncertain tax positions.

As a subsidiary of Tech Mahindra (Americas) Inc. whom the Company files consolidated federal and state return with, 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 $16.5 million and $0 at March 31, 2016 and March 31, 2015, 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.

Foreign Currency Translation

The Company's foreign operations are subject to exchange rate fluctuations and foreign currency transaction costs. The majority of the Company's foreign transactions are denominated in Euro and Saudi Riyals.

The financial statements of the Company's foreign subsidiaries have been translated into U.S. dollars in accordance with ASC 830-30, Translation of Financial Statements. For foreign operations with the local currency as the functional currency, assets and liabilities denominated in non-U.S. dollar functional currencies are translated using the period-end spot exchange rates. Revenues and expenses are translated at monthly-average exchange rates. Capital accounts are translated at historical exchange rates. The current period effects of translating operations with a functional currency other than the reporting currency are reported within the statements of comprehensive loss with accumulated effects presented as a component of accumulated other comprehensive (loss) income within the consolidated statements of changes in shareholders' equity. The determination of functional currency is based on the subsidiary's relative financial and operational independence from the Company's US based parent.

The Company is also subject to foreign currency transaction gains or losses due to inter-company payables and receivables denominated in foreign currency. Foreign subsidiaries with amounts owed from the UK operations at March 31, 2016 and 2015 (denominated in British Pounds) are located in the Kingdom of Saudi Arabia. Foreign subsidiaries with amounts owed to the U.S. Corporate operations (denominated in Euros or British Pounds) are located in the Netherlands, Germany, and Greece at March 31, 2016 and Netherlands, France, and Greece at March 31, 2015. For the year ended March 31, 2016 and three months ended March 31, 2015, these balances generated a foreign exchange loss of $0.04 million and $2.8 million, respectively. These amounts are included in other income (expenses) in the consolidated statements of operations.

Other Comprehensive Income (Loss)

Comprehensive income (loss) is defined as net income (loss) plus the changes in equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources. Other comprehensive income (loss) refers to revenues, expenses, gains and losses that under U.S. GAAP are included in comprehensive income (loss), but excluded from net income (loss).

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 with its consolidated financial statements. A derivative qualifies for hedge accounting if, at inception, the Company expects 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 ("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 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).

Share-based Compensation

The Company accounts for share-based compensation costs relating to share-based payment transactions in the consolidated financial statements at fair value over the requisite service period which is generally the vesting period.

Revision of Prior Period Financial Statements

As outlined in the consolidated statement of shareholders' equity, the Company has recorded a revision to correct for an immaterial prior period error primarily related to recording of the Company's non-controlling interest.

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. As of March 31, 2016 and 2015, the Company had no receivables under retainage provisions outstanding.

The Company is party to a factoring agreement (the "Deutsche Bank AG Agreement") with Deutsche Bank AG Finance ("DB") whereby the Company's Netherland subsidiary may sell its eligible accounts receivable to DB on a revolving basis up to a maximum of 8.0 million Euros. Under the terms of the DB Agreement, accounts receivable are sold to DB with recourse at 65% of their face value less interest of EURIBOR at 30 days plus 3.5% and a commission of 2,500 Euros per quarter. Transfers of accounts receivable were approximately 2.9 million and 6.4 million Euros (US$3.3 million and US$6.9 million) as of March 31, 2016 and March 31, 2015, respectively, which is included within lines of credit on the consolidated balance sheets. As of March 31, 2016 and March 31, 2015, the Company had 5.1 million and 2.7 million Euros (approximately US$5.8 million and US$2.8 million), respectively, available under the DB Agreement.

The Company is party to a factoring agreement (the "Eurofactor Agreement") with Eurofactor whereby the Company's German subsidiary may sell its eligible accounts receivable to Eurofactor on a revolving basis up to a maximum of 2.5 million Euros. Under the terms of the Eurofactor Agreement, accounts receivable are sold to Eurofactor without recourse at 90% of their face value, less interest of EURIBOR at 90 days plus 3.85% (4.25% in March 2015) and a commission of 0.25% with a minimum fee of 2,500 Euros per month. Transfers of accounts receivable were approximately 0.5 million and 0.8 million Euros (US$0.6 and US$0.8 million) as of March 31, 2016 and March 31, 2015, respectively. As of March 31, 2016 and March 31, 2015, the Company had 2.0 million and 1.7 million Euros (approximately US$2.3 and US$1.9 million), respectively, available under the Eurofactor Agreement.

The Company is party to a factoring agreement (the "HSBC Agreement") with HSBC FACTORING France ("HSBC") whereby the Company's French subsidiary may sell its eligible accounts receivable to HSBC on a revolving basis up to a maximum of 2.0 million Euros. Under the terms of the HSBC Agreement, accounts receivable are sold to HSBC with recourse at their face value less interest of EONIA plus 1.5% and a commission of 0.41%. Transfers of accounts receivable were approximately 1.1 million and 0.8 million Euros (approximately US$1.3 and US$0.9 million) as of March 31, 2016 and March 31, 2015, respectively, which is included within lines of credit on the consolidated balance sheets. As of March 31, 2016 and March 31, 2015, the Company had 0.9 million and 1.2 million Euros (approximately US$1.0 and US$1.3 million), respectively, available under the HSBC Agreement.

The Company is party to a factoring agreement (the "HBL Agreement") with Habib Bank Limited ("HBL") whereby the Company's Pakistan subsidiary may sell its eligible accounts receivable to HBL on a revolving basis up to a maximum of 160 million Pakistan Rupees (Barclays Bank was acquired by HBL during the year 2015-16). Under the terms of the HBL Agreement, accounts receivable are sold to HBL with recourse at 90% of the face value less interest of KIBOR at 30 days plus 3%. As of March 31, 2016 and March 31, 2015, respectively, HBL had advanced approximately 51.4 and 149.3 million Pakistan Rupees (US$0.5 and US$1.5 million), which is included within lines of credit on the consolidated balance sheets. As of March 31, 2016 and March 31, 2015, respectively, the Company had 108.6 and 10.7 million Pakistan Rupees (approximately US$1.0 and US$0.1 million) available under the HBL Agreement.

The Company is party to a factoring agreement (the “Askari Agreement”) with Askari Bank (“Askari”) whereby the Company’s Pakistan subsidiary may sell its eligible accounts receivable to Askari on a revolving basis up to a maximum of 150 million Pakistan Rupees. This amount includes a 70 million Pakistan Rupees revolving letter of guarantee as sub-limit. Under the terms of the Askari Agreement, accounts receivable are sold to Askari with recourse at 90% of the face value less interest of KIBOR at 90 days plus 3%. Transfers of accounts receivable were approximately 37.5 million and 44.9 million Pakistan Rupees (approximately US$0.4 and US$0.5 million) as of March 31, 2016 and March 31, 2015, respectively, which is included within lines of credit on the consolidated balance sheets. The Company also utilized limit against Letter of Guarantee as of March 31, 2016 with 0.8 million Pakistan Rupees (approximately US$8,000). As of March 31, 2016 and March 31, 2015, the Company had 111.7 million and 105.1 million Pakistan Rupees (approximately US$1.1 million and US$1.0 million), respectively, available under the Askari Agreement.

The Company is party to a factoring agreement (the “IFIS Agreement”) with Banca IFIS S.P.A (“IFIS”) whereby the Company’s Italian subsidiary may sell its eligible accounts receivable to IFIS on a revolving basis up to a maximum of 0.2 million Euros (0.4 million Euros as of March 31, 2015). Under the terms of the IFIS Agreement, accounts receivable are sold to IFIS with recourse at their face value less interest of EURIBOR at 90 days plus 4.8% and a commission of 0.19%. Transfers of accounts receivable were approximately 0.3 million and 0.1 million Euros (approximately US$0.3 and US$0.1 million) as of March 31, 2016 and March 31, 2015, respectively, which is included within lines of credit on the consolidated balance sheets. As of March 31, 2016 and March 31, 2015, the Company had zero and 0.3 million Euros (approximately US$0 million and US$0.3 million), respectively, available under the IFIS Agreement.

The Company is party to a factoring agreement (the “Bankinter Agreement”) with Bankinter S.A., (“Bankinter”) whereby the Company’s Spanish subsidiary may sell its eligible accounts receivable to Bankinter on a revolving basis up to a maximum of 1.4 million Euros (1 million Euros as of March 31, 2015). Under the terms of the Bankinter Agreement, accounts receivable are sold to Bankinter without recourse at their face value less interest of EURIBOR at 12 months plus 2.75%, commission of 0.5% and a renewal commission of 0.75%. Transfers of accounts receivable were approximately 1.4 million and 1.0 million Euros (approximately US$1.5 million and US$1.0 million) as of March 31, 2016 and March 31, 2015, respectively. As of March 31, 2016 and March 31, 2015, the Company had zero million Euros (approximately US$0 million), available under the Bankinter Agreement.

Under the same Bankinter Agreement, the Company’s Spanish subsidiary may sell its eligible accounts receivable to Bankinter on a revolving basis up to a maximum of 0.5 million Euro. Under the terms of the Bankinter Agreement, accounts receivable are sold to Bankinter with recourse at 90% of the face value less interest of EURIBOR at 12 months plus 4%, commission of 0.1% and renewal commission of 0.75%. As of March 31, 2016 and March 31, 2015, Bankinter had advanced approximately zero and 0.3 million Euros (approximately US$0 million and US$0.4 million), respectively, which is included within lines of credit on the consolidated balance sheets. As of March 31, 2016 and March 31, 2015, the Company had 0.5 million and 0.1 million Euros (approximately US$0.5 million and US$0.1 million), respectively, available under this portion of the Bankinter Agreement.

The Company entered into a factoring agreement (the “Belfius Agreement”) with Belfius Commercial Finance (“Belfius”) whereby the Company’s Belgian subsidiary may sell its eligible accounts receivable to Belfius on a revolving basis up to a maximum of 2.0 million Euros in 2014, which is revised to 2.5 million during the year ended March 31, 2016. Under the terms of the Belfius Agreement, accounts receivable are sold to Belfius with recourse at 80% (75% till March 2015) of their face value less interest of 8.5% and a commission of 0.12%. Transfers of accounts receivable were approximately 1.2 and 1.5 million Euros (approximately US$1.4 million and US$1.7 million) as of March 31, 2016 and March 31, 2015, respectively, which is included within lines of credit on the consolidated balance sheets. As of March 31, 2016 and March 31, 2015, the Company had 1.3 and 0.5 million Euros (approximately US$1.5 and US$0.5 million), respectively, available under the Belfius Agreement.

The Company is party to a factoring agreement (the “Market Invoice Agreement”) with Market Invoice Limited (“Marketinvoice”) whereby the Company’s UK subsidiary may sell its eligible accounts receivable on Marketinvoice’s discounting platform to private investors on a revolving basis up to a maximum of 1.5 million Great British Pounds. Under the terms of the Marketinvoice Agreement, accounts receivable are sold to such private investors with recourse at a discount of their face value which is defined by Marketinvoice platform at the day of the transaction and as part of the bidding process less a seller fee and a listing fee of 15 Great British Pound for the transfer of each advance payment. Transfers of accounts receivable were approximately 0.2 and 1.5 million Great British Pound (approximately US$0.3 and US$2.0 million) as of March 31, 2016 and December 31, 2015, respectively, which is included within lines of credit on the consolidated balance sheets. As of March 31, 2016 and March 31, 2015, the Company had 1.3 million and zero Great British Pound (approximately US$1.9 and US$0 million), respectively, available under the Market Invoice Agreement.

The Company is party to a supply chain factoring agreement (the “Citibank Agreement”) with Citibank, (“Citibank”) whereby the Company’s UK subsidiary may sell its eligible accounts receivable under one of its contracts to Citibank on a revolving basis and with no limit. Under the terms of the Citibank Agreement, accounts receivable are sold to Citibank without recourse at their face value less base interest of 0.5% and a mark-up of 2.5%. Transfers of accounts receivable were approximately zero and 0.5 million Great British Pound (approximately US$0 and US$0.8 million) as of March 31, 2016 and March 31, 2015, respectively.

The Company is party to a supply chain factoring agreement (the "Telefonica Agreement") with Telefonica, ("Telefonica") whereby the Company's UK subsidiary may sell its eligible accounts receivable to Telefonica on a revolving basis and up to 1.0 million Great British Pound (approximately US$1.5 million). Under the terms of the Telefonica Agreement, accounts receivable are sold to Telefonica without recourse at their face value less base interest of 0.5% and a mark-up of 2.5%. Transfers of accounts receivable were approximately zero and 0.3 million Great British Pound (approximately US$0.5 million) as of March 31, 2016 and March 31, 2015, respectively.

NOTE 4—PROPERTY AND EQUIPMENT

At March 31, 2016 and 2015, property and equipment consisted of the following:

	March 31,	
	2016	2015
	($ In thousands)	
Computer & electronics	**12,845**	11,571
Software	**7,112**	5,808
Machinery & equipment	**1,435**	1,269
Furniture and office equipment	**23,331**	21,375
Office building	**2,394**	2,296
Leasehold improvements	**1,497**	1,408
Vehicles	**10,911**	9,949
Property and equipment	**59,525**	53,676
Less: accumulated depreciation and amortization	**(38,585)**	(33,064)
Property and equipment, net	**20,940**	20,612

Property and equipment under capital leases amount to $8.3 million and $8.8 million as of March 31, 2016 and 2015, respectively. Accumulated depreciation for property and equipment under capital leases amounted to $3.4 million and $5.3 million, as of March 31, 2016 and 2015, respectively.

Depreciation and amortization expense related to property and equipment for the year ended March 31, 2016 and three months ended March 31, 2015 was $10.0 million and $2.5 million, respectively.

NOTE 5—GOODWILL AND INTANGIBLES ASSETS

As of March 31, 2016 and 2015 intangible assets consisted of the following:

	March 31,	
	2016	2015
	($ In thousands)	
Goodwill	**3,443**	3,443
Other intangible assets:		
Customer relationships	**33,859**	33,887
Backlog	**11,531**	11,533
Trade names	**6,689**	6,689
Patents	**48**	118
Other	**200**	195
Total other intangible assets	**52,327**	52,422
Less: Accumulated amortization		
Customer relationships	**(13,612)**	(10,792)
Backlog	**(7,889)**	(5,720)
Trade names	**(1,461)**	(765)
Patents	**(43)**	(108)
Other	**(118)**	(76)
Accumulated amortization	**(23,123)**	(17,461)
Other intangible assets, net	**29,204**	34,961

The Company reviews its definite-lived intangible assets for impairment, in accordance with ASC 360, Property, Plant, and Equipment. The result of this review identified no impairment of the intangible assets as of March 31, 2016 and 2015.

Amortization expense related to intangibles was $5.8 and $1.5 million for the year ended March 31, 2016 and three months ended March 31, 2015, respectively. The weighted average amortization period for customer relationships is 12 years; 10 years for patents; 10 years for trade names; 2 years for other and 4 years in the aggregate.

The following summarizes expected amortization expense for each of the five succeeding years (In thousands):

	$
March 31, 2017	**4,690**
March 31, 2018	**4,611**
March 31, 2019	**4,452**
March 31, 2020	**3,873**
March 31, 2021	**3,216**
Thereafter	**8,362**
	29,204

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 facility accrues interest at a rate of LIBOR plus 0.75%. The facility is an unsecured facility. Tech Mahindra serves as a guarantor for the facility. The credit agreement was amended on March 1, 2016 to extend to March 1, 2017.

As of March 31, 2016, $50.0 million was drawn against the Citibank facility. Total interest expense on the facility was $0.43 million and $0.04 million for the year ended March 31, 2016 and three month ended March 31, 2015, respectively.

In March 2015, the Company received a $40.0 million line of credit from JPMorgan Chase Bank, N.A. ("JPMorgan") under which it can make borrowings until February 29, 2016. The line of credit was increased to $48.0 million in September, 2015. In February 2016, the maturity was changed to February 27, 2017. 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, 2016, $41.0 million was drawn against the JPMorgan facility. Total interest expense on the facility was $0.55 million and $0.01 million for the year ended March 31, 2016 and three months ended March 31, 2015.

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 make borrowings up to $10.0 million. The facility accrues interest at a rate of LIBOR plus 1.15% per annum with a maturity date of July 15, 2016.

As of March 31, 2016, $10.0 million was drawn against the TMA Note 1 facility. Total interest expense on the facility was $0.1 million for the year ended March 31, 2016.

On November 20, 2015, the Company entered into a loan agreement with Tech Mahindra (Americas) Inc. (TMA Note 2) under which it can make borrowings up to $10.0 million. The facility accrues interest at a rate of 1.75% per annum with a maturity date of May 19, 2016.

As of March 31, 2016, $10.0 million was drawn against the TMA Note 2 facility. Total interest expense on the facility was $0.04 million for the year ended March 31, 2016.

The aggregate maturities of all borrowings as of March 31, 2016 are as follows (In thousands):

	$
2017	**125,920**
2018	**198**
2019	**82**
2020	**19**
Thereafter	**—**
	126,219

As of March 31, 2016 and 2015, the total outstanding borrowings, as discussed above, are as follows:

	2016	2015
	($ In thousands)	
Citibank line of credit, including accrued interest	**50,050**	50,037
JP Morgan line of credit, including accrued interest	**41,040**	26,013
Accounts receivable factoring arrangements (See Note 5)	**6,014**	12,250
Tech Mahindra (Americas) Notes, including accrued interest	**20,153**	—
Other credit facilities	**8,962**	6,199
	126,219	94,499

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 $0.5 million and are recorded in accumulated other comprehensive loss, a component of stockholder'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, 2016 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	1.6460%	31-Mar-16	30-Jun-16
JP Morgan	20,000,000	3-months LIBOR	2.0690%	30-Sep-16	31-Dec-16
JP Morgan	15,000,000	3-months LIBOR	2.2890%	31-Dec-16	31-Mar-17
JP Morgan	15,000,000	3-months LIBOR	2.4820%	31-Mar-17	30-Jun-17
JP Morgan	15,000,000	3-months LIBOR	2.6480%	30-Jun-17	30-Sep-17
JP Morgan	15,000,000	3-months LIBOR	2.7990%	30-Sep-17	31-Dec-17
JP Morgan	10,000,000	3-months LIBOR	2.9390%	31-Dec-17	31-Mar-18
JP Morgan	10,000,000	3-months LIBOR	3.0510%	31-Mar-18	30-Jun-18
JP Morgan	10,000,000	3-months LIBOR	3.1610%	30-Jun-18	30-Sep-18
JP Morgan	10,000,000	3-months LIBOR	3.2810%	30-Sep-18	31-Dec-18
JP Morgan	20,000,000	3-months LIBOR	1.8035%	31-Mar-16	31-Dec-19
Citi Bank	40,000,000	3-months LIBOR	1.2240%	31-Mar-16	31-Dec-20

In July 2014, in consideration for the Company's purchase of Leadcom, the Company is 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 2016. As of March 31, 2016 and March 31, 2015, $3.7 million and $7.3 million of this obligations was outstanding, respectively.

NOTE 7—RESTRUCTURING CHARGE

During the year ended March 31, 2016, the Company implemented an integration and restructuring plan encompassing various entities within the Americas, Europe, and Middle East regions. It recorded restructuring charges totaling $2.2 million as a result of staff reductions and excess office space.

A reconciliation of the restructuring activities for the periods ended March 31 is as follows:

	Severance	Facilities and Other Non-Headcount Related Items	Total
		($ In thousands)	
Accrued restructuring as of December 31, 2014	**-**	**574**	**574**
Restructuring charge	**2**	**-**	**2**
Charges against the provision:			
Payments for excess office space, net of sublease income	**-**	**(50)**	**(50)**
Payments for severance	**(2)**	**-**	**(2)**
Other	**43**	**-**	**43**
Accrued restructuring as of March 31, 2015	**43**	**524**	**567**
Restructuring charge	**1,970**	**206**	**2,176**
Charges against the provision:			
Payments for excess office space, net of sublease income	**-**	**(362)**	**(362)**
Payments for severance	**(999)**	**-**	**(999)**
Other	**2**	**-**	**2**
Accrued restructuring as of March 31, 2016	**1,016**	**368**	**1,384**

At March 31, 2016 and 2015, the accrued restructuring was classified as follows:

	March 31,	
	2016	2015
	($ In thousands)	
Accrued restructuring, current	**1,253**	214
Accrued restructuring, noncurrent	**131**	353
	1,384	567

NOTE 8—INCOME TAXES

As a result of Tech Mahindra Acquisition 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 joined the group consolidated federal income tax return with Tech Mahindra (Americas), Inc. starting the 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 December 31, 2011 to March 31, 2015. In addition, the Company is currently open to audit under the statute of limitations in various foreign jurisdictions for the tax years between 2007 and 2014.

The provision for income taxes for the year ended March 31, 2016 and three months ended March 31, 2015 consisted of the following:

	2016	2015
	($ In thousands)	
Current:		
Federal	**(15,125)**	-
State and local	**(1,346)**	44
Foreign	**8,304**	2,631
	(8,167)	2,675
Deferred:		
Federal	**-**	-
State and local	**-**	-
Foreign	**(582)**	(1,473)
	(582)	(1,473)
Total	**(8,749)**	1,202

Deferred income taxes, net includes the following components as of March 31, 2016 and March 31, 2015:

	2016	2015
	($ In thousands)	
Gross deferred tax assets	**25,943**	40,825
Less: valuation allowance	**(21,908)**	(36,087)
Deferred tax assets, net of valuation allowance	**4,035**	4,738
Gross deferred tax liabilities	**(8,001)**	(9,161)
Net deferred tax (liabilities) assets	**(3,966)**	(4,423)

Based on the Company's financial results for the year ended March 31, 2016 and the three months ended March 31, 2015, projected future taxable income and tax planning strategies The Company's deferred tax assets are primarily comprised of net operating losses of $16.3 and $25.3 million at March 31, 2016 and March 31, 2015, respectively. The Company's deferred tax liabilities are primarily related to intangible assets recorded in 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% shareholder) as a result of the acquisition by Tech Mahindra (Americas), Inc.

The Company has U.S. operating loss carry-forwards of $75.6 million as of March 31, 2016 which expire beginning in 2029. Of this amount, $56.7 million will be expiring before utilization under Sec 382 limitation. The Company also has $28.5 million of foreign net operating loss carry-forwards, some of which expire beginning in 2023 and some of which can be carried forward indefinitely, subject to certain restrictions. In addition, the Company had foreign tax credit carry-forwards of $1.1 million for foreign tax purposes that do not expire.

Foreign income tax expense is generated from business conducted in countries where the Company has subsidiaries or has established branch offices or has performed significant services that constitute a "permanent establishment" for tax reporting purposes. Foreign income tax also includes withholding tax on projects in countries where the Company does not have a registered presence.

The Company has made no provision for deferred U.S. income taxes or additional foreign taxes on any unremitted earnings of its controlled foreign subsidiaries because the Company considers these earnings to be permanently reinvested.

In determining the income tax valuation allowances, management considers whether it is likely that some portion of the deferred tax assets will be realized. Based on the Company's financial results for the year ended March 31, 2016 and the three months ended March 31, 2015, projected future taxable income and tax planning strategies, the Company decreased its valuation allowance on foreign and domestic net operating loss carry-forwards and other deferred tax assets by $14.2 million and $3.9 million during the years ended March 31, 2016 and the three months ended March 31, 2015, respectively.

The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods when the benefit remains available and in those countries where the tax assets can be used.

NOTE 9—OTHER CURRENT LIABILITIES AND ACCRUED EXPENSES

At March 31, 2016 and 2015, other current liabilities consisted of the following:

	March 31,	
	2016	2015
	($ In thousands)	
Lease liability, current portion	**2,808**	1,550
Other	**634**	377
Other current liabilities	**3,442**	**1,927**

NOTE 10—HEALTH AND RETIREMENT PLANS

The Company has a defined contribution profit sharing plan under Section 401(k) of the Internal Revenue Code that provides for voluntary employee contributions of up to 60% of compensation for the Company's US employees. After six months of employment, the Company makes a matching contribution of 25 cents for every dollar of an employee's contribution up to 6.0% of each employee's compensation. The Company's contributions and other expenses associated with the plan for the year ended March 31, 2016 and three months ended March 31, 2015 were approximately $0.2 million and $0.1 million, respectively.

The Company's foreign subsidiaries have various pension plans under local tax and labor laws. In most countries, the Company is obligated to make contributions to these plans and those contributions vary by country. Contributions and other expenses related to these plans were approximately $2.9 million and $0.6 million for the year ended March 31, 2016 and three months ended March 31, 2015, respectively.

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 also carries reinsurance coverage for claims in excess of $0.2 million per participant, per plan year. It also carries aggregate reinsurance capped at approximately $41.2 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, 2016, the Company entered into 2 separate loan agreements with Tech Mahindra (Americas) Inc. As of March 31, 2016, each facility was fully utilized at $10.0 million each (see Note 6 - Borrowings) and total accrued interest on the notes was $0.2 million.

As of March 31, 2016, the Company had net receivables from Tech Mahindra (Americas) Inc. of $15.8 million, net payables to Tech Mahindra Limited of $0.4 million, and net payables to Satyam Computer Services de Mexico of $0.05 million.

NOTE 12—INVESTMENTS IN OTHER ENTITIES

In July 2014, the Company obtained a 49% interest in SARL Djazatech ("Djazatech"), an Algerian based holding company, holding a 100% interest of the shares of "LCC UK Algerie", an Algeria based operating telecommunications services company. Consideration for the equity interest consisted of cash consideration of $0.7 million, of which $0.3 million was paid in 2014 and $0.4 million was paid in 2015.

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, 2016 and 2015 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, 2016 or March 31, 2015.

The Company accounts for this investment under the equity method and recognizes its 49% share of Djazatech's profits and losses. An equity gain of $0.42 million was recorded during the year ended March 31, 2016. An equity loss of $0.02 million was recorded during the three months ended March 31, 2015. The Company advanced $0.5 million and $0.5 million during the year ended March 31, 2016 and the three months ended March 31, 2015, respectively for working capital needs, which is recorded as an increase in the investment balances.

NOTE 13—COMMITMENTS AND CONTINGENCIES

Operating Leases

The Company leases office facilities, warehouses, vehicles and certain equipment under non-cancelable operating leases expiring on various dates over the next eight years. The lease agreements include renewal options and provisions for rental escalations and require the Company to pay for executory costs such as taxes and insurance. Some of the lease agreements also allow the Company to elect an early out provision by giving notice and paying certain lease termination penalties. Benefits associated with a rent abatement period and certain lease incentives or office facilities are reflected ratably over the period of the lease. For leases that have been terminated, the applicable portion of the benefit has been offset against the lease termination penalty.

Future minimum rental payments and receivables under non-cancelable operating leases, excluding executory costs as of March 31, 2016 are as follows:

	Rental Payable	Rental Receivables Under Subleases
	($ In thousands)	
2017	**7,631**	**1,005**
2018	**4,945**	**291**
2019	**3,057**	**-**
2020	**1,755**	**-**
2021	**1,305**	**-**
Thereafter	**6,961**	**-**
	25,654	1,296

Rent expense under operating leases was approximately $15.2 million and $3.5 million for the year ended March 31, 2016 and three months ended March 31, 2015, respectively.

Capital Leases

The Company leases office equipment, tools, and cars under non-cancelable capital leases expiring on various dates over the next five years.

Future obligations under capital leases commencing on April 1, 2016, are as follows:

	Minimum Lease Payments
	($ In thousands)
2017	**3,289**
2018	**1,958**
2019	**454**
2020	**18**
2021	**5**
Thereafter	**-**
	5,724
Less: Amount representing interest	**(657)**
	5,067

Legal Proceedings

The Company is a party to various litigation matters and claims that are normal in the course of operations and while the results of such litigation matters and claims cannot be predicted with certainty, the Company believes that it is not reasonably possible that the final outcome of such matters will have a material adverse impact on the consolidated financial position, results of operations or cash flows of the Company.

NOTE 14—GEOGRAPHIC INFORMATION

Revenues for the year ended March 31, 2016 and three months ended March 31, 2015 and long-lived assets as of March 31, 2016 and 2015 attributed to geographic areas for the Company's operations based on the location of the Company's customers are as follows:

	NETWORK SERVICES			**IT SERVICES**	**2016**
Year ended March 31,	**2016 Americas**	**2016 EMEA**	**2016 Total**	**2016 Israel**	**GRAND TOTAL**
			($ In thousands)		
Revenues:					
From external customers	**118,858**	**264,778**	**383,636**	**28,949**	**412,585**
Inter-segment revenues	**-**	**-**	**-**	**-**	**-**
Total revenues	**118,858**	**264,778**	**383,636**	**28,949**	**412,585**
Total long-lived assets	**28,143**	**29,631**	**57,774**	**7**	**57,781**

	NETWORK SERVICES			IT SERVICES	2015
Three months ended March 31,	2015 Americas	2015 EMEA	2015 Total	2015 Israel	GRAND TOTAL
			($ In thousands)		
Revenues:					
From external customers	28,413	69,624	98,037	-	98,037
Inter-segment revenues	-	-	-	-	-
Total revenues	28,413	69,624	98,037	-	98,037
Total long-lived assets	34,575	27,313	61,888	-	61,888

NOTE 15—SUBSEQUENT EVENTS

The Company evaluated its financial statements for subsequent events through May 5, 2016, 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 LTD

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:
Alexander Dembitz (Chairman)
Vikram Narayanan Nair (appointed on 13 March 2015)
Rohit Gandhi (appointed on 13 March 2015, resigned on 11 February 2016)
Jaiye Randle (resigned on 17 August 2015)
Vivek Satish Agarwal (appointed on 13 March 2015, resigned on 26 March 2015)
Stefan Gsell (resigned on 13 March 2015)
Ernst Hennche (resigned on 13 March 2015)
Kamel Lazaar (resigned on 13 March 2015)
Alain Maulet (resigned on 13 March 2015)
Frixos Savvides (resigned on 13 March 2015)
Stavros Stavrou (resigned on 13 March 2015)
Matthias Stiefel (resigned on 13 March 2015)
Alexander Swoboda (resigned on 13 March 2015)
Yeoh Guan Teik (resigned on 13 March 2015)
Anthony Ward (resigned on 13 March 2015)
Victor Claude Messulam (resigned on 13 March 2015)
Urs Ernst Tanner (resigned on 13 March 2015)

Company Secretary:
Hive Management Services Ltd

Independent Auditors:
PKF Savvides & Co Limited
Certified Public Accountants and Registered Auditors

Registered office:
229, Arch. Makarios III Ave. Meliza Court, 4th floor
3105, Limassol
Cyprus

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors presents its report and audited consolidated financial statements of the Company and its subsidiaries (together with the Company, the "Group") for the period from 1 January 2015 to 31 March 2016.

Incorporation

The Company, SOFGEN Holdings Ltd, was incorporated in Cyprus on 27 May 2008 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113.

Principal activity

The principal activity of the Group, which is unchanged from last year, is the provision of banking IT consulting services.

Change in accounting period

The Group has changed its accounting period from 31 December to 31 March. This was done so that the financial statements of the Group will be aligned with that of its parent company, which prepares consolidated financial statements.

Review of current position, future developments and significant risks

The Group's development to date, financial results and position as presented in the consolidated financial statements are not considered satisfactory and the Board of Directors is making an effort to reduce the Group's losses.

The main risks and uncertainties faced by the Group and the steps taken to manage these risks, are described in note 3 of the consolidated financial statements.

Results

The Group's results for the period are set out on page 6. The net loss for the period is carried forward.

Share capital

There were no changes in the share capital of the Company during the period under review.

Board of Directors

The members of the Company's Board of Directors as at 31 March 2016 and at the date of this report are presented on page 1.

In accordance with the Company's Articles of Association all Directors presently members of the Board continue in office.

There were no significant changes in the assignment of responsibilities of the Board of Directors.

Events after the reporting period

Any significant events that occurred after the end of the reporting period are described in note 32 to the consolidated financial statements.

Related party transactions

Disclosed in note 28 of the consolidated financial statements.

Independent Auditors

The Independent Auditors, PKF Savvides & Co Limited, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,

Hive Management Services Ltd
Secretary
Limassol,

INDEPENDENT AUDITOR'S REPORT

To the Members of SOFGEN Holdings Ltd

Report on the consolidated financial statements

We have audited the consolidated financial statements of SOFGEN Holdings Ltd (the "Company") and its subsidiaries (together with the Company, the "Group") on pages herein which comprise the consolidated statement of financial position as at 31 March 2016, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the period from 1 January 2015 to 31 March 2016, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the consolidated financial statements

The Board of Directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation 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 audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, 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 give a true and fair view of the financial position of the Group as at 31 March 2016, and of its financial performance and its cash flows for the period from 1 January 2015 to 31 March 2016 in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Report on other legal requirements

Pursuant to the additional requirements of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 and 2013, we report the following:

- We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of these books.
- The consolidated financial statements are in agreement with the books of account.
- In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Cyprus Companies Law, Cap. 113, in the manner so required.
- In our opinion, the information given in the report of the Board of Directors is consistent with the consolidated financial statements.

Other matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 34 of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 and 2013 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

Stavros Stavrou
Certified Public Accountant and Registered Auditor
for and on behalf of
PKF Savvides & Co Limited
Certified Public Accountants and Registered Auditors
Limassol,

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

31 March 2016

	Note	**01/01/2015-31/03/2016 US$**	2014 US$ As restated
Revenue	7	**53.909.161**	44.599.900
Cost of sales	8	**(50.820.390)**	(40.013.975)
Gross profit		**3.088.771**	4.585.925
Selling and distribution expenses		**(170.025)**	(104.745)
Administration expenses		**(5.102.944)**	(4.453.551)
Other expenses	9	**(1.127.115)**	-
Operating (loss)/profit	10	**(3.311.313)**	27.629
Net finance (costs)/income	11	**(713.792)**	465.727
(Loss)/profit before tax		**(4.025.105)**	493.356
Tax	12	**(698.359)**	(830.856)
Net loss for the period/year		**(4.723.464)**	(337.500)
Other comprehensive income		**-**	-
Total comprehensive income for the period/year		**(4.723.464)**	(337.500)

The notes on pages herein form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2016

	Note	31/03/2016 US$	2014 US$ As restated
ASSETS			
Non-current assets			
Property, plant and equipment	13	**230.924**	275.939
Intangible assets	14	**3.979.941**	4.026.597
Available-for-sale financial assets	15	**63.015**	91.723
Deferred tax assets	24	**746.455**	440.615
		5.020.335	4.834.874
Current assets			
Inventories and work in progress	16	**4.319.654**	4.186.204
Trade and other receivables	17	**11.534.865**	9.746.661
Other investments	18	**-**	15.414
Cash at bank and in hand	19	**4.766.535**	3.233.442
		20.621.054	17.181.721
Total assets		**25,641.389**	22.016.595
EQUITY AND LIABILITIES			
Equity			
Share capital	20	**1.556.552**	1.556.552
Share premium		**7.521.610**	7.521.610
Other reserves	21	**(1.354.743)**	(786.121)
Accumulated losses		**(9.972.821)**	(5.249.357)
		(2.249.402)	3.042.684
Advances from shareholders	22	**3.527.388**	-
Total equity		**1.277.986**	3.042.684
Non-current liabilities			
Borrowings	23	**254.977**	4.365.812
		254.977	4.365.812
Current liabilities			
Trade and other payables	25	**7.746.662**	8.984.328
Deferred income	26	**1.795.257**	1.833.012
Borrowings	23	**13.354.130**	3.264.573
Current tax liabilities	27	**1.212.377**	526.186
		24.108.426	14.608.099
Total liabilities		**24.363.403**	18.973.911
Total equity and liabilities		**25.641.389**	22.016.595

On the Board of Directors of SOFGEN Holdings Ltd authorised these consolidated financial statements for issue.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

31 March 2016

	Note	Share capital	Share premium	Advances from shareholders	General revenue reserve	Reserve for own shares	Translation reserve	Accumulated losses	Total
		US$	US$	US$	US$	US$	US$	US$	US$
Balance at 1 January 2014 as previously reported		**1.530.455**	**7.033.585**	**-**	**703.225**	**(69.229)**	**(134.605)**	**(254.243)**	**8.809.188**
Change in accounting policy for software development costs	6	-	-	-	-	-	(573.976)	(4.570.691)	(5.144.667)
Balance at 1 January 2014		**1.530.455**	**7.033.585**	**-**	**703.225**	**(69.229)**	**(708.581)**	**(4.824.934)**	**3.664.521**
Comprehensive income									
Net loss for the year		-	-	-	-	-	-	**(337.500)**	**(337.500)**
Other comprehensive income									
Exchange difference arising on the translation and consolidation of foreign companies' financial statements		-	-	-	-	-	**(798.459)**	-	**(798.459)**
Transactions with owners									
Issue of share capital	**20**	**26.097**	**488.025**	-	-	-	-	-	**514.122**
Sale of own shares		-	-	-	-	69.229	6.576	(75.805)	-
Other movements									
Transfer between reserves		-	-	-	11.118	-	-	(11.118)	-
Balance at 31 December 2014/ 1 January 2015		**1.556.552**	**7.521.610**	**-**	**714.343**	**-**	**(1.500.464)**	**(5.249.357)**	**3.042.684**
Comprehensive income									
Net loss for the period		-	-	-	-	-	-	(4.723.464)	(4.723.464)
Other comprehensive income									
Exchange difference arising on the translation and consolidation of foreign companies' financial statements		-	-	-	-	-	(568.622)	-	(568.622)
Transactions with owners									
Advances from shareholder		-	-	3.527.388	-	-	-	-	3.527.388
Balance at 31 March 2016		**1.556.552**	**7.521.610**	**3.527.388**	**714.343**	**-**	**(2.069.086)**	**(9.972.821)**	**1.277.986**

The notes on pages herein form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

31 March 2016

	Note	**01/01/2015-31/03/2016 US$**	2014 US$ As restated
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit before tax		**(4.025.105)**	493.356
Adjustments for:			
Depreciation of property, plant and equipment	13	**179.089**	208.171
Exchange difference arising on the translation and consolidation of foreign companies' financial statements		**(533.717)**	(787.678)
Amortisation of computer software	14	**655.563**	34.730
Amortisation of goodwill	14	**30.936**	-
Amortisation of software development costs	14	**-**	24.257
Impairment charge - available-for-sale financial assets	15	**-**	105.056
Interest income	11	**(141.726)**	(17.207)
Interest expense	11	**282.213**	297.426
		(3.552.747)	358.111
Changes in working capital:			
Increase in inventories		**(133.450)**	(2.346.652)
(Increase)/decrease in trade and other receivables		**(2.413.204)**	1.493.959
(Decrease)/increase in trade and other payables		**(1.237.666)**	967.659
Decrease in deferred income		**(37.755)**	(526.459)
Cash used in operations		**(7.374.822)**	(53.382)
Tax paid		**(318.008)**	(457.930)
Net cash used in operating activities		**(7.692.830)**	(511.312)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of intangible assets	14	**(189.700)**	(41.864)
Payment for purchase of property, plant and equipment	13	**(132.728)**	(204.198)
Payment for purchase of available-for-sale financial assets		**-**	(37.270)
Proceeds from disposal of intangible assets		**165.439**	-
Proceeds from disposal of property, plant and equipment		**1.875**	-
Change in other investments		**15.414**	126.862
Interest received		**141.726**	17.207
Net cash generated from/(used in) investing activities		**2.026**	(139.263)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		**-**	514.122
Advances from shareholders		**3.527.388**	(509.845)
Repayments of borrowings		**(841.064)**	-
Proceeds from borrowings		**-**	2.208.153
Interest paid		**(282.213)**	(297.426)
Net cash generated from financing activities		**2.404.111**	1.915.004
Net (decrease)/increase in cash and cash equivalents		**(5.286.693)**	1.264.429
Cash and cash equivalents at beginning of the period/year		**2.138.664**	874.235
Cash and cash equivalents at end of the period/year		**(3.148.029)**	2.138.664

The cash and cash equivalents include the following:

	31/03/2016 US$	2014 US$
Cash at bank and in hand (Note 19)	**4.766.535**	3.233.442
Bank overdrafts (Note 23)	**(7.914.564)**	(1.094.778)
	(3.148.029)	2.138.664

The notes on pages herein form an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 MARCH 2016

1. Incorporation and principal activities

Country of incorporation

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.

Principal activity

The principal activity of the Group, which is unchanged from last year, is the provision of banking IT consulting services.

2. Significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below These policies have been consistently applied to all years presented in these consolidated financial statements unless otherwise stated.

Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap.113. These consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of available-for-sale financial assets.

Adoption of new and revised IFRSs

During the current period the Group adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2015. This adoption did not have a material effect on the accounting policies of the Group.

At the date of approval of these consolidated financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the consolidated financial statements of the Group.

Basis of consolidation

The Group consolidated financial statements comprise the financial statements of the parent company SOFGEN Holdings Ltd and the financial statements of the following subsidiaries:

Basis of consolidation (continued)

SOFGEN SA- Bahamas

SOFGEN SA - Switzerland

SOFGEN Services PTE. Ltd - Singapore

SOFGEN India PVT Ltd - India

SOFGEN SON BHD - Malaysia

SOFGEN (UK) Ltd - United Kingdom

SOFGEN SRL - Romania

SOFGEN Ltd - Cyprus

SOFGEN Services Ltd - Cyprus

SOFGEN Americas Inc. - United States

SOFGEN Holdings Ltd - Philippine Branch

SOFGEN Africa Ltd - Kenya

SOFGEN SaveTax SA - Switzerland

SOFGEN Consulting AG - Switzerland

SOFGEN Ireland Ltd - Ireland

SOFGEN West Africa Ltd - Kenya

SOFGEN Luxembourg S.A R.L. - Luxembourg

SOFGEN Australia PTY Ltd - Australia

The financial statements of all the Group companies are prepared using uniform accounting policies. All intercompany transactions and balances between Group companies have been eliminated during consolidation.

Sofgen Ltd - Cyprus has been struck off during the period under review.

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 the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-based Payment at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

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. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds 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 interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Business combinations that took place prior to 1 January 2010 were accounted for in accordance with the previous version of IFRS 3.

Goodwill on consolidation

Goodwill on consolidation represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired undertaking at the date of acquisition. Goodwill on consolidation on acquisition of subsidiaries is included in "intangible assets". Goodwill on consolidation on acquisitions of associates is included in "Investments in associates". Goodwill on acquisitions of investments in joint ventures is included in "investments in joint ventures".

Goodwill on consolidation is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an undertaking include the carrying amount of goodwill relating to the undertaking sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

Any excess of the interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost is recognised immediately in profit or loss.

Segmental reporting

The Group is organised by business segments and this is the primary format for segmental reporting. Each business segment provides products or services which are subject to risks and returns that are different from those of other business segments. The Group's operations are analysed by geographical segment.

Revenue recognition

Revenue comprises the invoiced amount for the sale of goods and services net of Value Added Tax, rebates and discounts. Revenues earned by the Group are recognised on the following bases:

- **Rendering of services / Service fees**

  Service fees are recognised in the accounting period in which the services are rendered in terms of the contract with the customers. Wherever the contract is based on time spent, the revenue is recognized by reference to the time spent on a specific client by an employee of the company multiplied by the agreed rate per manday. Wherever the contract is based on milestones, revenue is recognized based on percentage of completion of project.

- **Licence fees**

  Licence fees are recognised at the signature of the contract.

- **Maintenance fees**

  Maintenance fees are recognised on the basis of the contact's period.

- **Travel and expenses income**

  Travel and expenses incurred by the Company for servicing a client are recharged to the client on a monthly basis to the extent of the amounts agreed upon in the mandate agreement signed with a client. Such income is included in service fees.

Retirement benefit costs

Pension obligations

Some of the companies of the Group operate pension schemes either mandatory as per applicable law and some on a voluntary basis.

Bonus plans

Bonus plans, for consultants and administrative staff, are dependent on the profitability of the Group as a whole. For consultants, the profitability of the individual projects they have worked on is also taken into account. Under no means are bonus payments an obligation for the Group.

Finance income

Interest income is recognised on an accruals basis.

Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred.

Foreign currency translation

(1) Functional and presentation currency Items included in the Group's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in United States Dollars (US$), which is the Group's functional and presentation currency.

(2) Translation from functional to presentation currency The results and financial position of the Group are translated into the presentation currency as follows:

(i) assets and liabilities for each consolidated statement of financial position presented are translated at the closing rate at the reporting date;

(ii) income and expenses for each consolidated statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

(iii) all resulting exchange differences are recognised as a separate component of equity as a cumulative translation reserve.

(3) 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 such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Translation differences on available-for-sale financial assets are recognised in other comprehensive income and then included in the fair value reserve in equity. Translation differences on available-for-sale debt securities are recognised in profit or loss.

Tax

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

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

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 the deferred taxes relate to the same fiscal authority.

Dividends

Dividend distribution to the Group's shareholders is recognised in the Group's financial statements in the year in which they are approved by the Group's shareholders.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on the straight-line method so as to write off the cost of each asset to its residual value over its estimated useful life. The annual depreciation rates used are as follows:

Leasehold improvements	33 1/3
Furniture, fixtures and office equipment	10-40
Computer hardware	30 - 40

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down immediately to its recoverable amount.

Expenditure for repairs and maintenance of property, plant and equipment is charged to profit or loss of the year in which it is incurred. The cost of major renovations and other subsequent expenditure are included in 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 Group. Major renovations are depreciated over the remaining useful life of the related asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Deferred income

Deferred income represents income receipts which relate to future periods.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is 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 is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from the Group's e-business development is recognised only if all of the following conditions are met:

- an asset is created that can be identified (such as software and new processes);
- it is probable that the asset created will generate future economic benefits; and
- the development cost of the asset can be measured reliably.

Internally-generated intangible assets are amortised on a straight-line basis over their estimated useful lives. Where no internally-generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Computer software

Costs that are directly associated with identifiable and unique computer software products controlled by the Group and that will probably generate economic benefits exceeding costs beyond one year are recognised as intangible assets. Subsequently computer software is carried at cost less any accumulated amortisation and any accumulated impairment losses. Expenditure which enhances or extends the performance of computer software programs beyond their original specifications is recognised as a capital improvement and added to the original cost of the computer software. Costs associated with maintenance of computer software programs are recognised as an expense when incurred. Computer software costs are amortised using the straight-line method over their useful lives, not exceeding a period of five years. Amortisation commences when the computer software is available for use.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Operating leases

Leases where 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 are charged to profit or loss on a straight-line basis over the period of the lease.

Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Financial instruments

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

Trade receivables

Trade receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Financial assets

(1) <u>Classification</u>

The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

- <u>Available-for-sale financial assets</u>

  Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets, unless management intends to dispose of the investment within twelve months of the reporting date.

(2) Recognition and measurement

Regular way purchases and sales of financial assets are recognised on trade-date which is the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are presented in profit or loss in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the profit or loss when the Group's right to receive payments is established.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis, making maximum use of market inputs and relying as little as possible on entity specific inputs. Equity investments for which fair values cannot be measured reliably are recognised at cost less impairment.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognised in profit or loss, while translation differences on non-monetary securities are recognised in other comprehensive income. Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in other comprehensive income are included in profit or loss as gains and losses on available-for-sale financial assets.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the profit or loss. Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established.

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets the cumulative loss which is measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss, is removed from equity and 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.

In respect of available for sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available for sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand, deposits held at call with banks and bank overdrafts. In the consolidated statement of financial position, bank overdrafts are included in borrowings in current liabilities.

Borrowings

Borrowings are recorded initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Trade payables

Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through1 arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal 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. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the consolidated statement of financial position.

Work in progress

Work in progress is stated at cost plus any attributable profit less any foreseeable losses and less amounts received or receivable as progress payments. The cost of work in progress includes labour and direct expenses plus attributable overheads based on a normal level of activity.

Share capital

Ordinary shares, option shares and Class A shares are classified as equity. The difference between the fair value of the consideration received by the Company and the nominal value of the share capital being issued is taken to the share premium account.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Non-current liabilities

Non-current liabilities represent amounts that are due more than twelve months from the reporting date.

Comparatives

The Group has changed its accounting period from 31 December to 31 March. This was done so that the financial statements of the Group will be aligned with that of its parent company, which prepares consolidated financial statements. Due to this change, the comparative figures are not comparable to the current year's results. The comparative figures relate to period 1 January 2014 to 31 December 2014, whereas the current year results relate to the period 1 January 2015 to 31 March 2016.

3. Financial risk management

Financial risk factors

The Group is exposed to interest rate risk, credit risk, liquidity risk, currency risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Group to manage these risks are discussed below:

3.1 Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

3.2 Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables.

3.3 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Group has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

3.4 Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Group's measurement currency. The Group is exposed to foreign exchange risk arising from various currency exposures. The Group's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

3.5 Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from last year.

Fair value estimation

The fair values of the Group's financial assets and liabilities approximate their carrying amounts at the reporting date.

4. Critical accounting estimates and judgements

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Group's accounting policies. It also requires the use of 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. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Estimates and judgements 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.

The estimates and assumptions 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:

- **Work in progress**

Work in progress is stated at cost plus any attributable profit less any foreseeable losses and less amounts received or receivable as progress payments. The cost of work in progress includes materials, labour and direct expenses plus attributable overheads based on a normal level of activity. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date.

- **Income taxes**

Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

- **Fair value of financial assets**

  The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date. The fair value of the financial assets available for sale has been estimated based on the fair value of these individual assets.

- **Impairment of available-for-sale financial assets**

  The Group follows the guidance of IAS 39 in determining when an investment is other-than-temporarily impaired. This determination requires significant judgment. In making this judgment, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost and the financial health and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

- **Impairment of intangible asset**

  Intangible assets are initially recorded at acquisition cost and are amortized on a straight line basis over their useful economic life. Intangible assets that are acquired through a business combination are initially recorded at fair value at the date of acquisition. Intangible assets with indefinite useful life are reviewed for impairment at least once per year. The impairment test is performed using the discounted cash flows expected to be generated through the use of the intangible assets, using a discount rate that reflects the current market estimations and the risks associated with the asset. When it is impractical to estimate the recoverable amount of an asset, the Group estimates the recoverable amount of the cash generating unit in which the asset belongs to.

- **Valuation of non-listed investments**

  The Group uses various valuation methods to value non-listed investments. These methods are based on assumptions made by the Board of Directors which are based on market information at the reporting date.

- **Impairment of goodwill**

  Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units of the Group on which the goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating units using a suitable discount rate in order to calculate present value.

5. Segmental analysis

01/01/2015-31/03/2016	**Europe**	**America**	**Asia**	**Middle East**	**Africa**	**Australia**	**Total**
	US$	**US$**	**US$**	**US$**	**US$**	**US$**	**US$**
Turnover Licence fees	**1.375.134**	**1.532**	**239.577**	**-**	**552.918**	**-**	**2.169.161**
Maintenance fees	**1.911.270**	**80.529**	**85.115**	**-**	**339.974**	**-**	**2.416.888**
Service fees	**15.698.120**	**8.072.378**	**18.098.990**	**1.148.909**	**5.626.437**	**678.278**	**49.323.112**
	18.984.524	**8.154.439**	**18.423.682**	**1.148.909**	**6.519.329**	**678.278**	**53.909.161**
Assets & Liabilities	**14.235.243**	**2.372.941**	**7.225.574**	**-**	**526.490**	**-**	**24.360.248**
Segment Assets							
Segment Liabilities	**20.432.147**	**537.866**	**2.067.054**	**-**	**189.204**	**-**	**23.226.271**

2014	**Europe**	**America**	**Asia**	**Middle East**	**Africa**	**Australia**	**Total**
	US$	**US$**	**US$**	**US$**	**US$**	**US$**	**US$**
Turnover Licence fees	1.904.558	49.819	203.643	-	480.037	-	2.638.057
Maintenance fees	1.506.481	53.258	53.905	-	247.021	-	1.860.665
Service fees	18.259.132	3.850.177	11.551.077	2.094.429	3.981.195	365.168	40.101.178
	21.670.171	3.953.254	11.808.625	2.094.429	4.708.253	365.168	44.599.900
Assets & Liabilities							
Segment Assets - as restated	12.614.965	1.845.632	4.918.176	429.019	2.187.043	21.760	22.016.595
Segment Liabilities	16.408.208	689.686	1.415.227	30.515	393.383	36.892	18.973.911

6. Change in accounting policy

Since 1 January 2015, a new interpretation of the software development costs recognized as intangible asset is applied in connection with the development of SaveTax© Software which is performed by the Company.

Accounting policy before 1 January 2015

An average of 55% of direct personnel costs, not including administrative employees, is carried as intangible asset. The SaveTax© Software development costs recognized as assets are amortized during the third and the forth year at a 50% rate.

Accounting policy after 1 January 2015

The software development costs are not recognized as intangible asset.

The effect of this change in accounting policy is as follows:

	As previously reported US$	Effect US$	As restated US$
1 January 2014			
Intangible assets	**9.179.996**	**(5.144.667)**	**4.035.329**
Others	**17.999.759**	**-**	**17.999.759**
Total assets	**27.179.755**	**(5.144.667)**	**22.035.088**
Others	**17.860.724**	**-**	**17.860.724**
Total liabilities	**17.860.724**	**-**	**17.860.724**
Accumulated losses	**(254.243)**	**(4.570.691)**	**(4.824.934)**
Translation reserve	**(134.605)**	**(573.976)**	**(708.581)**
Others	**9.707.881**	**-**	**9.707.881**
Total equity	**9.319.033**	**(5.144.667)**	**4.174.366**
31 December 2014			
Intangible assets	**9.465.840**	**(5.439.243)**	**4.026.597**
Others	**17.989.998**	**-**	**17.989.998**
Total assets	**27.455.838**	**(5.439.243)**	**22.016.595**
Others	**18.973.911**	**-**	**18.973.911**
Total liabilities	**18.973.911**	**-**	**18.973.911**
Accumulated losses	**189.885**	**(5.439.243)**	**(5.249.358)**
Others	**8.292.042**	**-**	**8.292.042**
Total equity	**8.481.927**	**(5.439.243)**	**3.042.684**

7. Revenue

	01/01/2015-31/03/2016	2014
	US$	US$
Service fees	**49.323.112**	40.101.178
Maintenance fees	**2.416.888**	1.860.665
License fees	**2.169.161**	2.638.057
	53.909.161	44.599.900

8. Cost of sales

	01/01/2015-31/03/2016	2014
	US$	US$
		As restated
Staff costs	**45.187.552**	34.973.638
Services received	**1.462.392**	1.354.247
Travel and related expenses	**4.170.446**	3.686.090
	50.820.390	40.013.975

9. Other expenses

	01/01/2015-31/03/2016	2014
	US$	US$
Net defined pension fund liabilities	**1.127.115**	-
	1.127.115	-

The measurement of the net defined pension fund liability in the three Swiss companies was performed as at 31 December 2014 and no such measurement was performed as at 31 March 2016. As the result of this calculation was not known at the prior year closing date, the cost impacts this current period statement of profit or loss, for the amount resulting from the 31 December 2014 measurement.

10. Operating (loss)/profit

	01/01/2015-31/03/2016	2014 As restated
	US$	US$
Operating (loss)/profit is stated after charging the following items:		
Amortisation of computer software (included in "Administration expenses") (Note 14)	**655.563**	34.730
Amortisation of goodwill (Note 14)	**30.936**	-
Amortisation of software development costs (Note 14)	**-**	24.257
Depreciation of property, plant and equipment (Note 13)	**179.089**	208.171
Directors' fees	**54.789**	177.931
Staff costs	**45.187.552**	34.973.638
Auditors' remuneration	**255.639**	233.655

11. Finance income/cost

	01/01/2015-31/03/2016	2014
	US$	US$
Interest income	**141.726**	17.207
Exchange profit	**-**	995.505
Finance income	**141.726**	1.012.712
Net foreign exchange transaction losses	**(53.359)**	-
Interest expense	**(282.213)**	(297.426)
Sundry finance expenses	**(519.946)**	(249.559)
Finance costs	**(855.518)**	(546.985)
Net finance (costs)/income	**(713.792)**	465.727

12. Tax

	01/01/2015-31/03/2016	2014
	US$	US$
Corporation tax - current period/year	674.782	711.245
Other taxes	-	90.151
Deferred tax - charge (Note 24)	23.577	29.460
Charge for the period/year	698.359	830.856

The corporation tax rates vary depending on the tax regime in which the group companies reside.

13. Property, plant and equipment

	Leasehold improvements	Furniture, fixtures and office equipment	Computer hardware	Total
	US$	US$	US$	US$
Cost				
Balance at 1 January 2014	228.225	313.267	1.183.620	1.725.112
Additions	55.220	56.076	92.902	204.198
Disposals	-	-	(161.952)	(161.952)
Exchange differences	(7.487)	(23.998)	(79.923)	(111.408)
Balance at 31 December 2014/ 1 January 2015	275.958	345.345	1.034.647	1.655.950
Additions	39.084	51.558	42.086	132.728
Disposals	-	(1.875)	-	(1.875)
Exchange differences	(14.665)	889	5.891	(7.885)
Balance at 31 March 2016	300.377	395.917	1.082.624	1.778.918
Depreciation				
Balance at 1 January 2014	169.229	266.935	1.028.777	1.464.941
Charge for the period	41.482	34.942	131.747	208.171
On disposals	-	-	(161.952)	(161.952)``
Exchange differences	(6.294)	(27.998)	(96.857)	(131.149)
Balance at 31 December 2014/ 1 January 2015	204.417	273.879	901.715	1.380.011
Charge for the period	39.108	47.388	92.593	179.089
Exchange differences	(8.919)	1.858	(4.045)	(11.106)
Balance at 31 March 2016	234.606	323.125	990.263	1.547.994
Net book amount				
Balance at 31 March 2016	65.771	72.792	92.361	230.924
Balance at 31 December 2014	71.541	71.466	132.932	275.939

14. Intangible assets

	Goodwill on consolidation	Computer software	Goodwill	Software development costs	Total
	US$	US$	US$	US$	US$
				As restated	As restated
Cost					
Balance at 1 January 2014	3.879.560	1.025.829	219.014	21.118	5.145.521
Additions	-	41.864	-	-	41.864
Exchange differences	-	(100.902)	-	(2.116)	(103.018)
Balance at 31 December 2014/ 1 January 2015	3.879.560	966.791	219.014	19.002	5.084.367
Additions	-	68.411	121.289	-	189.700
Disposals	-	(97.030)	(68.409)	-	(165.439)
Exchange differences	-	20.765	(13.832)	484	7.417
Reclassification from 'Other receivables'	-	625.000	-	-	625.000
Balance at 31 March 2016	3.879.560	1.583.937	258.062	19.486	5.741.045
Amortisation					
Balance at 1 January 2014	-	870.061	219.014	21.118	1.110.193
Amortisation for the year (Note 10)	-	34.730	-	24.257	58.987
Exchange differences	-	(85.037)	-	(26.373)	(111.410)
Balance at 31 December 2014/ 1 January 2015	-	819.754	219.014	19.002	1.057.770
Amortisation for the period (Note 10)	-	655.563	30.936	-	686.499
Exchange differences	-	8.239	8.112	484	16.835
Balance at 31 March 2016	-	1.483.556	258.062	19.486	1.761.104
Net book amount					
Balance at 31 March 2016	3.879.560	100.381	-	-	3.979.941
Balance at 31 December 2014	3.879.560	147.037	-	-	4.026.597

The amount of US$625.000, reclassified from 'Other receivables', forms part of the purchase price of the Asset Purchase Agreement of 2009 for the acquistion of HAI by Sofgen Americas Inc.

Management has reconsidered the global brand and the numder of years that have passed since the acquisition of the organization of HAI. They have decided that the intangible asset may not add much value to the business now and in the future. Therefore, the asset has been fully amortized as at 31 March 2016. Goodwill on consolidation represents the following:

a) The premium paid by SOFGEN SA - Switzerland on 1 July, 2010 to acquire 100% of the issued share capital of SOFGEN SaveTax SA - Switzerland and is measured at cost less any accumulated impairment losses.

b) The premium paid by SOFGEN SA - Switzerland on 1 September, 2012 to acquire 100% of the issued share capital of Solution Architects Group AG - Switzerland and is measured at cost less any accumulated impairment losses.

15. Available-for-sale financial assets

	2016	2015
	US$	US$
Balance at 1 January	**91.723**	180.654
Additions	**-**	37.270
Impairment charge	**-**	(105.056)
Exchange differences	**(28.708)**	(21.145)
Balance at 31 March/31 December	**63.015**	91.723
Less non-current portion	**(63.015)**	(91.723)
Current portion	**-**	-

Available-for-sale financial assets, comprising principally marketable equity securities, are fair valued annually at the close of business on 31 March. For investments traded in active markets, fair value is determined by reference to Stock Exchange quoted bid prices. For other investments, fair value is estimated by reference to the current market value of similar instruments or by reference to the discounted cash flows of the underlying assets. Equity investments for which fair values cannot be measured reliably are recognised at cost less impairment.

Available-for-sale financial assets are classified as non-current assets, unless they are expected to be realised within twelve months from the reporting date or unless they will need to be sold to raise operating capital.

The agreement reached between the Cyprus Goverment, the European Commission, the European Central Bank and the International Monetary Fund (togerher the "Troika") on 25 March 2013, included the restructuring of the financial and banking sectors in Cyprus. As a result of these decisions and the decrees of the Central Bank of Cyprus and the final measures for the recapitalization of Bank of Cyprus, 47,5% of the uninsured deposits (i.e in excess of €100.000) has been converted into shares of Bank of Cyprus.

16. Inventories and work in progress

	31/03/2016	2015
	US$	US$
Work in progress	**4.319.654**	4.186.204
	4.319.654	4.186.204

17. Trade and other receivables

	31/03/2016	2015
	US$	US$
Trade receivables	**9.274.229**	6.837.652
Less: Provision for impairment of receivables	**(593.496)**	**-**
Trade receivables - net	**8.680.733**	6.837.652
Receivables from related companies (Note 28.3)	**185.059**	-
Deposits and prepayments	**411.553**	415.562
Other receivables	**2.257.520**	2.493.447
	11.534.865	9.746.661

Movement in provision for impairment of receivables:

	2016	2015
	US$	US$
Balance at 1 January	**-**	-
Impairment losses recognised on receivables	**593.496**	-
Balance at 31 March/31 December	**593.496**	-

The fair values of trade and other receivables due within one year approximate to their carrying amounts as presented above.

The exposure of the Group to credit risk and impairment losses in relation to trade and other receivables is reported in note 3 of the consolidated financial statements.

18. Other investments

	2016 US$	2015 US$
Balance at 1 January	**15.414**	142.276
Transferred to bank current accounts on maturity	**(15.414)**	(126.862)
Balance at 31 March/31 December	**-**	15.414

Other investments represent 37,5% of the uninsured deposits in Bank of Cyprus, which were converted into three separate fixed-term deposits on 30 July 2013, with maturity periods of six, nine and twelve months, with the Bank of Cyprus having the discretion to renew them once for the same duration. Due to the long duration of these deposits (more than three months from the time of inception) they do not fulfill the requirements for classification as cash and cash equivalents and have been classified as other investments.

19. Cash at bank and in hand

	31/03/2016 US$	2014 US$
Cash at bank and in hand	**4.766.535**	3.233.442
	4.766.535	3.233.442

The exposure of the Group to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 3 of the consolidated financial statements.

The above amount includes cash balances of US$50.578 (SHS5.037.651) held by Chase Bank Kenya Ltd which were not withdrawn as at the date the bank was placed under receivership on 7 April 2016. As per the press release on 20 April 2016, the bank will be re-opened with depositors having immediate access to a maximum of SHS1m and details of deposits in excess of SHS1m to be released in the near future.

20. Share capital

	2016 Number of shares	2016 €	2015 Number of shares	2015 €
Authorised				
Ordinary shares of €1 each	**4.797.938**	**4.797.938**	4.797.938	4.797.938
Option shares of €0,01 each	**17.500.000**	**175.000**	17.500.000	175.000
Class A shares of €1 each	**27.062**	**27.062**	27.062	27.062
	22.325.000	**5.000.000**	22.325.000	5.000.000
		US$		US$
Issued and fully paid				
Balance at 1 January	**1.092.910**	**1.556.552**	1.073.806	1.530.455
Issue of shares	**-**	**-**	19.104	26.097
Balance at 31 March/31 December	**1.092.910**	**1.556.552**	1.092.910	1.556.552

21. Other reserves

Other reserves consist of share premium, general and special reserves in SOFGEN SA - Switzerland, reserve for own shares in SOFGEN Consulting AG and translation reserve.

As per the Swiss company law, a company must allocate a given percentage of its net profit and its dividend distribution to the general reserve until such reserve reaches at least 20%. Such reserve cannot be distributed before the liquidation of the Company.

The special reserve has been set up with previous years retained earnings of Sofgen SA - Switzerland. It may be distributed to the shareholders without limitation.

SOFGEN Consulting AG bought 10% of its own capital for an amount of CHF75.000. During 2014, these shares have been sold to SOFGEN SA - Switzerland.

Exchange differences relating to the translation of the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. United States Dollars) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal or partial disposal of the foreign operation.

22. Advances from shareholders

	2016	2015
	US$	US$
Balance at 1 January	**-**	509.845
Proceeds during the period /year	**3.527.388**	-
Issue of shares	**-**	(509.845)
Balance at 31 March/31 December	**3.527.388**	-

The advance from shareholders is made available to the Board of Directors for future increases of the share capital of the Company.

23. Borrowings

	31/03/2016	2014
	US$	US$
Current borrowings		
Bank overdrafts (Note 19)	**7.914.564**	1.094.778
Bank loans	**-**	169.803
Loans from related companies (Note 28.4)	**5.439.566**	-
Loans from shareholders (Note 28.5)	**-**	1.999.992
	13.354.130	3.264.573
Non-current borrowings		
Bank loans	**254.977**	2.817.915
Other loans	**-**	1.233.091
Loans from shareholders (Note 28.5)	**-**	314.806
	254.977	4.365.812
Total	**13.609.107**	7.630.385

Other loans represent the amount outstanding in SOFGEN SA - Switzerland for the purchase of Solution Architects Group AG on 1 September 2012 of CHF1.220.000. This amount formed part of the share purchase agreement with Tech Mahindra Ltd during 2015.

The bank loan represents the bank loan in the books of SOFGEN SA - Switzerland with a total of US$254.977 (CHF246.000) (2014: US$2.987.718 CHF2.956.000).

Bank overdrafts are secured as follows:

Bank current accounts of CHF111.868 (2014: CHF484.996) and trade receivables of CHF744.403 (2014: CHF209.901) are pledged in SOFGEN SA - Switzerland in favor of the banks.

The credit facility in Sofgen Holdings Ltd is available until 30 September 2016 and is secured by a stand-by letter of credit.

24. Deferred tax

Deferred tax is calculated in full on all temporary differences under the liability method using the applicable tax rates (Note 12).

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

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 the deferred taxes relate to the same fiscal authority.

The movement on the deferred taxation account is as follows:

Deferred tax assets

	Provisions
	US$
Balance at 1 January 2014	487.844
Charged/(credited) to:	
Statement of profit or loss and other comprehensive income (Note 12)	(29.460)
Exchange differences	(17.769)
Balance at 31 December 2014/ 1 January 2015	440.615
Charged/(credited) to:	
Statement of profit or loss and other comprehensive income (Note 12)	(23.577)
Exchange differences	329.417
Balance at 31 March 2016	746.455

25. Trade and other payables

	31/03/2016	2014
	US$	US$
Trade payables	1.189.740	2.869.980
Shareholders' current accounts - credit balances (Note 28.5)	-	24.519
Accruals	4.761.602	3.993.471
Other creditors	1.795.320	2.096.358
	7.746.662	8.984.328

26. Deferred income

	31/03/2016	2014
	US$	US$
Other deferred income	1.795.257	1.833.012
	1.795.257	1.833.012

27. Current tax liabilities

	31/03/2016	2014
	US$	US$
Corporation tax	1.212.377	526.186
	1.212.377	526.186

28. Related party transactions

The following transactions were carried out with related parties:

28.1 Sales of goods and services

	01/01/2015-31/03/2016	2014
	US$	US$
Tech Mahindra Limited	518.841	-
	518.841	-

28.2 Purchases of goods and services

	01/01/2015-31/03/2016 US$	2014 US$
Tech Mahindra Limited	**262.623**	-
	262.623	-

28.3 Receivables from related parties (Note 17)

Name	Nature of transactions	31/03/2016 US$	2014 US$
Tech Mahindra Limited	Trade	**185.059**	-
		185.059	-

28.4 Loans from related undertakings (Note 23)

	31/03/2016 US$	2014 US$
Mahindra Engineering Services (Europe) Limited - UK	**5.439.566**	-
	5.439.566	-

The above amount represents 4 loans of a total of US$5.400.000 which carry interest at LIBOR plus 100 basis points p.a. and are all repayable during 2016.

28.5 Shareholders' current accounts - credit balances (Note 23 and 25)

	31/03/2016 US$	2014 US$
Shareholder's account	**-**	24.519
Loans from shareholders	**-**	2.314.798
	-	2.339.317

The shareholder's current account is interest free, and has no specified repayment date.

29. Shareholders holding more than 5% of share capital

The persons holding more than 5% of the share capital as at 31 March 2016 and .... 2016 were as follows:

	31 March 2016 %	27 xxxxx 2016 %
Tech Mahindra Limited	**100**	100

During the period under review, the entire share capital of the Company was sold to Tech Mahindra Limited, a company quoted on the Bombay Stock Exchange.

30. Contingent liabilities

The Group had no contingent liabilities as at 31 March 2016.

31. Commitments

The Group had no capital or other commitments as at 31 March 2016.

32. Events after the reporting period

There were no material events after the reporting period, which have a bearing on the understanding of the consolidated financial statements.

Independent auditor's report on pages herein.

TECH MAHINDRA DRC SARLU

Board of Directors

1. SRIRAM VEERAVALLI SEVELLIMEDU
2. AYAN CHATTERJEE
3. SOURABH BANERJI

Registered Office

1ER NIVEAU, IMM PRESTIGE
NO 4239, AVENUTE TOMBALBAY
DANS LE COMMUNE DE LA GOMBE
KINSHASA

Bankers

CITIBANK DRC

Auditors

GPO PARTNERS

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DEC 2015

The directors submit their report together with the audited financial statements for the year ended 31 December 2015, which disclose the state of affairs of the company.

Legal Form

The company was incorporated in DRC under the Companies and Allied Matters Act 2004 as a Private Limited Liability Company on 30th March 2015 It commenced full operation in April 2015.

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.

In accordance with the company's policy of continuous development, training facilities are provided in the company's Training School. In addition, employees of the company are nominated to attend both locally and internationally organized courses. These are complemented by on-the job training.

AUDITORS

In accordance with Section 357(2) of the Companies and Allied Matters Act (CAP C20) 2004, Messrs. Grant Thornton (Chartered Accountants) will be reappointed to continue in office as Auditors to the Company having indicated their willingness to do so.

Kinshasa, DRC

BY ORDER OF THE BOARD
Ayan Chatterjee
Director

Date: 25th January, 2016

INDEPENDENT AUDITOR'S REPORT

Dear Sirs,

1. We have reviewed the accompanying financial statements of TECH MAHINDRA SARLU (The Company), with the year to date results for the period April 01, 2015 to December 31, 2015 (The Statement) in which are incorporated the results for the quarter ended December 31, 2015 (interim financial information) prepared by the Company which has been initialled by us for identification purposes. The Statement comprise a balance sheet with a total of CDF 4,571,760,731 and the income statement with a total of CDF 361,195,639 set out respectively on following pages, for the period the ended 31 December, 2015 and other explanatory information.

   The Management is responsible for the preparation and fair presentation of these financial statements in accordance with Group policies and instructions and the Financial Reporting Standards.

   This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the special purpose financial information that is 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. This special purpose financial information has been prepared solely to enable TECHMAHINDRA Ltd to prepare its consolidated financial statements.

   Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our audit in accordance with the International Standards of Auditing issued by the International Federation of Accountants (IFAC) and especially with the Standard on Review Engagement (SRE) 2400, "ENGAGEMENTS TO REVIEW FINANCIAL STATEMENTS". This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement.

   A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and,accordingly, we do not express an audit opinion.

3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the Statement prepared, fairly, in all material respects, in accordance with group policies and instructions, the Financial Reporting Standards and other recognized accounting practices and policies, has not disclosed the information required to be disclosed including the manner in which it is to be disclosed, or that it contains any material misstatement.

Kinshasa, January 25, 2016

Philippe ODENT

Senior Partner

BALANCE SHEET AT DECEMBER 31, 2015

		Note	December 31, 2015		Currency CDF March 31, 2015
I.	**EQUITY AND LIABILITIES**				
1	**Shareholders' Funds**				
	(a) Share Capital	2	**90,500,000**		-
	(b) Reserves and Surplus	3	**256,410,927**		-
				346,910,927	-
2	**Share Application Money Pending Allotment**			**-**	-
3	**Minority Interest**			**-**	-
4	**Non-Current Liabilities**				
	(a) Long Term Borrowings	4	**-**		-
	(b) Other Long Term Liabilities	5	**-**		-
	(c) Long Term Provisions	6	**-**		-
				-	-
5	**Current Liabilities**				
	(a) Short Term Borrowings	7	**-**		-
	(b) Trade Payables	8	**3,907,747,948**		-
	(c) Other Current Liabilities	9	**238,304,517**		-
	(d) Short Term Provisions	10	**78,797,340**		-
				4,224,849,805	-
6	**Amounts pending investigation suspense account (net)**			**-**	-
				4,571,760,732	**-**
II.	**ASSETS**				
1	**Non-Current Assets**				
	(a) Fixed Assets	11			
	(i) Tangible Assets		**195,371,636**		
	(ii) Intangible Assets		**-**		
	(iii) Capital Work in Progress		**-**		
	(b) Goodwill on Consolidation		**-**		
				195,371,636	-
	(c) Non-Current Investments	12		**-**	
	(d) Deferred Tax Asset			**-**	
	(e) Long-Term Loans and Advances	13		**18,130,440**	-
	(f) Other Non Current Assets	14		**-**	-
				213,502,076	-
2	**Current Assets**				
	(a) Current Investments	15	**-**		
	(b) Inventory		**-**		
	(c) Trade Receivables	16	**2,316,733,382**		-
	(d) Cash and Bank Balances	17	**1,760,068,685**		-
	(e) Short-Term Loans and Advances	18	**281,456,588**		-
	(f) Other Current Assets	19	**-**		-
				4,358,258,655	-
				4,571,760,731	**-**
	Notes forming part of the financial statements	1 to 23			

Firm Name : GPO Partners Congo, Sarl
Place : Kinshasa, DRC
Date : 25th January, 2016

Name of Finance Controller: Ayan Chatterjee
Place : Kinshasa, DRC
Date : 25th January, 2016

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED DECEMBER 31, 2015

Currency CDF

		Note	Period ended December 31, 2015	December 31, 2014
I.	Revenue from Services		**1,920,340,793**	
II.	Other Income	20	**842,659**	-
III.	**Total Revenue (I + II)**		**1,921,183,452**	-
IV.	**Expenses:**			
	Employee Benefits Expense	21	**584,953,258**	-
	Subcontracting Expenses		**-**	
	Operating and Other Expenses	22	**658,276,289**	-
	Finance Costs	23	**-**	-
	Depreciation and Amortisation Expense	11	**316,758,266**	
	Total Expenses		**1,559,987,813**	-
V	**Profit Before Exceptional Items and Tax (III - IV)**		**361,195,639**	-
VI	**Exceptional items (net)**		**-**	
VII	**Profit Before Tax (V - VI)**		**361,195,639**	**-**
VIII	Tax Expense:			
	- Current Tax		**104,784,712**	
	- Deferred Tax		**-**	
	- MAT (Minimum Alternate Tax)		**-**	
	- Earlier years: Tax expense / (Excess Provision written back)		**-**	
IX	**Profit after Tax and before Minority Interest and Share in Earnings of Associate (VII - VIII)**		**256,410,927**	**-**
X	Add: Share in Profit/(Loss) of Associates		**-**	
XI	Less: Minority Interest		**-**	
XII	**Profit for the period (IX + X - XI)**		**256,410,927**	**-**
	Notes forming part of the financial statements	1 to 23		

Firm Name : GPO Partners Congo, Sarl
Place : Kinshasa, DRC
Date : 25th January, 2016

Name of Finance Controller: Ayan Chatterjee
Place : Kinshasa, DRC
Date : 25th January, 2016

NOTES TO THE FINANCIAL STATEMENTS

Note 2: Share Capital

Currency CDF

Share Capital	**Face Value**	**As at December 31, 2015**		As at March 31, 2015	
		Number	**Amount**	Number	Amount
Authorised					
Equity Shares ____ (Put Currency Here)	10	**90,50,000**	**90,500,000**	-	-
Issued, Subscribed & Paid up					
Each Equity Shares (Put Currency Here)	10	**9,050,000**	**90,500,000**	**-**	-
		9,050,000	**90,500,000**	**-**	**-**

Note 3: Reserves and Surplus

Currency CDF

		As at December 31, 2015	As at March 31, 2015
a.	**Capital Reserve**		
	Opening Balance	**-**	
	Add : Additions during the period	**-**	
	Closing Balance	**-**	-
b.	**Capital Reserve on Consolidation**		
	Opening Balance	**-**	
	Add : Additions during the period	**-**	
	Closing Balance	**-**	-
c.	**Securities Premium Account**		
	Opening Balance	**-**	
	Add : Additions of amalgamation		
	Add : Addition/Deletion for the period	**-**	
	Closing Balance	**-**	-
d.	**Debenture Redemption Reserve**		
	Opening Balance	**-**	-
	Add: Transfer from statement of Profit and Loss	**-**	-
	Closing Balance	**-**	-
e.	**Share Options Outstanding Account**		
	Opening Balance	**-**	-
	Add : Additions of amalgamation		
	Add : Addtion during the period	**-**	
	Add :Amortised amount of stock compensation cost		-
	Less: Write Back to Profit and loss account		
	Closing Balance	**-**	**-**
f.	**Statutory Reserve**		
	Opening Balance	**-**	
	Add: Transfer from statement of Profit and Loss	**-**	
	Closing Balance	**-**	**-**
g.	**Currency Translation Reserve**		
	Opening Balance	**-**	
	Add: Movement during the period	**-**	
	Closing Balance	**-**	**-**

		Currency CDF
	As at December 31, 2015	As at March 31, 2015
h. General Reserve		
Opening Balance	**-**	-
Add: Transfer from statement of Profit and Loss	**-**	-
(-) Written Back in Current period		-
Closing Balance	**-**	**-**
i. Hedging Reserve		
Opening Balance	**-**	-
Add: Movement during the period (net)	**-**	-
Closing Balance	**-**	-
j. Amalgamation Reserve		
Opening Balance	**-**	
Add : Movement during the period	**-**	-
Less Adjusted against Securities Premium	**-**	-
Closing Balance	**-**	-
k. Surplus in Statement of Profit and Loss		
Opening balance	**-**	-
Add: Net Profit for the quarter/period	**256,410,927**	-
Add: Transfer from Reserves		-
Less: Final Dividend		-
Less: Proposed Final Dividend		-
Less: Tax on Dividend		-
Less: Transfer to Debenture Redemption Reserve	**-**	-
Less: Transfer to Statutory Reserve	**-**	-
Less: Transfer to General Reserve	**-**	-
Closing Balance	**256,410,927**	**-**
	256,410,927	**-**

Note 4: Long Term Borrowings

		Currency CDF
	As at December 31, 2015	As at March 31, 2015
Secured		
- Debentures	**-**	-
-Vehicle Loans		
From Bank	**-**	
From Other parties	**-**	
-Long Term maturities of finance lease obligation	**-**	
Unsecured Loan		
From Bank	**-**	
From Others	**-**	
	-	-

Note 5: Other Long Term Liabilities

		Currency CDF
	As at December 31, 2015	As at March 31, 2015
- Fair values of foreign exchange forward and currency option contracts	**-**	-
- Unearned Revenue	**-**	-
- Security Deposits	**-**	-
- Contractual Obligation (Please provide details in column J)	**-**	-
- Capital Creditors	**-**	-
	-	-

* Please provide the details separately in the table 1 given below

Note 6: Long Term Provisions

		Currency CDF
	As at December 31, 2015	As at March 31, 2015
- Provision for Employee Benefits		
Gratuity	**-**	
Others	**-**	
- Other Long Term Provisions	**-**	
- Provision for Contingencies	**-**	
- Provision for Warranties	**-**	
	-	**-**

Note 7: Short Term Borrowings

		Currency CDF
	As at December 31, 2015	As at March 31, 2015
Secured Loans from Bank		
- Cash Credit	**-**	
- Loan from Banks (Secured by Trade Receivables)	**-**	
-Others	**-**	
Unsecured Loans from Banks		
- Loans Payable on Demand	**-**	
- Others	**-**	
Inter Corporate Deposit	**-**	
	-	-

Note 8: Trade Payables

		Currency CDF
	As at December 31, 2015	As at March 31, 2015
Trade Payables		
- Trade Payables other than Accrued Salaries and Benefits	**3,780,350,357**	
- Accrued Salaries and Benefits	**127,397,591**	
	3,907,747,948	-

Note 9: Other Current Liabilities

		Currency CDF
	As at December 31, 2015	As at March 31, 2015
- Current Maturities of Long Term Debt (Secured Debentures)	**-**	
- Current Maturitires of Vehicle Loans		
- Current Maturities of Finance Lease Obligations	**-**	
- Current Maturities of Unsecured Loans	**-**	
- Current Maturities of Long Term Loans (Secured)	**-**	
- Capital Creditors	**-**	
- Contractual Obligation (Please provide details in column J)	**-**	
- Interest accrued but not due on borrowings	**-**	
- Fair Values of Foreign Exchange Forward and Currency Option Contracts (net)	**-**	
- Advance from Customers	**-**	
- Unearned Revenue	**-**	
- Unclaimed Dividends	**-**	
- Security Deposits	**-**	
- Statutory remittances	**238,304,517**	
- Others*	**-**	
	238,304,517	-

* Please provide the details separately in the table given below

Note 10: Short Term Provisions

		Currency CDF
	As at December 31, 2015	As at March 31, 2015
- Provision for Employee Benefits		
Gratuity	**-**	
Others	**-**	
- Provision for Dividend	**-**	
- Provision for Tax on Dividend	**-**	
- Provision for Income Tax (net of Taxes paid)	**78,797,340**	
- Provision for Contingencies	**-**	
- Provision for Claims and Warranties	**-**	
	78,797,340	-

Summarised Breakup of Others (Other Current Liabilities)

Particulars	**December 31, 2015**	March 31, 2015
	0	0

Note 11: Fixed Assets

Currency CDF

		Gross Block						Accumulated Depreciation and Amortisation						Net Block As at	
		Balance at the beginning of the period	Additions on Acquisitions *	Additions during the period	Deletions during the period	FCTR	Balance at the end of the period	Balance at the beginning of the period	Additions on Acquisitions *	For the period	Deductions during the period	FCTR	Balance at the end of the period	31-Dec-15	31-Mar-15
a	**Tangible Assets**														
	Freehold Land	-					-						-	-	-
	Leasehold Land	-					-	-					-	-	-
	Buildings	-					-	-					-	-	-
	Plant and Equipment	230,358,851					230,358,851	110,012,870		45,381,693			155,394,563	74,964,288	120,345,981
	Furniture and Fixtures	497,403,833					497,403,833	235,209,684		197,072,421			432,282,105	65,121,728	262,194,149
	Vehicles	95,452,220					95,452,220	95,452,174		-			95,452,174	46	46
	Computers	349,790,125					349,790,125	262,884,580		40,879,730			303,764,310	46,025,815	86,905,545
	Office Equipments	46,926,286	3,220,920				50,147,206	22,144,423		18,743,023			40,887,446	9,259,760	24,781,863
	Leasehold Improvements	209,700,687					209,700,687	195,019,289		14,681,398			209,700,687	(0)	14,681,398
	Taken on Finance Lease :														
	Computers	-					-	-					-	-	-
	Plant and Equipments	-					-	-					-	-	-
	Furniture & Fixtures	-					-	-					-	-	-
	Vehicles	-					-	-					-	-	-
	Total	**1,429,632,002**	**3,220,920**	**-**	**-**	**-**	**1,432,852,922**	**920,723,020**	**-**	**316,758,266**	**-**	**-**	**1,237,481,286**	**195,371,636**	**508,908,982**
b	**Intangible Assets**														
	Intellectual property rights	-					-	-					-	-	-
	Goodwill	-					-	-					-	-	-
	Customer relationships	-					-	-					-	-	-
	Software (other than internally generated)	-					-	-					-	-	-
	Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Grand Total (a+b)	**1,429,632,002**	**3,220,920**	**-**	**-**	**-**	**1,432,852,922**	**920,723,020**	**-**	**316,758,266**	**-**	**-**	**1,237,481,286**	**195,371,636**	**508,908,982**
c	Capital Work In Progress						-							0	-
	Total													**195,371,636**	**508,908,982**

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Note 13: Long Term Loans and Advances

		Currency CDF
	As at December 31, 2015	As at March 31, 2015
Unsecured, considered good unless otherwise stated		
- Capital Advances		
Considered Good	-	
Considered Doubtful	-	
	-	-
Less: Provision	-	
	-	-
- Security Deposits		
Considered Good	**18,130,440**	
Considered Doubtful	-	
	18,130,440	-
Less: Provision	-	
	18,130,440	-
- Advances to Related Parties		
Considered Good	-	
Considered Doubtful	-	
	-	-
Less : Provision	-	
	-	-
- Loans to Related Parties	-	
- Share application money given to subsidiaries		
Considered Good	-	
Considered Doubtful	-	
	-	-
Less Provision	-	
	-	-
- Advance Income Taxes (Net of provisions)	-	
- Balance with Government Authorities		
Considered Good	-	
Considered Doubtful	-	
	-	-
Less : Provision	-	
	-	-
- Prepaid Expenses	-	
'- Fair Values of Foreign Exchange Forward and Currency Option Contracts (net)	-	
- Others*		
Considered Good	-	
Considered doubtful	-	
	-	-
Less : Provision	-	
* Please provide the details in table below	-	-
	18,130,440	-

Note 14: Other Non Current Assets

	As at December 31, 2015	Currency CDF As at March 31, 2015
Unsecured, considered good unless otherwise stated		
- Trade Receivables		
Considered good	-	
Considered doubtful	-	
	-	
Less: Provision for doubtful debts	-	
	-	
- Unbilled Revenue	-	
- Lease Receivable		
Considered Good	-	
Considered Doubtful (refer note 58)	-	
	-	
Less : Provision (refer note 58)	-	
	-	
- Fixed Deposits / Margin Money Deposits having maturities of more than 12 months from the Balance Sheet date.	-	
- Interest Receivable		
- Interest Accrued on Bank Deposits	-	
- Others	-	
	-	-

Table 1 : Break of others

Particulars	December 31, 2015	March 31, 2015
	0	0

Note 16: Trade Receivables

	As at December 31, 2015	Currency CDF As at March 31, 2015
- Trade Receivables (Unsecured)		
(Classification of Trade Receivable should be done based on due date of invoices)		
Over six months		
Considered Good*	568,700,545	-
Considered Doubtful	-	-
Others		
Considered Good**	1,748,032,837	-
Considered Doubtful	-	-
	2,316,733,382	-
Less: Provision for Doubtful Receivables	-	-
	2,316,733,382	-

1. * Net of advances aggregating to CDF NIL (previous year: NA) pending adjustments with invoices
2. ** Net of advances aggregating to CDF NIL (previous year: NA) pending adjustments with invoices

Note 17: Cash and Bank Balances

		Currency CDF
	As at December 31, 2015	As at March 31, 2015
Cash and Cash equivalents:		
- Cash in Hand	-	
- Funds in Transit	-	
- Balances with Banks		
In Current Accounts	**1,760,068,685**	
In Deposit Accounts (including margin money / security deposits with **original maturity** of less than 3 months)	-	
Sub total (a)	**1,760,068,685**	-
Other bank balances:		
- In Deposit Accounts (having **original maturity** of more than 3 months, but **remaining maturity** less than 12 months from the balance-sheet date)	-	
- Earmarked balances with Banks (Please provide explanatory notes in the table below)		
Unclaimed Dividend	-	
Balances held as margin money/security towards obtaining bank guarantees - **remaining maturity** less than 12 months from the balance-sheet date.	-	
Balance held under escrow/special purposes/segragated accounts	-	
Sub total (b)	-	-
Total (a) + (b)	**1,760,068,685**	-

Note 18: Short-Term Loans and Advances

		Currency CDF
	As at December 31, 2015	As at March 31, 2015
- Advances to Related Parties		
Considered Good	-	
Considered Doubtful	-	
	-	
Less : Provision	-	
	-	
- Loans and advances to employees		
Considered good	**645**	
Considered doubtful	-	
	645	
Less : Provision	-	
	645	
- MAT Credit Entitlement	-	
- Balance with Government Authorities		
Considered good	**139,553,674**	
Considered doubtful	-	
	139,553,674	
Less: Provision for doubtful deposits	-	
	139,553,674	

	As at December 31, 2015	Currency CDF As at March 31, 2015
- Deposits:		
Considered good	-	
Considered doubtful	-	
	-	
Less: Provision for doubtful deposits	-	
	-	
- Loans to Related Parties	-	
- Lease Receivable		
Considered Good	-	
Considered Doubtful	-	
	-	
Less : Provision	-	
	-	
- Prepaid Expenses	**109,780,200**	
- Fair Values of Foreign Exchange Forward and Currency Option Contracts (net)	-	
- Others		
Considered Good	**32,122,069**	
Considered Doubtful	-	
	32,122,069	
Less : Provision	-	
	32,122,069	
	281,456,588	-

Note 19 Other Current Assets

	As at December 31, 2015	Currency CDF As at March 31, 2015
(Unsecured, considered good unless otherwise stated)		
- Contractually Reimbursable Expenses		
Considered Good	-	
Considered Doubtful	-	
	-	
Less : Provision	-	
	-	
- Unbilled Revenue	-	
- Interest Accrued on Deposit	-	
- Others	-	
	-	

Explanatory Notes/Additional Information

Margin Money

Details to be inserted here

Escrow Account

Details to be inserted here

Note 20: Other Income

	Period Ended December 31, 2015	Currency CDF Period Ended December 31, 2014
- Interest on:		
Deposit with Banks	**-**	
Others	**-**	
	-	-
- Foreign Exchange Gain/(Loss) - (net)	**(87,537,645)**	
- Rent Income	**88,380,304**	
- Dividend Income on Current Investments	**-**	
- Dividend received on Non current investments	**-**	
- Profit on Sale of Current Investments	**-**	
- Sundry Balances Written Back	**-**	
- Provision on non-current investments no longer required	**-**	
- Miscellaneous Income (Please fill the details in table below)	**-**	
	842,659	-

Note 21: Employee Benefits Expense

	Period Ended December 31, 2015	Currency CDF Period Ended December 31, 2014
- Salaries and Incentives	**542,145,524**	
- Contribution to Provident and Other Funds	**42,807,734**	
- Gratuity	**-**	
- Employee Stock Compensation Cost	**-**	
- Staff Welfare Expenses	**-**	
	584,953,258	-

Table 1 : Miscellaneous Income

Particulars	**December 31, 2015**	**December 31, 2014**
Total	**0**	0

Note 22: Operating and Other Expenses

	Period Ended December 31, 2015	Currency CDF Period Ended December 31, 2014
- Power and Fuel	**-**	
- Rent	**328,175,556**	
- Rates and Taxes	**-**	
- Communication Expenses	**-**	
- Travelling Expenses	**26,148,349**	
- Recruitment Expenses	**-**	
- Training	**-**	
- Hire Charges	**19,196,487**	
- Professional and Legal Fees	**120,811,114**	

		Period Ended December 31, 2015	Currency CDF Period Ended December 31, 2014
- Repairs and Maintenance :			
Buildings (including leased premises)	**2,836,136**		
Machinery and Computers	**7,103,329**		
Others	**71,647,113**		
		81,586,578	
- Insurance		**23,289,623**	
- Software, Hardware and Project Specific Expenses		-	
- Claims and Warranties (Net)		-	
- Advertising, Marketing and Selling Expenses		-	
- General Office Expenses		**59,068,582**	
- Provision for Impairment in Non Current Investment		-	
- (Profit) / Loss on Sale of Fixed Assets (Net)		-	
- Provision for Doubtful Debts and Bad Debts written off (Net)		-	
Provision during the period	-		
Bad Debts written off	-		
Less: Provision released	-		
- Provision for Doubtful Advances		-	
Provision during the period	-		
Advances written off	-		
Less: Provision released	-		
- Cash Discount		-	
- Donations		-	
- Corporate Social Responsibility (CSR)		-	
- Miscellaneous Expenses		-	
		658,276,289	-

Note 23: Finance Costs

	Period Ended December 31, 2015	Currency CDF Period Ended December 31, 2014
Interest expense:		
- On Debentures and Long-Term Loans	-	-
- On Working Capital Loans/Cash Credit	-	-
- On Inter-Corporate Deposits	-	-
- Others	-	-
	-	-
- Cash Discount	-	
- Other Borrowing Costs	-	-
- Foreign Currency Translations	-	-
	-	-

NTH DIMENSION LIMITED

Directors
Mr. Vikram Nair
Mr. Narayanan T. S.
Mr. Rajib Bhattacharya
Mr. Martin Wakely
Mr. Huw Owen

Registered Office
1st Floor, Charles Schwab Building
401, Grafton Gate (E),
Milton Keynes, MK9 1AT
United Kingdom

Bankers
HSBC Bank

Auditors
Deloitte, LLP

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2016

The directors present their annual report and the audited financial statements for the period ended 31 March 2016.

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. The company has met all its planned deliverables in this period to all its customers. The company is in a firm position to bring about transformational change in the Healthcare market by innovating on a truly interoperable and open platform that solves long standing problems in healthcare IT in partnership with another innovative start-up. The Company has been incorporated on 15 May 2015. The company has worked with a number of third party healthcare IT vendors and established relationships with the healthcare IT ecosystem. During the year, the company also embarked on a complex transformation of Circle Health's infrastructure and delivered it on time and with quality. IT Managed Services was transitioned from the incumbent during the transformation without any customer impacting outages. The customer will see continuous service improvement and see a step change in the quality of service. The company is also in the process of implementing a "Digital Hospital" at Circle Health and is expected to complete the project in the next year. Circle Health is a happy customer and in their own words -

Nth Dimension is the only relationship that Circle has which truly feels like a partnership" – Chairman of Circle Partnership and Group Medical Director.

The company also applied and got certified under the Information Governance Statement of Compliance (IGSOC) with the HSCIC for access to the NHS National Network (N3).

Erstwhile Circle IT employees transferred over to the company under the TUPE rules and have all integrated well into the agile and start-up culture of the company.

The company is actively pursuing opportunities in the healthcare IT market and has built a robust pipeline of must-have accounts in the next year. There are a number of discussions underway, the most significant one being the partnership with Oxford Academic Health Sciences Network on enabling the local health economy on interoperability of various and disparate NHS IT systems to provide a single massive repository of data and analytics based on the data to lead to better clinical outcomes. This opportunity represents one of the cutting-edge disruptive innovation that the company can bring to the market. This has the potential to cut down significant costs for the NHS and other hospitals and will provide a platform for patient experience improvement.

The company has demonstrated that the patients can be monitored remotely with the use of wearables and data from the devices can go directly to the cloud and enhance the chances of treating the patient before it becomes an emergency.

The company has also explored the new area of non-clinical process outsourcing on the time tested Business Process Outsourcing model and is in talks with Circle Health to outsource all their non-clinical processes. The company performed a due diligence on the processes in the later part of this year and has put forth a proposal for transforming their services through process outsourcing and the Circle Health board has in principle agreed to the concept and is now actively working with the company to outsource a large part of their non-clinical operations.

The company has partnered with a reputed consulting firm that is engaged in the turnaround strategy of distressed NHS Hospitals and has demonstrated the value of the company's strengths in the end-to-end management of any hospital's ICT, Process and digital needs. This is a significant pipeline and is expected to yield results starting next year.

The company has also been listed on a number of procurement frameworks which is a pre-requisite for carrying out business in the public sector and continues to pursue signing up on as many frameworks as possible in the next year.

The company has performed admirably from a financial perspective and has ended the year with revenues of 4.85 M GBP with a healthy EBITDA of 18.03%

Results for the period

The results for the company for the period show a pre-tax profit of £ 692,852 on a turnover of £ 4,853,743

DIVIDENDS AND TRANSFERS TO RESERVES

No dividend was paid in the period. The directors do not recommend the payment of any final dividend in respect of the current financial period.

DIRECTORS

The directors who served during the period were:

Name of Director	Appointment date
Rajib Bhattacharyya	June 2, 2015
Martin Leslie Wakely	June 2, 2015
Vikram Narayanan Nair	June 2, 2015
Narayanan Subromonia Iyer Trivandrum	June 2, 2015
Huw Thomas Owen	June 2, 2015

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), 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;
- state whether applicable accounting standards have been followed; 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/she ought to have taken as a director to make himself/herself 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.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them as auditors will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board

Rajib Bhattacharya,
Director

Place: Milton Keynes, United Kingdom

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF

NTH DIMENSION LIMITED

We have audited the financial statements of Nth Dimension Limited for the period 15th May 2015 to 31 March 2016 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”.

This report is made solely to the company’s members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company’s members those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company’s members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board’s Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company’s circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company’s affairs as at 31 March 2016 and of its profit 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors’ Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records ; 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.
- the directors were not entitled to take advantage of the small companies exemption in preparing the Directors’ Report or from the requirement to prepare a Strategic Report.

Matthew Hall FCA (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Cambridge, United Kingdom

PROFIT AND LOSS ACCOUNTFOR THE PERIOD ENDED 31 MARCH 2016

	Note	2016 £
Turnover	3	**4,853,743**
Cost of sales		**(3,418,386)**
Gross Profit		**1,435,357**
Administrative expenses		**(560,207)**
Operating profit		**875,150**
Interest Payable		**(7,601)**
Profit on ordinary activities before taxation	4	**867,549**
Tax on profit on ordinary activities	6	**(174,697)**
Profit for the financial year		**692,852**

Turnover and operating profit derive wholly from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

BALANCE SHEET AT 31 MARCH 2016

	Note	£	2016 £
Non - current assets			
Deferred tax assets	8		**7,583**
Current assets			
Debtors	7	**3,659,212**	
Cash at bank and in hand		**755,246**	
		4,414,458	
Creditors: Amounts falling due within one year	9	**(3,729,171)**	
Net current assets			**685,287**
Net assets			**692,870**
Capital and reserves			
Called up share capital	10	**18**	
Profit and loss account	11	**692,852**	
Shareholders' funds			**692,870**

Approved by the Board and signed on its behalf by:

Mr. Rajib Bhattacharya,
Director

Place: Milton Keynes, United Kingdom

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2016

	Note	Called up Share Capital	Profit and Loss Account	Total
		£	£	£
On Incorporation	10	**18**	**-**	**18**
Profit for the year	11	**-**	**692,852**	**692,852**
Balance at 31 March 2016		**18**	**692,892**	**692,870**

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016

The principal accounting policies are summarised below. They have all been applied consistently throughout the period.

1. General information and basis of accounting

Nth Dimension Limited ('the Company') is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on pages herein.

These financial statements are the first set prepared by the Company since incorporation.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

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 Company 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.

The Company is consolidated in the financial statements of its parent, Tech Mahindra Ltd incorporated in India, which may be obtained at www.techmahindra.com. Exemptions have been taken in these separate Company financial statements in relation to presentation of a cash flow statement and remuneration of key management personnel.

1.1 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for Services rendered, 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 accrual basis at the rate and terms specified in the agreement, considering certainity of realisation.

Interest income

Interest income is recognised using the effective interest rate method.

Dividend income

Dividend income is recognised when the right to receive payment is established.

1.2 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.

1.3 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.

1.4 Hire purchase and leasing

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

1.5 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 statement of financial position 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 period or prior periods.

(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.

(ii) Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

(iii) Equity instruments

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

1.6 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.

1.7 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.

1.8 Pensions

The company operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

2. 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.

2.1 Critical judgements in applying the Company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), 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.

2.2 Impairment of financial assets

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 uncerta

3. Turnover

An analysis of turnover by geographical location is given below:

	2016
	£
Sales – UK	4,853,743
	4,853,743

All revenue is derived from the Company's principal activity.

4. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	2016
	£
Auditor's remuneration for audit services	4,340
Legal & Professional Fees	348,216
Foreign currency (gains)/losses	8,714

5. Particulars of employees

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2016
	No.
Production	13
Sales	4
	17

The aggregate payroll costs were as follows:

	2016
	£
Wages and salaries	1,153,842
Social security costs	134,461
Staff pensions	18,466
	1,306,770

The directors' remuneration for the year was as follows:

	2016
	£
Remuneration	383,333
Company contributions paid to money purchase schemes	-

During the year the number of directors who were receiving benefits was as follows:

	2016
	No.
Accruing benefits under money purchase pension scheme	-

In respect of highest paid director:

	2016
	£
Remuneration	258,333

6. Taxation

Tax on profit on ordinary activities

	2016
	£
Current tax	
UK Corporation tax on profits for the period	182,280
Total Current tax	182,280
Deferred tax	
Origination and reversal of timing differences	(7,583)
Tax on profit on ordinary activities	174,697

Factors affecting current tax charge for the year

Standard rate of corporation tax in the UK of 20%.

The differences are reconciled below:

	2016
	£
Profit on ordinary activities before taxation	867,549
Corporation tax charge @ 20%	173,510
Expenses not deductible for tax purposes	1,187
	174,697

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 18% effective from 1 April 2020.

The closing deferred tax assets and liabilities have been calculated at 18%, on the basis that this is the rate at which those assets and liabilities are expected to unwind.

A reduction to the UK corporation tax rate was announced in the 2016 Budget to further reduce the tax rate to 17% (to be effective from 1 April 2020). Existing temporary differences on which deferred tax has been provided may therefore unwind in future periods subject to this reduced rate. This rate change is to be included in the Finance Bill 2016 but this has not been substantively enacted at the balance sheet date.

7. Debtors

	2016
	£
Trade debtors	3,392,071
Other debtors	6,902
Prepayments and accrued income	260,239
	3,659,212

8. Deferred tax

The provision for deferred tax consists of the following deferred tax assets:

	2016
	£
Short term timing difference	7,583
Total Deferred tax	7,583

9. Creditors: Amounts falling due within one year

	2016
	£
Trade creditors	648,504
Amounts owed to group undertakings	2,007,568
Corporation tax	182,280
Other taxes and social security	420,220
Accruals	470,598
	3,729,171

10. Share Capital

Allotted, called up and fully paid shares

Particulars	2016	
	No.	£
A Ordinary shares of £0.01 each	865	8.65
B Ordinary shares of £0.1 each	30	3.00
C Ordinary shares of £0.1 each	50	5.00
D Ordinary shares of £0.1 each	15	1.50
	960	18.15

There are four class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

During the period the Company issued the following share capital for par.

- 865 A Ordinary shares of £0.01 each
- 30 B Ordinary shares of £0.1 each
- 50 C Ordinary shares of £0.1 each
- 15 D Ordinary shares of £0.1 each

11. Reserves

The profit and loss reserve represents cumulative profits or losses and other adjustments.

12. Controlling party

The immediate parent company and ultimate parent company is Tech Mahindra Limited, a company incorporated in 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 from the Company Secretary at Rajiv Gandhi Infotech Park, Phase III, Pune, India.

TECH MAHINDRA ARABIA LIMITED

(Limited Liability Company)

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

Registered Office

12th Floor, Al - Hugyat Towers,

Al Khobar 31952,

Kingdom of Saudi Arabia

Bankers

The Saudi British Bank

Auditors

Deloitte & Touche Bakr Abulkhair & Co.

AUDITOR'S REPORT

To the Shareholders
Tech Mahindra Arabia Limited
Al Khobar, Kingdom of Saudi Arabia

Scope of the audit

We have audited the statement of financial position of Tech Mahindra Arabia Limited ("the Company") (limited liability company), as at March 31, 2016, and the related statements of operations, cash flows, and changes in shareholders' equity for the period from inception (October 01, 2015) to March 31, 2016, and notes from (1) to (9) which form an integral part of these financial statements as prepared by the Company in accordance with Article (175) of the Regulations for Companies and presented to us with all the necessary information and explanations. These financial statements are the responsibility of the Company's management. 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 Kingdom of Saudi Arabia. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Unqualified opinion

In our opinion, the financial statements:

1. present fairly, in all material respects, the financial position of Company as at March 31, 2016, and the result of its operations and cash flows for the period from inception (October 01, 2015) to March 31, 2016 in conformity with accounting standards generally accepted in the Kingdom of Saudi Arabia and appropriate to the nature of the Company, and
2. Comply with the relevant provisions of the Regulations for Companies and the articles of association for the Company as these relate to the preparation and presentation of these financial statements.

Emphasis of a Matter

As referred in note 2 to the accompanying financial statements which states that the Company has reported a loss of SR 0.82 million for the period then ended and the accumulated losses as of March 31, 2016 were SR 0.82 million, which exceeded 50% of the Company's share capital. In compliance with article 181 of the Regulations for Companies, the shareholders are required to resolve whether to continue in business and provide support to the Company or liquidate the Company. Such resolution must be published in the official gazette. The ability of the Company to continue as a going concern is dependent upon the shareholders' continued adequate financing and profitable operations. The shareholders have resolved to provide necessary financial support to the Company. 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 a going concern.

Deloitte & Touche

Bakr Abulkhair & Co.

Abdul Rahman S. Al-Suwayegh
License No. 461

STATEMENT OF FINANCIAL POSITION

AS OF MARCH 31, 2016

	Note	SAR
ASSETS		
Current assets		
Cash and cash equivalents	5	**1,510,000**
Prepayments		**284,970**
TOTAL ASSETS		**1,794,970**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Due to a related party	8	**1,595,887**
Accrued expenses		**18,745**
Total current liabilities		**1,614,632**
Shareholders' equity		
Share capital	1	**1,000,000**
Accumulated losses		**(819,662)**
Total shareholders' equity		**180,338**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**1,794,970**

STATEMENT OF OPERATIONS

FOR THE PERIOD FROM INCEPTION (OCTOBER 01, 2015) TO MARCH 31, 2016

	Note	SAR
General and administrative expenses	6	**(819,662)**
NET LOSS FOR THE PERIOD		**(819,662)**

STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM INCEPTION (OCTOBER 01, 2015) TO MARCH 31, 2016

	SAR
CASH FLOWS FROM OPERATING ACTIVITIES	
Net loss for the period	**(819,662)**
Movements in working capital:	
Increase in prepayments	**(284,970)**
Increase in due to a related party	**1,595,887**
Increase in accrued expenses	**18,745**
Net cash generated from operating activities	**510,000**
CASH FLOWS FROM FINANCING ACTIVITIES	
Share capital introduced	**1,000,000**
Net cash from financing activities	**1,000,000**
Net change in cash and cash equivalents	**1,510,000**
Cash and cash equivalents at the beginning of the period	**-**
- Cash and cash equivalents at the end of the period	**1,510,000**

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD FROM INCEPTION (OCTOBER 01, 2015) TO MARCH 31, 2016

	Note	Share capital	Accumulated losses	Total
		SAR	SAR	SAR
Share capital introduced	1	**1,000,000**	**-**	**1,000,000**
Net loss for the period		**-**	**(819,662)**	**(819,662)**
March 31, 2016		**1,000,000**	**(819,662)**	**180,338**

NOTES TO THE FINANCIAL STATEMENT

FOR THE PERIOD FROM INCEPTION (OCTOBER 01, 2015) TO MARCH 31, 2016

1. ORGANIZATION AND ACTIVITIES

Tech Mahindra Arabia Limited ("the Company") is a limited liability Company registered on 16 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 SAR 1,000,000 divided into 1,000 share of SR 1,000 each.

The shareholders of the Company along with their shareholdings as of December 31, 2015 are as follows:

Name	Shareholding
Tech Mahindra Limited, incorporated in India	**51 %**
Midad Holding Company Limited, incorporated in Kingdom Saudi Arabia.	**49 %**
	100 %

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).

The Company did not perform any commercial operation from inception (October 01, 2015) to March 31, 2016.

The Company's registered office is in Al Khobar, Kingdom of Saudi Arabia.

2. GOING CONCERN

The Company has reported a loss of SR 0.82 million for the period then ended and the accumulated losses as of March 31, 2016 were SR 0.82 million, which exceeded 50% of the Company's share capital. In compliance with article 181 of the Regulations for Companies, the shareholders are required to resolve whether to continue in business and provide support to the Company or liquidate the Company. Such resolution must be published in the official gazette. The ability of the Company to continue as a going concern is dependent upon the shareholders' continued adequate financing and profitable operations. The shareholders have resolved to provide necessary financial support to the Company. 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 a going concern.

3. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The accompanying financial statements have been prepared in accordance with the generally accepted accounting standards in the Kingdom of Saudi Arabia issued by the Saudi Organization for Certified Public Accountants ("SOCPA"). The following is a summary of significant accounting policies applied by the Company:

Basis of preparation

The financial statements are prepared under the historical cost convention.

Cash and cash equivalents

Cash and cash equivalents include cash, demand deposits, and highly liquid investments with original maturities of three months or less from the date of acquisition.

Accounts payable and accruals

Liabilities are recognized for amounts to be paid for goods and services received, whether or not billed to the Company.

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.

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.

General and administrative expenses

All expenses have been classified as general and administrative expenses.

Foreign currencies

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 balance sheet 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 operations.

Zakat and income tax

The Company is subject to the Regulations of the Department of Zakat and Income Tax ("DZIT") in the Kingdom of Saudi Arabia. Zakat and income tax are provided on an accruals basis and charged to the statement of changes in shareholders' equity. The zakat charge is computed on the Saudi shareholder's share in the zakat base. Income tax is computed on the foreign shareholder's share in the adjusted net income. Any difference in the estimate is recorded when the final assessment is approved, at which time the provision is adjusted.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATIONUNCERTAINTY

The management has made no judgements which can significantly affect the amounts recognized in the financial statements and, at the end of the reporting period, there were no key assumptions concerning the future, or any other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

5. CASH AND CASH EQUIVALENTS

At March 31, 2015 cash and cash equivalents consist entirely of bank balances.

6. GENERAL AND ADMINISTRATIVE EXPENSES

	SAR
Employees' related cost	**336,454**
Rent (note 10)	**284,970**
Business travel expense	**17,995**
Professional services	**180,211**
Others	**32**
	819,662

7. ZAKAT AND INCOME TAX

No provision for zakat was made as the Company had not completed one full year as of March 31, 2016. No provision for income tax was made as the Company have taxable losses for the period.

8. RELATED PARTY TRANSACTIONS

During the year, the Company transacted with the following related parties:

Name	Relationship
Midad Holding Company	Shareholder
Tech Mahindra Limited	Shareholder

The significant transactions and the related amounts are as follows:

	SAR
Employee related costs	**295,920**
Other expenses	**789,967**

Due from a related party as at March 31, is comprised of the following:

	SAR
Midad Holding Company	**1,595,887**

9. 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.

Financial instruments carried on the statement of financial position principally include cash and cash equivalents accrued expense and due to a related party.

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 will fail to discharge an obligation and will cause the other party to incur a financial loss. The Company has no significant concentration of credit risk. Cash is substantially placed with national banks with sound credit ratings.

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.

Fair value of financial instruments

Fair value of financial instruments 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.

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 stakeholders through the optimization of the debt and equity balance.

The capital structure of the Company consists of equity of the Company (comprising capital and accumulated loss).

The Company is not subject to any externally imposed capital requirements.

TECH MAHINDRA NETHERLANDS B.V.

Directors
Mr. Sandeep Phadke,
Mr. Tanveer Hussain

Registered Office
Maanplein 7, Gebouw 4,
2516 CK, Den Haag,
Netherlands

Bankers
Citi Bank

BALANCE SHEET AS AT

Currency EUR

	Note		March 31, 2016	March 31, 2015
I. EQUITY AND LIABILITIES				
1 Shareholders' Funds				
(a) Share Capital	2	**46,001**		-
(b) Reserves and Surplus	3	**(4,356)**		-
			41,645	-
2 Share Application Money Pending Allotment			**-**	-
3 Minority Interest			**-**	-
4 Non-Current Liabilities				
(a) Long Term Borrowings	4	**-**		-
(b) Other Long Term Liabilities	5	**-**		-
(c) Long Term Provisions	6	**-**		-
5 Current Liabilities				
(a) Short Term Borrowings	7	**-**		-
(b) Trade Payables	8	**4,345**		-
(c) Other Current Liabilities	9	**-**		-
(d) Short Term Provisions	10	**-**		-
			4,345	-
6 Amounts pending investigation suspense account (net)			**-**	**-**
			45,990	-
II. ASSETS				
1 Non-Current Assets				
(a) Fixed Assets	11			
(i) Tangible Assets		**-**		
(ii) Intangible Assets		**-**		
(iii) Capital Work in Progress		**-**		
(b) Goodwill on Consolidation		**-**		
			-	-
(c) Non-Current Investments	12		**-**	
(d) Deferred Tax Asset			**-**	
(e) Long-Term Loans and Advances	13		**-**	-
(f) Other Non Current Assets	14		**-**	-
			-	-
2 Current Assets				
(a) Current Investments	15	**-**		
(b) Inventory		**-**		
(c) Trade Receivables	16	**-**		-
(d) Cash and Bank Balances	17	**45,991**		-
(e) Short-Term Loans and Advances	18	**-**		-
(f) Other Current Assets	19	**-**		-
			45,991	-
			45,991	-
Notes forming part of the financial statements	1 to 23			

Name of Finance Controller: Abhijeet Awekar
Place: Mitton Keynes, United Kingdom
Date: 26th April, 2016

STATEMENT OF PROFIT AND LOSS FOR THE

		Note	March 31, 2016	Period ended March 31, 2015
I.	Revenue from Services		**-**	
II.	Other Income	20	**-**	-
III.	**Total Revenue (I + II)**		**-**	-
IV.	**Expenses:**			
	Employee Benefits Expense	21	**-**	-
	Subcontracting Expenses		**-**	
	Operating and Other Expenses	22	**4,356**	-
	Finance Costs	23	**-**	-
	Depreciation and Amortisation Expense	11	**-**	
	Total Expenses		**4,356**	-
V	**Profit Before Exceptional Items and Tax (III - IV)**		**(4,356)**	-
VI	**Exceptional items (net)**		**-**	
VII	**Profit Before Tax (V - VI)**		**(4,356)**	-
VIII	Tax Expense:			
	- Current Tax		**-**	
	- Deferred Tax		**-**	
	- MAT (Minimum Alternate Tax)		**-**	
	- Earlier years: Tax expense / (Excess Provision written back)		**-**	
IX	**Profit after Tax and before Minority Interest and Share in Earnings of Associate (VII - VIII)**		**(4,356)**	-
X	Add: Share in Profit/(Loss) of Associates		**-**	
XI	Less: Minority Interest		**-**	
XII	**Profit for the period (IX + X - XI)**		**(4,356)**	-
	Notes forming part of the financial statements	1 to 23		

Name of Finance Controller: Abhijeet Awekar
Place: Mitton Keynes, United Kingdom
Date: 26th April, 2016

Currency EUR

Note 2: Share Capital

Share Capital	Face Value	Number	As at March 31, 2016 Amount	Number	As at March 31, 2015 Amount
Authorised					
Equity Shares ____ (Put Currency Here)	10		-	-	-
Issued, Subscribed & Paid up					
Each Equity Shares (Put Currency Here)	10	**4,600**	**46,001**	-	-
		4,600	**46,001**	-	-

Note 3: Reserves and Surplus

Currency EUR

		March 31, 2016	As at March 31, 2015
a.	**Capital Reserve**		
	Opening Balance	-	
	Add : Additions during the period	-	
	Closing Balance	-	-
b.	**Capital Reserve on Consolidation**		
	Opening Balance	-	
	Add : Additions during the period	-	
	Closing Balance	-	-
c.	**Securities Premium Account**		
	Opening Balance	-	
	Add : Additions of amalgamation		
	Add : Addition/Deletion for the period	-	
	Closing Balance	-	-
d.	**Debenture Redemption Reserve**		
	Opening Balance	-	-
	Add: Transfer from statement of Profit and Loss	-	
	Closing Balance	-	-
e.	**Share Options Outstanding Account**		
	Opening Balance	-	-
	Add : Additions of amalgamation		
	Add : Addtion during the period	-	
	Add :Amortised amount of stock compensation cost		-
	Less: Write Back to Profit and loss account		
	Closing Balance	-	-
f.	**Statutory Reserve**		
	Opening Balance	-	
	Add: Transfer from statement of Profit and Loss	-	
	Closing Balance	-	-

		Currency EUR	
			As at
		March 31, 2016	March 31, 2015
g.	**Currency Translation Reserve**		
	Opening Balance	**-**	
	Add: Movement during the period	**-**	
	Closing Balance	**-**	-
h.	**General Reserve**		
	Opening Balance	**-**	-
	Add: Transfer from statement of Profit and Loss	**-**	-
	(-) Written Back in Current period		
	Closing Balance	**-**	-
i.	**Hedging Reserve**		
	Opening Balance	**-**	-
	Add: Movement during the period (net)	**-**	
	Closing Balance	**-**	-
j.	**Amalgamation Reserve**		
	Opening Balance	**-**	
	Add : Movement during the period	**-**	-
	Less Adjusted against Securities Premium	**-**	
	Closing Balance	**-**	-
k.	**Surplus in Statement of Profit and Loss**		
	Opening balance	**-**	-
	Add: Net Profit for the quarter/period	**(4,356)**	-
	Add: Transfer from Reserves		-
	Less: Final Dividend		-
	Less: Proposed Final Dividend		-
	Less: Tax on Dividend		-
	Less: Transfer to Debenture Redemption Reserve	**-**	-
	Less: Transfer to Statutory Reserve	**-**	-
	Less: Transfer to General Reserve	**-**	-
	Closing Balance	**(4,356)**	-
		(4,356)	-

Note 4: Long Term Borrowings

	As at March 31, 2016	As at March 31, 2015
Secured		
- **Debentures**	-	-
- Vehicle Loans		
From Bank	-	
From Other parties	-	
- Long Term maturities of finance lease obligation	-	
Unsecured Loan		
From Bank	-	
From Others	-	
	-	-

Note 5: Other Long Term Liabilities

	As at March 31, 2016	As at March 31, 2015
- Fair values of foreign exchange forward and currency option contracts	-	-
- Unearned Revenue	-	-
- Security Deposits	-	-
- Contractual Obligation (Please provide details in column J)	-	-
- Capital Creditors	-	-
	-	-

* Please provide the details separately in the table 1 given below

Note 6: Long Term Provisions

	As at March 31, 2016	As at March 31, 2015
- Provision for Employee Benefits		
Gratuity	-	
Others	-	
- Other Long Term Provisions	-	
- Provision for Contingencies	-	
- Provision for Warranties	-	
	-	-

Currency EUR

Note 7: Short Term Borrowings

	As at March 31, 2016	March 31, 2015
Secured Loans from Bank		
- Cash Credit	-	
- Loan from Banks (Secured by Trade Receivables)	-	
-Others	-	
Unsecured Loans from Banks		
- Loans Payable on Demand	-	
- Others	-	
Inter Corporate Deposit	-	
	•-	-

Note 8: Trade Payables

	As at March 31, 2016	March 31, 2015
Trade Payables		
- Trade Payables other than Accrued Salaries and Benefits	4,345	
- Accrued Salaries and Benefits	-	
	4,345	-

Note 9: Other Current Liabilities

	As at March 31, 2016	March 31, 2015
- Current Maturities of Long Term Debt (Secured Debentures)	-	
- Current Maturitires of Vehicle Loans		
- Current Maturities of Finance Lease Obligations	-	
- Current Maturities of Unsecured Loans	-	
- Current Maturities of Long Term Loans (Secured)	-	
- Capital Creditors	-	
- Contractual Obligation (Please provide details in column J)	-	
- Interest accrued but not due on borrowings	-	
- Fair Values of Foreign Exchange Forward and Currency Option Contracts (net)	-	
- Advance from Customers	-	
- Unearned Revenue	-	
- Unclaimed Dividends	-	
- Security Deposits	-	
- Others*	-	
	-	-

* Please provide the details separately in the table given below

Note 10: Short Term Provisions

	As at **March 31, 2016**	March 31, 2015
- Provision for Employee Benefits		
Gratuity	-	
Others	-	
- Provision for Dividend	-	
- Provision for Tax on Dividend	-	
- Provision for Income Tax (net of Taxes paid)	-	
- Provision for Contingencies	-	
- Provision for Claims and Warranties	-	
	-	-

Summarised Breakup of Others (Other Current Liabilities)

Particulars	**March 31, 2016**	March 31, 2015
	0	0

Note 11: Fixed Assets

Currency EUR

		Gross Block						Accumulated Depreciation and Amortisation						Net Block As at	
		-						-		-					
		Balance at the beginning of the period	Additions on Acquisitions *	Additions during the period	Deletions during the period	FCTR	Balance at the end of the period	Balance at the beginning of the period	Additions on Acquisitions *	For the period	Deductions during the period	FCTR	Balance at the end of the period	31-Mar-16	31-Mar-15
a	**Tangible Assets**														
	Freehold Land	-					-						-	-	-
	Leasehold Land	-					-	-					-	-	-
	Buildings	-					-	-					-	-	-
	Plant and Equipment	-					-	-					-	-	-
	Furniture and Fixtures	-					-	-					-	-	-
	Vehicles	-					-	-					-	-	-
	Computers	-					-	-					-	-	-
	Office Equipments	-					-	-					-	-	-
	Leasehold Improvements	-					-	-					-	-	-
	Taken on Finance Lease :														
	Computers	-					-	-					-	-	-
	Plant and Equipments	-					-	-					-	-	-
	Furniture & Fixtures	-					-	-					-	-	-
	Vehicles	-					-	-					-	-	-
	Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
b	**Intangible Assets**														
	Intellectual property rights	-					-	-					-	-	-
	Goodwill	-					-	-					-	-	-
	Customer relationships	-					-	-					-	-	-
	Software (other than internally generated)	-					-	-					-	-	-
	Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Grand Total (a+b)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
c	**Capital Work In Progress**													-	
	Total													**-**	**-**

Table 1										
Sr No	**No of Shares**	**Name of the Company**	**Type of Share Capital**	**Relationship**	**Currency**	**Face Value**	**Total Investment**	**Provision Amount**	**Net**	**Market Price**
1									-	
2									-	
3									-	
4									-	
5									-	
6									-	
7									-	
8									-	
9									-	
10									-	
11									-	
12									-	
13									-	
14									-	
15									-	
16								-	-	
17								-	-	
18								-	-	
19									-	
20									-	
21									-	
22									-	
23									-	
24									-	
25									-	
26									-	
27									-	
28									-	
29									-	
30									-	
31									-	
32									-	
33									-	
								Total Amount	-	
								As per Schedule	-	
								Control Total	-	
Table 2										
Aggregate Cost of										
Aggregate Market Value										
Aggregate amount of provision for diminution in value of investment										

Currency EUR

Note 13: Long Term Loans and Advances

	As at March 31, 2016	As at March 31, 2015
Unsecured, considered good unless otherwise stated		
- Capital Advances		
Considered Good	-	
Considered Doubtful	-	
	-	-
Less: Provision	-	
	-	-
- Security Deposits		
Considered Good	-	
Considered Doubtful	-	
	-	-
Less: Provision	-	
	-	-
- Advances to Related Parties		
Considered Good	-	
Considered Doubtful	-	
	-	-
Less : Provision	-	
	-	-
- Loans to Related Parties	-	
- Share application money given to subsidiaries		
Considered Good	-	
Considered Doubtful	-	
	-	-
Less Provision	-	
	-	-
- Advance Income Taxes (Net of provisions)	-	
- Balance with Government Authorities		
Considered Good	-	
Considered Doubtful	-	
	-	-
Less : Provision	-	
	-	-
- Prepaid Expenses	-	
'- Fair Values of Foreign Exchange Forward and Currency Option Contracts (net)	-	
- Others*		
Considered Good	-	
Considered doubtful	-	
	-	-
Less : Provision	-	
* Please provide the details in table below	-	-
	-	-

Note 14: Other Non Current Assets

	As At March 31, 2016	As At March 31, 2015
Unsecured, considered good unless otherwise stated		
- Trade Receivables		
Considered good	-	
Considered doubtful	-	
	-	
Less: Provision for doubtful debts	-	
	-	
- Unbilled Revenue	-	
- Lease Receivable		
Considered Good	-	
Considered Doubtful (refer note 58)	-	
	-	
Less : Provision (refer note 58)	-	
	-	
- Fixed Deposits / Margin Money Deposits having maturities of more than 12 months from the Balance Sheet date.	-	
- Interest Receivable		
- Interest Accrued on Bank Deposits	-	
- Others	-	
	-	-

Table 1 : Break of others

Particulars	March 31, 2016	March 31, 2015
	0	0

Please fill the details in Table 2 also

Table 1							
Sr No	**Type of Investment**	**Quoted/ UnQuoted**	**No of Units**	**Currency**	**Rate**	**Name of Scheme**	**Amount**
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							
31							
32							
33							
						Total Amount	0
						As per Schedule	0
Table 2						**Control Total**	0
	Quoted Investment	Unquoted Investment					
Aggregate Cost of							
Aggregate Market Value		NA					
Aggregate amount of provision for diminution in value of investment							

Currency EUR

Note 16: Trade Receivables

	As at **March 31, 2016**	As at March 31, 2015
- Trade Receivables (Unsecured)		
(Classification of Trade Receivable should be done based on due date of invoices)		
Over six months		
Considered Good*	**-**	-
Considered Doubtful	**-**	-
Others		
Considered Good**	**-**	-
Considered Doubtful	**-**	-
	-	-
Less: Provision for Doubtful Receivables	**-**	-
	-	-

1. * Net of advances aggregating to Rs. (previous year: Rs. Million) pending adjustments with invoices
2. ** Net of advances aggregating to Rs. (previous year: Rs. Million) pending adjustments with invoices

Note 17: Cash and Bank Balances

	As at **March 31, 2016**	As at March 31, 2015
Cash and Cash equivalents:		
- Cash in Hand	**-**	
- Funds in Transit	**-**	
- Balances with Banks		
In Current Accounts	**45,991**	
In Deposit Accounts (including margin money / security deposits with **original maturity** of less than 3 months)	**-**	
Sub total (a)	**45,991**	-
Other bank balances:		
- In Deposit Accounts (having **original maturity** of more than 3 months, but **remaining maturity** less than 12 months from the balance-sheet date)	**-**	
- Earmarked balances with Banks (Please provide explanatory notes in the table below)		
Unclaimed Dividend	**-**	
Balances held as margin money/security towards obtaining bank guarantees - **remaining maturity** less than 12 months from the balance-sheet date.	**-**	
Balance held under escrow/special purposes/segragated accounts	**-**	
Sub total (b)	**-**	-
Total (a) + (b)	**45,991**	-

Note 18: Short-Term Loans and Advances

	As at	
	March 31, 2016	March 31, 2015
- Advances to Related Parties		
Considered Good	-	
Considered Doubtful	-	
	-	
Less : Provision	-	
	-	
- Loans and advances to employees		
Considered good	-	
Considered doubtful	-	
	-	
Less : Provision	-	
	-	
- MAT Credit Entitlement	-	
- Balance with Government Authorities		
Considered good	-	
Considered doubtful	-	
	-	
Less: Provision for doubtful deposits	-	
	-	
- Deposits:		
Considered good	-	
Considered doubtful	-	
	-	
Less: Provision for doubtful deposits	-	
	-	
- Loans to Related Parties	-	
- Lease Receivable		
Considered Good	-	
Considered Doubtful	-	
	-	
Less : Provision	-	
	-	
- Prepaid Expenses	-	
- Fair Values of Foreign Exchange Forward and Currency Option Contracts (net)	-	
- Others		
Considered Good	-	
Considered Doubtful	-	
	-	
Less : Provision	-	
	-	
	-	-

Note 19 Other Current Assets

	As at	
	March 31, 2016	March 31, 2015
(Unsecured, considered good unless otherwise stated)		
- Contractually Reimbursable Expenses		
Considered Good	-	
Considered Doubtful	-	
	-	
Less : Provision	-	
	-	
- Unbilled Revenue	-	
- Interest Accrued on Deposit	-	
- Others	-	
	-	

Explanatory Notes/Additional Information
Margin Money

Details to be inserted here

Escrow Account

Details to be inserted here

Currency EUR

Note 20: Other Income

	Period Ended	
	March 31, 2016	March 31, 2015
- Interest on:		
Deposit with Banks	-	
Others	-	
	-	-
- Foreign Exchange Gain/(Loss) - (net)	-	
- Rent Income	-	
- Dividend Income on Current Investments	-	
- Dividend received on Non current investments	-	
- Profit on Sale of Current Investments	-	
- Sundry Balances Written Back	-	
- Provision on non-current investments no longer required	-	
- Miscellaneous Income (Please fill the details in table below)	-	
	-	-

Note 21: Employee Benefits Expense

	Period Ended	
	March 31, 2016	March 31, 2015
- Salaries and Incentives	-	
- Contribution to Provident and Other Funds	-	
- Gratuity	-	
- Employee Stock Compensation Cost	-	
- Staff Welfare Expenses	-	
	-	-

Table 1 : Miscellaneous Income

Particulars	**March 31, 2016**	March 31, 2015
Total	**0**	0

Currency EUR

Note 22: Operating and Other Expenses

			Period Ended	
			March 31, 2016	March 31, 2015
-	Power and Fuel		**-**	
-	Rent		**-**	
-	Rates and Taxes		**-**	
-	Communication Expenses		**-**	
-	Travelling Expenses		**-**	
-	Recruitment Expenses		**-**	
-	Training		**-**	
-	Hire Charges		**-**	
-	Professional and Legal Fees		**4,346**	
-	Repairs and Maintenance :			
	Buildings (including leased premises)	-		
	Machinery and Computers	-		
	Others	-		
-	Insurance		**-**	
-	Software, Hardware and Project Specific Expenses		**-**	
-	Claims and Warranties (Net)		**-**	
-	Advertising, Marketing and Selling Expenses		**-**	
-	General Office Expenses		**-**	
-	Provision for Impairment in Non Current Investment		**-**	
-	(Profit) / Loss on Sale of Fixed Assets (Net)		**-**	
-	Provision for Doubtful Debts and Bad Debts written off (Net)		**-**	
	Provision during the period	-		
	Bad Debts written off	-		
	Less: Provision released	-		
-	Provision for Doubtful Advances		**-**	
	Provision during the period	-		
	Advances written off	-		
	Less: Provision released	-		
-	Cash Discount		**-**	
-	Donations		**-**	
-	Corporate Social Responsibility (CSR)		**-**	
-	Miscellaneous Expenses		**10**	
			4,356	-

Note 23: Finance Costs

	Period Ended	
	March 31, 2016	March 31, 2015
Interest expense:		
- On Debentures and Long-Term Loans	**-**	-
- On Working Capital Loans/Cash Credit	**-**	-
- On Inter-Corporate Deposits	**-**	-
- Others	**-**	-
	-	-
- Cash Discount	**-**	
- Other Borrowing Costs	**-**	-
- Foreign Currency Translations	**-**	-
	-	-

TECH MAHINDRA GROWTH FACTORIES LIMITED

Board of Directors

Mr. Vivek Agarwal

Mr. Jagdish Mitra

Mr. Sriram Gopalakrishnan

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 First Annual Report together with the Audited Financial Statements of the Company for the year ended March 31, 2016.

FINANCIAL SUMMARY OR HIGHLIGHTS

(Figures in ₹)

For the year ended	March 31, 2016
Income	**876,544**
Expenditure	**49,990,618**
Depreciation	**25,993**
Profit/(Loss) Before Tax & Extra Ordinary items	**(49,140,066)**
Provision for Taxation	**0**
Deferred Taxes Charge/ (Credit)	**0**
Profit/ (Loss) after Tax	**(49,140,066)**
Profit /(Loss) Carried forward to Balance Sheet	**(49,140,066)**

RESERVES

The Board does not propose to carry any amount to General Reserves of the Company.

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. This is the first year of operations of the Company and your Directors are taking efforts and steps for improving the performance of the Company.

The Company was incorporated on 12th October 2015, under the jurisdiction of Registrar of Companies, Mumbai with the Authorised Share Capital of ₹ 10,00,00,000/- (Rupees Ten Crores Only) divided into 1,00,00,000 (One Crore) equity shares of ₹ 10/- (Rupees Ten Only) each.

The first financial year of the Company comprises of the period from its date of incorporation i.e. 12th October 2015 till 31st March 2016.

DETAILS OF BOARD MEETINGS

For the period under review two Board Meetings were convened and held 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

M/s Deloitte Haskins & Sells LLP, Chartered Accountants {Firm's Registration No. 117366W/W-100018} are appointed as Statutory Auditors of the Company till the conclusion of First Annual General Meeting. The said appointment was made in the Board Meeting held on 11th November, 2015.

It is proposed to appoint M/s Deloitte Haskins & Sells LLP, Chartered Accountants {Firm's Registration No. 117366W/W-100018} as Statutory Auditors for the period of five years from the conclusion of the ensuing Annual General meeting till the conclusion of the Sixth following Annual General Meeting for the financial year 2020-2021, subject to the ratification of the members at every Annual General Meeting.

The Company has received a certificate from the statutory auditors to the effect that they are eligible for appointment in terms of Section 141 of the Companies Act, 2013. The Board recommends the appointment of M/s. Deloitte Haskins & Sells LLP, Chartered

Accountants as the Auditors of the Company from the conclusion of the ensuing AGM to the conclusion of the sixth following Annual General Meeting for the financial year 2020-2021.

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 ₹ 9,75,00,000/- comprising of 97,50,000 equity shares of Face Value ₹ 10/- each.

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 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.

DIVIDEND

Your Directors do not recommend any dividend for the year under review.

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 present directors of the Company are Mr. Jagdish Mitra (DIN: 06445179), Mr. Sriram Gopalakrishnan (DIN: 07238514) and Mr. Vivek Satish Agarwal (DIN: 05218475). Pursuant to the provisions of Section 152 (6) (c) of the Companies Act 2013, Mr. Sriram Gopalakrishnan, (DIN: 07238514), Director is liable to retire by rotation and being eligible offers himself for reappointment.

The provisions of Section 149 in connection with appointment of women director and Independent Directors on the Board of the Company and Section 203 of the Companies Act, 2013 in connection with appointment of whole time key managerial personnel are not applicable to the Company during the year under review.

COMMITTEES OF BOARD

The provisions of Section 177 (Audit Committee) and Section 178 (Nomination & Remuneration Committee) of the Companies Act, 2013 are not applicable to the Company 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 Accounting Standards (AS18) has been made in the notes to the Financial Statements. The particulars of related party transactions in prescribed Form AOC -2 is annexed herewith as "**Annexure 2**".

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 organisation 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.

PARTICULARS OF EMPLOYEES

The information required under Rule 5 (2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 with regard to the details of employees drawing remuneration not less than ₹ 5 Lacs per month or ₹ 60 Lacs per annum is not applicable to the Company as none of the employees of the Company are falling within the limits prescribed by the subject Rules.

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	**Sriram Gopalakrishnan**	**Jagdish Mitra**
Date: 20th May, 2016	**Director**	**Director**

ANNEXURE 1

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31.03.2016
[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. Promoter s									
(1) **Indian**									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	**97,50,000**	**97,50,000**	**100%**	-	**97,50,000**	**97,50,000**	**100%**	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Banks / FI	-	-	-	-	-	-	-	-	-
Sub Total A (1)		**97,50,000**	**97,50,000**	**100%**	-	**97,50,000**	**97,50,000**	**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	
(2) **Foreign**									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individual	-	-	-	-	-	-	-	-	-
c) Bodies Corp	-	-	-	-	-	-	-	-	-
d) Banks / FI.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
Sub Total	-	-	-	-	-	-	-	-	-
A (2)									
Total shareholding of Promoter (A)=(A)(1)+ (A)(2)	-	**97,50,000**	**97,50,000**	**100%**	-	**97,50,000**	**97,50,000**	**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)	-	**97,50,000**	**97,50,000**	**100%**	-	**97,50,000**	**97,50,000**	**100%**	**-**

(ii) Shareholding of Promoter-

SN	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	97,50,000	100%	NIL	97,50,000	100%	NIL	NIL
	Total	97,50,000	100%	NIL	97,50,000	100%	NIL	NIL

(iii) Change in Promoters' Shareholding (please specify, if there is no change)- NO CHANGE

SN	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):

SN		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 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:

SN		Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
	Shareholding of each Directors and each Key Managerial Personnel	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	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**

(Figures in ₹)

SN.	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: Not Applicable**

(Figures in ₹)

SN.	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors	-	-	-	-	-
	Fee for attending board / committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	-	-	-	-	-
2	Other Non-Executive Directors	-	-	-	-	-
	Fee for attending board / committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-

C. **Remuneration To Key Managerial Personnel Other than MD/Manager/WTD – Not Applicable**

(Figures in ₹)

SN	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	-	-	-	-

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: 20th May, 2016

Sriram Gopalakrishnan
Director

Jagdish Mitra
Director

ANNEXURE II

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2)
of the Companies(Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1 Details of contracts or arrangements or transactions not at arm's length basis: 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**	**Date of special resolution**
1	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

2 Details of material contracts or arrangement or transactions at arm's length basis ₹ 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	Parent	Reimbursement of Expenses (Net)- Paid / (Receipt)	Dec 15 - March 16	2	0%	NA	NIL

For and on behalf of the Board of Directors

Place: Noida
Date: 20th May, 2016

Sriram Gopalakrishnan
Director

Jagdish Mitra
Director

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TECH MAHINDRA GROWTH FACTORIES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **TECH MAHINDRA GROWTH FACTORIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the period from 12th October, 2015 to 31st March, 2016, and a summary of the significant accounting policies and other explanatory information for the said period.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its loss and its cash flows for the period 12th October, 2015 to 31st March, 2016.

Report on Other Legal and Regulatory Requirements

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 purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 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". Our report expresses 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 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)

Sunil S Kothari
Partner
(Membership No. 208238)

Place: Pune
Date: 20th May, 2016

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' 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, 2016 in conjunction with our audit of the financial statements of the Company for the period since its incorporation from 12th October, 2015 to 31st March, 2016.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based "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 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 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 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, 2016, 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 DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sunil S Kothari
Partner
Membership No. 208238

Place: Pune
Date: 20th May, 2016

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The major portions of the fixed assets were physically verified during the period from 12th October 2015 to 31st March, 2016 by management in accordance with a regular programme of verification, which, in our opinion, provide 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 and hence reporting under clause 3(i)(c) of the Order is not applicable.

(ii) In our opinion and according to the information and explanations given to us, having regard to the nature of the Company's business / activities during the year, 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. Accordingly the provisions of clause 3(iii) of the Order are not applicable to the company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits u/s 73 to 76 of the Act. Therefore, the provisions of the 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 Companies Act, 2013. Therefore, the provisions of the clause 3(vi) of the Order is not applicable to the Company.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added 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, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.

(c) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax as on March 31, 2016 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. 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.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no 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 does not have a managing director, whole time director and manager and hence no managerial paid/payable to them 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.

(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 accounting standards. 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.

(xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sunil S Kothari
Partner
(Membership No. 208238)

Place: Pune
Date: 20th April, 2016

BALANCE SHEET AS AT MARCH 31, 2016

(₹ in million)

		Note No.		March 31, 2016
A	**EQUITY AND LIABILITIES**			
1	**Shareholders' Funds**			
	(a) Share Capital	3	**98**	
	(b) Reserves and Surplus	4	**(49)**	
				49
2	**Non-Current Liabilities**			
	Long-Term Provisions	5		**4**
3	**Current Liabilities**			
	(a) Trade Payables	6		
	i) Total outstanding dues of micro enterprises and small enterprises		**-**	
	ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		**15**	
	(b) Other Current Liabilities	7	**8**	
	(c) Short-Term Provisions	8	**1**	
				24
				77
B	**ASSETS**			
1	**Non-Current Assets**			
	(a) Fixed Assets			
	(i) Tangible Assets	9	**0**	
	(ii) Capital Work-in-Progress		**1**	
				1
	(b) Long-Term Loans and Advances	10		**8**
2	**Current Assets**			
	(a) Trade Receivables	11	**2**	
	(b) Cash and Bank Balances	12	**61**	
	(c) Short-Term Loans and Advances	13	**5**	
				68
				77
	See accompanying notes forming part of the financial statements	1 to 25		

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Sunil S Kothari
Partner

Place: Pune
Date: May 20, 2016

For and on behalf of the Board of Directors

Jagdish Mitra
Director

Sriram Gopalakrishnan
Director

Vivek Agarwal
Director

Deepak Bedekar
Company Secretary

Place: New Delhi
Date: May 20, 2016

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD FROM OCTOBER 12, 2015 TO MARCH 31, 2016

(₹ in million)

		Note No.	Period from October 12, 2015 to March 31, 2016
I	Revenue from Information Technology Enabled Services		**1**
II	Other Income (net)		**-**
III	**Total Revenue (I + II)**		**1**
IV	**Expenses:**		
	Employee Benefits Expense	14	**30**
	Depreciation and Amortisation Expense		**0**
	Other Expenses	15	**20**
	Total Expenses		**50**
V	**Profit/(Loss) before Tax (III - IV)**		**(49)**
VI	Tax Expense:		
	(a) Current Tax		**-**
	(b) Deferred Tax (refer note 23)		**-**
VII	**Profit/(Loss) after Tax (V - VI)**		**(49)**
	Earnings Per Equity Share	21	
	Basic and Diluted [In ₹] [Face Value ₹ 10] - [refer note 21]		(5)
	See accompanying notes forming part of the financial statements	1 to 25	

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Sunil S Kothari
Partner

Place: Pune
Date: May 20, 2016

For and on behalf of the Board of Directors

Jagdish Mitra
Director

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Director

Vivek Agarwal
Director

Deepak Bedekar
Company Secretary

Place: New Delhi
Date: May 20, 2016

CASH FLOW STATEMENT FOR THE PERIOD FROM OCTOBER 12, 2015 TO MARCH 31, 2016

(₹ in million)

		For the Period from October 12, 2015 to March 31, 2016	
A]	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Profit/(Loss) before tax		**(49)**
	Adjustments for:		
	Depreciation		**0**
	Operating Profit before working capital changes		**(49)**
	Adjustments for changes in working capital:		
	Trade payable,other liabilities and provisions	**28**	
	Other currents Assets, Loans & Advances	**(15)**	
			13
	Cash generated from operations		
	Direct Taxes Paid		**-**
	Net cash flows from operating activities (A)		**(36)**
B]	**CASH FLOWS FROM INVESTING ACTIVITIES**		**-**
	Purchase of Fixed Assets	**(1)**	
	Net Cash flows from/(used in) investing activities (B)		**(1)**
C]	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Proceeds from issue of equity shares	**98**	
	Net cash flows from/(used in) financing activities (C)		**98**
Net Increase / (decrease) in cash and cash equivalents (A + B +C)			**61**
Cash & cash equivalents at the end of period (refer note 1 below)			**61**
Cash & cash equivalents at the beginning of the period			**-**
Net increase/ (decrease) in cash & cash equivalents			**61**

CASH FLOW STATEMENT FOR THE PERIOD FROM OCTOBER 12, 2015 TO MARCH 31, 2016 (CONTD.)

	(₹ in million)
	For the Period from October 12, 2015 to March 31, 2016
Note 1:	
Cash and cash equivalents include:	
Balance with banks	
- In current accounts	61
Total Cash and cash equivalents - Refer Note 12	**61**

Note 2:
Figures in brackets represent outflow of cash and cash equivalents.

Note 3:
The above cash flow statement has been prepared under the indirect method as set out in Accounting Standard 3 on Cash Flow Statements.

Note 4:
This being the first year of operations of the company, the comparative figures are not applicable.

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Sunil S Kothari
Partner

Place: Pune
Date: May 20, 2016

For and on behalf of the Board of Directors

Jagdish Mitra
Director

Sriram Gopalakrishnan
Director

Vivek Agarwal
Director

Deepak Bedekar
Company Secretary

Place: New Delhi
Date: May 20, 2016

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2016

1. **Corporate Information:**

   Tech Mahindra Growth Factories Limited was incorporated on 12th October, 2015 and operating 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.

2. **Significant accounting policies:**

   2.1 **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. These financial statements have been prepared in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013 (“the Act”). The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

   2.2 **Use of Estimates:**

   The preparation of financial statements requires the management of the company to make estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of income and expenses during the reported period. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the financial statements.

   2.3 **Tangible Fixed Assets and Intangible assets:**

   Tangible fixed assets and intangible assets are stated at actual cost less accumulated depreciation and net of impairment. The actual cost capitalized includes material cost, freight, installation cost, duties and taxes, eligible borrowing costs and other incidental expenses incurred during the construction / installation stage.

   2.4 **Depreciation / amortization of fixed 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 fixed assets is charged based on straight line method on an estimated useful life as prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, where the life of the assets has been assessed as under based on technical advice, considering the nature of the asset, estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Computers	3 years
Plant and Equipments	3 to 5 years
Furniture and Fixtures	5 years

   Assets costing upto ₹ 5,000 are fully depreciated in the year of purchase except when they are part of a larger capital investment programme.

   The estimated useful life of the intangible assets are reviewed at the end of each reporting period to reflect the changed pattern, if any.

   The cost of software purchased for internal use is capitalized and depreciated in full in the month in which it is put to use.

   Project specific intangible assets are amortised over their estimated useful lives on a straight line basis or over the period of the license, whichever is lower.

   2.5 **Leases:**

   Assets taken on lease are accounted as fixed assets where necessary conditions are complied in accordance with Accounting Standard 19 on “Leases”, (AS 19).

   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 fixed assets at fair value. Lease payments are apportioned between finance charge and reduction of outstanding liability.

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 **Revenue recognition:**

Revenue from subscription contracts are recognized on accrual basis in accordance with terms of agreement entered into with customer.

Revenue from sale of saral rozgar cards is recognised when the card is activated by the user.

Revenue from online courses is recognized proportionately over the period of the course.

Amounts received or billed in advance of services performed are recorded as advances from customers/unearned revenue.

2.7 **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 the Statement of Profit and Loss in the period in which they occur.

(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 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.

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.

(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.

2.8 **Cash and cash equivalents (for the purpose of cash flow statement):**

The Company considers all highly liquid financial instruments, which are readily convertible into known amount 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.

2.9 **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. The provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect current best estimates.

Contingent liabilities are not recognized in the financial statements. A contingent asset is neither recognized nor disclosed in the financial statements.

2.10 **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.

Note 3 - Share capital :

Particulars	**As at March 31, 2016**	
	Number	(₹ in million)
(a) Authorized :		
Equity shares of ₹ 10 each	**10,000,000**	**100**
(b) Issued, subscribed and fully paid up :		
Equity shares of ₹ 10 each fully paid up	**9,750,000**	**98**
Total	**9,750,000**	**98**

Notes:

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:

Particulars	**As at March 31, 2016**	
	Number	(₹ in million)
Number of Equity shares outstanding at the beginning of the period	-	-
Add: Shares issued during the period	**9,750,000**	**98**
Number of Equity shares outstanding at the end of the period	**9,750,000**	**98**

(ii) Terms, rights and restrictions attached to:

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.

(iii) Details of shares held by the holding company and their associates:

Particulars	(₹ in million) As at March 31, 2016
Equity Shares:	
Tech Mahindra Limited	
9,749,994 Equity shares of ₹10 each fully paid	98
Tech Mahindra Limited j/w Milind Kulkarni	
1 Equity share of ₹10 each fully paid	0
Tech Mahindra Limited j/w Atanu Sarkar	
1 Equity share of ₹10 each fully paid	0
Tech Mahindra Limited j/w Manoj Bhat	
1 Equity share of ₹10 each fully paid	0
Tech Mahindra Limited j/w Anil Khatri	
1 Equity share of ₹10 each fully paid	0
Tech Mahindra Limited j/w Aniruddha Gadre	
1 Equity share of ₹10 each fully paid	0
Tech Mahindra Limited j/w Sriram Gopalakrishnan	
1 Equity share of ₹10 each fully paid	0

(iv) Details of equity shares held by shareholder holding more than 5%:

Name of shareholder	As at March 31, 2016	
	No of Shares	% of Holding
Tech Mahindra Limited, the holding company (including jointly held shares)	9,750,000	100%

Note 4: Reserves and Surplus

Particulars	(₹ in million) As at March 31, 2016
Surplus in Statement of Profit and Loss	
Opening balance	**-**
Add: Profit/(Loss) for the period	**(49)**
Closing Balance	**(49)**

Note 5: Long-Term Provisions

Particulars	(₹ in million) As at March 31, 2016
Provision for Employee Benefits (refer note 18)	
- Gratuity	**2**
- Others	**2**
Total	**4**

Note 6: Trade Payables

Particulars	(₹ in million) As at March 31, 2016
Trade Payables other than Accrued Salaries and Benefits	
- Due to Micro, Small and Medium Enterprises (Refer Note 22)	-
- Other than due to Micro, Small and Medium Enterprises	12
Accrued Salaries and Benefits	3
Total	**15**

Note 7: Other Current Liabilities

Particulars	(₹ in million) As at March 31, 2016
Capital Creditors	1
Advance from Customers	1
Unearned Revenue	4
Statutory Dues	2
Total	**8**

Note 8: Short-Term Provisions

Particulars	(₹ in million) As at March 31, 2016
Provision for Employee Benefits (refer note 18)	
- Gratuity	0
- Others	1
Total	**1**

Note 9: Fixed Assets

(₹ in million)

	Gross Block			Accumulated Depreciation/Amortization			Net Block
	Cost as at October 12, 2015	Additions during the period	Balance as at March 31, 2016	As at October 12, 2015	For the period	Upto March 31, 2016	As at March 31, 2016
Tangible Assets							
Computers	-	0	0	-	0	0	0
Office Equipments	-	0	0	-	0	0	0
Total	-	0	0	-	0	0	0

Note 10: Long-Term Loans and Advances

Particulars	(₹ in million) As at March 31, 2016
(Unsecured, considered good unless otherwise stated)	
Security Deposits	8
Advance Income Taxes (Net of provisions)	0
Total	**8**

Note 11: Trade Receivables

	(₹ in million)
Particulars	**As at March 31, 2016**
Trade Receivables	
Over Six Months from the date they were due for payment	
Considered Good	-
Considered Doubtful	-
Others	
Considered Good	2
Considered Doubtful	-
	2
Less: Provision for Doubtful Receivables	-
Total	**2**

Note 12: Cash and Cash Equivalents

	(₹ in million)
Particulars	**As at March 31, 2016**
Balances with Banks	
-In Current Accounts	**61**
Total	**61**
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is	**61**

Note 13: Short-Term Loans and Advances

	(₹ in million)
Particulars	**As at March 31, 2016**
(Unsecured, considered good unless otherwise stated)	
Loans and Advances to Employees	**0**
Advance from Related parties (refer note 19)	**5**
Total	**5**

Note 14: Employee Benefits Expense

Particulars	**For the period from October 12, 2015 to March 31,2016**
Salaries and Incentives	28
Contribution to Provident and Other Funds (refer note 18)	**1**
Gratuity (refer note 18)	**0**
Staff Welfare Expenses	**1**
Total	**30**

Note 15: Other Expenses

Particulars	**For the period from October 12, 2015 to March 31,2016**
Power and Fuel	**0**
Rent (refer note 17)	**5**
Rates and Taxes	**0**
Communication Expenses	**0**
Travelling Expenses	**1**
Legal & Professional Fees (refer note 20)	**1**
Hire Charges	**0**
Repairs & Maintenance	
Machinery and Computers	**1**
Others	**0**
Advertising, Marketing and Selling Expenses	**12**
Miscellaneous Expenses	**0**
Total	**20**

16. Commitment and Contingencies:

Capital Commitments

The estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for as at March 31, 2016 is ₹ 4 Million.

17. 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 period from October 12, 2015 to March 31, 2016 is ₹5 million. The future lease payments of such operating lease are as follows:

(₹ **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	15	11	-

18. Details of employee benefits as required by the Accounting Standard 15 (Revised) – Employee Benefits are as under:

a) **Defined Contribution Plan**

The Company makes contributions to Provident Fund, Superannuation Fund, National Pension Fund and Employee State Insurance Scheme which are defined contribution plans for qualifying employees. Under these Schemes, the Company contributes a specified percentage of the payroll costs to the respective funds.

The Company recognized expense in the statement of Profit and Loss amounting to:

• ₹ 1 Million for Provident Fund contributions,

• ₹ 0 Million for Superannuation Fund contributions,

• ₹ 0 Million for National Pension Scheme contributions and

• ₹ 0 Million for Employee State Insurance Scheme contributions.

The contributions to these plans are made at specified percentage/applicable amounts.

b) **Defined Benefit Plan**

The defined benefit plan comprises of gratuity. The gratuity plan is not funded. Changes in the present value of defined obligation are representing reconciliation of opening and closing balances thereof showing amount recognized in the Balance Sheet is as under:

(₹ in million)

Particulars	**As at March 31, 2016 Non Funded**
Projected benefit obligation at the beginning of the period	-
Add: Additions on transfer of liability from Tech Mahindra Limited	2
Service cost	0
Interest cost	0
Actuarial (Gain) / Loss	(0)
Benefits paid	(0)
Projected benefit obligation, at the end of the year	**2**

(₹ in million)

Expense recognized in the Statement of Profit and Loss	**For the period from October 12th 2015 to March 31st 2016**
	Non Funded
Service cost	0
Interest cost	0
Expected Return on Plan Assets	-
Actuarial (Gain)/Loss	0
Total	**0**

Experience Adjustments

Particulars	**March 31, 2016**
Defined Benefit Obligation	2
Fair value of plan assets	-
Surplus/ (Deficit)	2
Experience adjustment on plan liabilities Gain/(Loss)	(0)
Experience adjustment on plan assets Gain/(Loss)	-
Acturial Gain / (Loss) due to change on assumptions	0

(₹ in million)

Principal Actuarial Assumptions	**As at March 31, 2016**
Discount Rate	7.90%
Rate of increase in compensation levels of covered employees	4% to 10%
Mortality Rate	Indian assured lives Mortality (2006-08) Modified Ult.

- 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.
- Others includes provision for compensated absences & long term service award. The expense for the period from October 12, 2015 to March 31, 2016 is ₹ 0 million.

19. As required under Accounting Standard 18 “Related Party Disclosures” (AS – 18), following are details of transactions during the period from October 12, 2015 to March 31, 2016 and outstanding balances as at March 31, 2016 with the related parties of the Company as defined in AS – 18:

a) List of Related Parties and Relationships:

Name of Related Party*	Relationship
Tech Mahindra Limited	Holding Company

*We have disclosed related parties where control exist and other related parties with whom company have transactions during the period from October 12, 2015 to March 31, 2016.

b) Related party Transactions for the period from October 12, 2015 to March 31, 2016:

(₹ in million)

Nature of Transactions	Name of the party	For the period from October 12, 2015 to March 31, 2016
Subscription to equity share capital	Tech Mahindra Limited.	98

(₹ in million)

Nature of Transaction	Particulars	For the period from October 12, 2015 to March 31, 2016
Reimbursment of Expenses (Net) –Paid/ (Receipt)	Tech Mahindra Limited	2

Balances as at	Particulars	As at March 31, 2016
Trade Payables	Tech Mahindra Limited	(0)
Short term loans and advances	Tech Mahindra Limited	5

20. Payment to Auditors (net of service tax)

(₹ in million)

Particulars	For the period from October 12, 2015 to March 31, 2016
Audit Fees (including quarterly audits)	1
Total	**1**

21. Earnings Per Share is calculated as follows

Particulars	(₹ in million) For the period from October 12, 2015 to March 31, 2016
Net Profit/(Loss) attributable to shareholders	(49)
Equity Shares outstanding as at the end of the period (in nos.)	97,50,000
Nominal Value per Equity Share (in ₹)	10
Earnings Per Share (Basic & Diluted) (in ₹)	(5)

22. Based on the information available with the company, no creditors have been identified as "Supplier" within the meaning of Micro, Small and Medium Enterprises Development (MSMED) Act, 2006.

23. Deferred Tax (liability)/ asset:

Particulars	(₹ in million) For the period from October 12, 2015 to March 31, 2016
Depreciation on fixed assets	0
Total Deferred Tax Liability (A)	**0**
Provision for Gratuity & Leave Encashment	1
Total deferred Tax Assets (B)	**1**
Net Deferred Tax (Liability)/Asset C=B-A	**1**
Net Deferred Tax Asset recognized	**Nil**

Note: Accounting standard 22 Taxes on Income requires that the deferred tax asset should be recognized when it is probable that the taxable profits will be available against which the deferred tax asset can be utilised. As there is no virtual certainty / convincing evidence at this stage that sufficient taxable profit will be available in the immediate future, deferred tax asset has been recognized only to the extent of deferred tax liability.

24. Going Concern:

The Company was incorporated on October 12, 2015 and as at the period end has incurred losses. The company's operations being at development stage and considering the business plans, these financial statements are prepared on going concern basis.

25. The company was incorporated on October 12, 2015 and this being the first fiscal year of financial reporting, there are no comparative figures.

For and on behalf of the Board of Directors

Jagdish Mitra
Director

Sriram Gopalakrishnan
Director

Vivek Agarwal
Director

Deepak Bedekar
Company Secretary

Place: New Delhi
Date: May 20, 2016

TECH MAHINDRA FRANCE SAS

Board of directors

Didier LE LAY

Registered Office

17 avenue Georges V
75008 Paris
France

Bankers

HSBC France

Auditors
Deloitte & Associés

MANAGEMENT REPORT ON OPERATIONS

REGARDING THE YEAR ENDED 31 MARS 2016

The undersigned, Mr. Didier Le Lay, legal representative of the company TECH MAHINDRA LIMITED -TML, sole partner of the company TECH MAHINDRA FRANCE has, for the approval of the accounts of the first financial year ending March 31, 2016, prepared this management report on the situation of the company during this financial year, its mission for the past year and the outlook for the current year

The rules of presentation and evaluation methods used in the preparation of these documents comply with the regulations. Their presentation is identical to that adopted for the previous year.

In detail the annual accounts submitted for approval to the sole shareholder

ACTIVITIES OF THE COMPANY - EVENTS ANTICIPATED

Operating expenses amounted in the fiscal year, the sum of 3694 euros as detailed as follows

Other purchases and external expenses : 3,694 euros.

The fiscal year ended March 31, 2016, constituting the first financial year of the company since its registration in the Register of Commerce and Companies, shows a loss of 3,694 euros.

SIGNIFICANT EVENTS OF THE YEAR

The fiscal year ended March 31, 2016 is the first financial year of the company since the company was registered November 27, 2015 at the Registry of the Paris Commercial Court

The duration of the first financial year is 6 months, from October 1, 2015 to March 31, 2016.

SIGNIFICANT EVENTS SINCE THE END OF THE YEAR

Nothing special seems to have to be reported.

FORECASTS AND OUTLOOK

Given the current economic situation, we have already taken measures both commercially and in terms of management, to improve the profitability of our business.

ACTIVITY IN THE FIELD OF RESEARCH AND DEVELOPMENT

The Company has no research activity.

ALLOCATION OF INCOME

The financial year ended 03/31/2016 was a loss of 3,694 Euros.

We propose to appropriate this result as follows :

To "Retained earnings", amounting to Euros 694 -3, a negative result of Euro 694 -3 after posting.

We remind you, in accordance with Article 243 of the Tax Code, there was no distribution of dividends for the three previous years of the company, since it is the first exercise head of the company since its registration in the Register of Trade and Companies

After discussion, the sole member is invited to approve the accounts submitted for approval, to affect the outcome of the exercise and give the legal representative of the company discharge its management.

The company " TECH MAHINDRA LIMITED "

Represented by Mr. Didier Le Lay

STATUTORY AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

Year ended March 31,2016 From October 1st, 2015 to March 31, 2016 (6 months)

This is a free translation into English of the statutory auditor's report on the financial statements issued in French and is provided solely for the convenience of English speaking users. The statutory auditor's report on the financial statements includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the sole shareholder,

In accordance with our appointment as statutory auditors at your Annual General Meeting, we hereby report to you for the year ended March 31, 2016 (From October 1st, 2015 to March 31, 2016) on:

- the audit of the accompanying financial statements of Tech Mahindra France SAS,
- the justification of our assessments;
- the specific verifications and disclosures required by law.

The financial statements have been approved by the Chairman. Our role is to express an opinion on these financial statements, based on our audit.

I. Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France. 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 includes examining, using sample testing techniques or other selection methods, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made, as well as evaluating the overall financial statement presentation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at March 31, 2016 and of the results of its operations for the year then ended in accordance with accounting principles generally accepted in France.

II. Justification of our assessments

In accordance with the provisions of Article L.823-9 of the French Commercial Code (Code de commerce) relating to our assessments, we hereby inform you that these assessments covered the appropriateness of the accounting policies applied and the reasonableness of the material estimates used.

These assessments were performed as part of our audit approach for the financial statements taken as a whole and contributed to the expression of our opinion in the first part of this report.

III. Specific verifications and disclosures

We have also performed the other procedures required by law, in accordance with professional standards applicable in France.

We have no matters to report regarding the fair presentation and consistency with the financial statements of the information given in the management report of the Chairman and the documents addressed to the sole shareholder in respect of the financial position and the financial statements.

Neuilly-sur-Seine, le 20 mai, 2016

The Statutory Auditor

Deloitte & Associes

Frederic NEIGE

TECH MAHINDRA FRANCE SAS

BALANCE SHEET

ASSETS		From 01/10/2015 To 31/03/2016 (06 months) Brut	Depr.& prov.	Net	%
Uncalled capital	(0)				
Fixed assets					
Preliminary expenses					
Research and development expenses					
Concessions, patents and similar rights					
Goodwill					
Other intangible fixed assets					
Advances and prepayments on intangible fixed assets					
Land					
Buildings					
Industrial fixtures, fittings, plant machinery and equipment					
Other tangible fixed assets					
Fixed assets in progress					
Advances and prepayments					
Long-term investments by "equivalence method"					
Other interest ownership					
Receivables related to interest ownership					
Capitalized securities					
Loans					
Other fixed assets					
TOTAL	**(1)**				
Current assets					
Raw materials and supplies					
Work in progress of goods					
Work in progress of services					
Semi-finished and finished goods					
Goods held for resale					
Advances and down-payments to suppliers					
Trade and related accounts					
Other receivables					
. Debtors suppliers					
. Staff					
. Payroll taxes					
. State, profit tax					
. State, turnover tax		739		739	0.73
. Other					
Called but unpaid capital					
Investment securities					
Cash Instruments					
Cash		100,000		100,000	99.27
Prepaid expenses					
TOTAL	**(II)**	**100,739**		**100,739**	100.00
Charges to be spread over several periods	(III)				
Premium for redemption of bonds	(IV)				
Unrealized exchange losses	(V)				
TOTAL ASSETS (0 a V)		**100,739**		**100,739**	100.00

BALANCE SHEET - EQUITY AND LIABILITIES

Equity and Liabilities		Current Year 31/03/2016 (06 months) Net	%
Shareholders' equity			
Share capital (paid-up capital: 100,000)		**100,000**	99.27
Premiums arising from shares issues, from merger			
Revaluation			
Legal reserve			
Statutory reserve			
Regulated reserves			
Other reserves			
Retained (profits / losses) brought forward merger			
Net income or loss of the tax year		**(3,694)**	(3,66)
Subsidies of investment			
Regulated provisions			
	TOTAL (I)	**96,306**	95.60
Proceeds from the issuance of "participating titles"			
Conditional advances			
	TOTAL (II)		
Provisions for liabilities and charges			
Reserves for contingencies Provisions for charges			
	TOTAL (III)		
Loans and debts			
Convertible debenture loans			
Other debenture loans			
Bank borrowing and bank overdrafts			
. Bank borrowing			
. Bank overdrafts			
Other financial borrowing and debts			
. Miscellaneous			
. Partners			
Advances and down-payments for work in progress			
Trade notes and related accounts payable			
Tax payable and social liabilities		**4,433**	4.40
.Staff			
. Payroll taxes			
. State, profit tax			
. State, turnover tax			
. State, guaranteed bonds			
. Other taxes			
Liabilities on fixed assets and related accounts			
Other debts			
Prepaid income			
	TOTAL (IV)	**4,433**	4.40
Unrealized exchange gains	**(V)**		
	TOTAL LIABILITIES (I a V)	**100,739**	100.00

INCOME STATEMENT

Income Statement	France	Export	From 01/10/2015 to 31/03/2016 Total	%	From Neant Total	%	Variation	%
Sales of goods								
Sales of manufactured goods								
Sales of manufactured services								
Net turnover								
Stored production								
Capitalized production								
Operating subsidies								
Recaptures on deprecations and reserves, expense transfer								
Other operating income								
Total operating income								
Purchase of goods (including customs duties)								
Variation on inventory (goods)								
Purchase of raw materials and other supplies (including customs duties)								
Variation in inventory (raw materials and supplies)								
Other purchases and external expenses			**3,694**				**3,694**	**N/S**
Taxes and assimilated payments								
Salaries and wages expenses								
Social security expenses								
Operating allowances on fixed assets : depreciation allowances								
Operating allowances on fixed assets : reserve allowances								
Operating allowances on current assets : reserve allowances								
Operating allowances for contingencies : reserve allowances								
Other expenses								
Total operating expenses			**3,694**				**3,694**	**N/S**
OPERATING RESULT			**(3,694)**				**(3,694)**	**N/S**
Attributed income or transfered loss								
Suffered loss or transfered profit								
Financial income from interest ownership								
Other holdings and capitalized receivables								
Other interest and assimilated income								
Recaptures on provisions and expense transfer								
Profits on foreign exchange								
Net gains on sales of portfolio securities								
Total financial income								
Financial allowances for depreciations and provisions								
Interests and assimilated expenses								
Loss on foreign exchange								
Net loss on sales of portfolio securities								
Total financial expenses								
FINANCIAL RESULT								
Ordinary result before tax			**(3,694)**				**(3,694)**	**N/S**
Extraordinary operating gains								
Extraordinary capital gains								
Recaptures on reserves and expense transfers								
Total extraordinary income								

INCOME STATEMENT

Income Statement	France	Export	From 01/10/2015 to 31/03/2016 Total	%	From Neant Total	%	Variation Variation	% %
Extraordinary operating losses								
Extraordinary capital losses								
Depreciation and reserve extraordinary allowances								
Total extraordinary expenses								
EXTRAORDINARY RESULT								
Profit sharing scheme Income tax								
Total Income								
Total expenses			**3,694**				**3,694**	**N/S**
NET RESULT			**(3,694)**					
			Loss				**(3,694)**	**N/S**
Including leasing of furnitures								
Including leasing of real estate								

SUBSIDIARIES LIQUIDATED

a) **Satyam Colombia Servicios DE Informatica SAS-** During the year ended March 31, 2016 Satyam Colombia Servicios DE Informatica SAS (100% subsidiary of Tech Mahindra Servicos DE Informatica LTDA) had applied for liquidation. With effect from February 15, 2016 Satyam Colombia Servicios DE Informatica SAS has been liquidated

b) **Satyam Computer Services Belgium, BVBA -** During the year ended March 31, 2015 Satyam Computer Services Belgium, BVBA (100% subsidiary of the Company) had applied for voluntary liquidation and has been dissolved in accordance with Article 184 of the Companies Code applicable in Belgium on September 17, 2014. On liquidation, the Company has received Rs. 328 Million (EUR 4.23 Million) as proceeds of liquidation. The Company's value of investment in the said entity (net of provision) before the liquidation was Rs. 316 Million. Therefore excess proceeds of Rs. 12 Million have been accounted under sundry balance written back under other income. The Company has applied to RBI for approval to write off the said investment. The Company is awaiting for approval and hence the investments and provision for investments are not knocked off.

c) **Satyam Computer Services (Egypt) S.A.E** a 100% subsidiary had applied for voluntary liquidation during the year ended March 31, 2012 as per local regulations applicable to it. With effect from June 25, 2015 Satyam Computer Services (Egypt) S.A.E has been liquidated.

d) **Nitor Global Solutions Limited ("Nitor"),** has been dissolved and name has been struck-off from Registrar of Companies United Kingdom w.e.f. January 20, 2014. The Company has filed an application with RBI and the Company is still awaiting approval from RBI for writing off the investments from the books of accounts as of March 31, 2016.

SUBSIDIARIES MERGED

Mahindra Engineering GmbH - During the year ended March 31, 2016, as per the notarized merger order, Mahindra Engineering GmbH was merged with Tech Mahindra GmbH w.e.f. April 1, 2015. Tech Mahindra Limited and Mahindra Engineering Services (Europe) Limited are shareholders of Mahindra Engineering GmbH holding 84% and 16% respectively.

As per the merger order, all assets and liabilities with duties and obligations are transferred to Tech Mahindra GmbH and the shareholders of Mahindra Engineering GmbH to waive off their rights. The Company has already provided for its investment in Mahindra Engineering GmbH during the previous years. The Company is in process of applying to RBI for the approval of write off for the said investment in the books of accounts.

SUBSIDIARIES WHERE NO OPERATIONS HAVE COMMENCED

i. **TechM Canada Inc -** During the year ended March 31, 2015, the Company had incorporated a 100% subsidiary in Canada namely TechM Canada Inc. However, neither any investment has been made by the Company in the said subsidiary as at March 31, 2016 nor has commenced its operations.

ii. **Terra Payment Services South Africa (PTY) Ltd -** Comviva Technologies Limited has acquired 100% stake in a Company in South Africa namely Terra Payment Services South Africa (PTY) Ltd. As on March 31, 2016 the said subsidiary has not commenced its operations.

iii. **Mobex Money Transfer Services Limited -** On December 16, 2015 a new 100% subsidiary Mobex Money Transfer Services Limited was incorporated in Kenya under Terra payment services (Netherlands) BV. There has been no capital infusion and no business transacted as at March 31, 2016.

iv. **Tapio INC -** On February 29, 2016 a new 100% subsidiary Tapio INC. was incorporated in U.S.A under Tech Mahindra (Americas) Inc. There has been no capital infusion and no business transacted as at March 31, 2016.

v. **Terrapay Services (UK) Limited -** On February 24, 2016, Terra Payment Services (Netherlands) BV has incorporated 100% subsidiary as Terrapay Services (UK) Limited in United Kingdom. There has been no capital infusion and no business transacted as at March 31, 2016.

vi. **Terra Payment Services (Tanzania) Limited -** On March 10, 2016, Terra Payment Services (Netherlands) BV has incorporated 100% subsidiary as Terra Payment Services (Tanzania) Limited in Tanzania. There has been no capital infusion and no business transacted as at March 31, 2016.

vii. **Terra Payment Services (Uganda) Limited in Uganda -** On March 11, 2016, Terra Payment Services (Netherlands) BV has incorporated 100% subsidiary as Terra Payment Services (Uganda) Limited in Uganda. There has been no capital infusion and no business transacted as at March 31, 2016.

viii. **Tech Mahindra Arabia Limited -** During the year under review, the Company has incorporated a subsidiary company in Saudi Arabia namely Tech Mahindra Arabia Limited. In this Company, Tech Mahindra holds 51% of the share capital and balance 49% is held by the joint venture partner M/s Midad Holding Company Limited, Saudi Arabia. The Company is yet to commence its commercial operations.

TECH MAHINDRA FOUNDATION

Board of Directors:

Mr. Keshub Mahindra
Mr. Anand G. Mahindra
Mr. Vineet Nayyar
Mr. Ulhas N. Yargop

Registered Office
Oberoi Gardens Estate, Chandivali
Off Saki Vihar Road
Andheri (E)
Mumbai 400 072, India

Bankers
IDBI Bank

AUDITORS:
B. K. Khare & Company
Chartered Accountants

DIRECTORS' REPORT

Your Directors present their Eleventh Annual Report of your Company for the year ended 31st March 2016.

FINANCIAL SUMMARY/RESULTS

	2016	2015
For the year Ended March 31	₹	₹
Donations received	**341,458,637**	323,133,359
Interest received on investments	**46,590,821**	65,067,685
Expenditure on the objects of the Company	**330,123,067**	290,438,969
Corpus fund	**822,621,656**	797,621,656

STATE OF COMPANY AFFAIRS/REVIEW OF ACTIVITIES

Tech Mahindra's social initiatives are carried out by Tech Mahindra Foundation (TMF), its corporate social responsibility (CSR) arm.

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 "Educated, skilled and able women and men are a country's true strength", establishing itself as a prominent CSR player within the Mahindra Group as well as a leading social organization at a national level. The Foundation essentially works with children and youth from urban, disadvantaged communities in India. During the year under review, Tech Mahindra Foundation ran 160+ high-impact projects with 90+ partners, reaching out to 150,000+ children and youth across these locations.

School Education

The Foundation's work in school education focuses upon three thematic areas: school improvement, teacher empowerment and learning enrichment. The key initiatives include:

All Round Improvement in School Education (ARISE):

Tech Mahindra Foundation's educational initiatives under ARISE are long-term school improvement programmes, run in partnership with local governments and partner organisations. The Foundation has adopted 60+ schools across India and is working with 18 partners to turn them around completely into model schools of excellence. ARISE+ initiatives encompass educational empowerment programmes for children with disabilities.

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 to manage its In-Service Teacher Education Institute (ITEI), where teachers from nearly 400 primary schools receive quality training on a regular basis.

Shiksha Samvardhan:

Shiksha Samwardhan, or the education enrichment programme, is a thematic intervention around learning enhancement initiatives of the Foundation, towards making learning interesting, child-centred and activity-based to reduce cumulative burden of non-comprehension and to promote grade appropriate competencies.

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 65 Centres at 10 locations across India. These include SMART Centres, SMART+ Centres (training for people with disabilities), SMART-T Centres (training in technical trades) and the first SMART Academy for Healthcare in Delhi. The Academy will closely engage with the industry stalwarts for constant curriculum upgradation and placement.

During the year under review, your Company trained ~16,000 young women and men under its SMART programme. More than 75-80% of the graduates are placed in jobs upon successful completion of the training, across multiple industries.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There are no material changes which will affect the company

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There are no orders passed by the regulators or courts or tribunals which would impact the going concern status and company's operations in future.

FIXED DEPOSITS

Your Company has not accepted any fixed deposits and, as such, no amount of principal or interest was outstanding as on the balance sheet date.

AUDITORS

M/s. B. K. Khare & Co., Chartered Accountants the Auditors of your Company, hold office up to the conclusion of the forthcoming Annual General Meeting of the Company and have given their consent for re-appointment. The shareholders will be required to elect auditors for the current year and fix their remuneration. Your Company has received a written confirmation from M/s. B. K. Khare & Co., to the effect that their appointment, if made, would be in conformity with the limits prescribed in Section 139 of the Companies Act, 2013.

The Board recommends the re-appointment of M/s. B. K. Khare & Co. as the Auditors of the Company

SHARE CAPITAL

The Company has not issued any equity shares carrying differential rights, sweat equity shares, employee stock options nor provided money for purchase of its own shares by employees or by trustees for the benefit of employees during the financial year. The Company's paid up equity capital is ₹ 5,00,000 comprising of 50,000 equity shares of Face Value ₹ 10/- each.

EXTRACT OF THE ANNUAL RETURN

The extract of the annual return as on the financial year ended 31st March 2016 in Form No. MGT – 9 is forming part of the Board's report as **Annexure 1.**

CONSERVATION OF ENERGY, RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

a) Conservation of Energy: The operations of the Company are not energy-intensive and hence, the provisions are not applicable.

b) Research and Development: No amount was spent on Research and development during the year under review.

c) Foreign Exchange earnings and outgo: No amount was earned or expended in foreign exchange during the year under review.

DIRECTORS

As per Article 16 of the Articles of Association of the Company, all Directors retire at the ensuing annual general meeting and are eligible for re-appointment.

NUMBER OF MEETINGS OF BORAD

During the Financial Year 2015-16, the Company held 2 (Two) meetings of the Board of Directors.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The Company has not made any loans/advances which are required to be disclosed in the annual accounts of the Company pursuant to Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the parent company – Tech Mahindra Limited.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All transactions entered into with Related Parties as defined under the Companies Act, 2013 during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements.

The particulars of relate party transactions in prescribed Form AOC - 2 is annexed herewith as **"Annexure 2".**

PARTICULARS OF EMPLOYEES AS REQUIRED BY RULE 5 (2) OF THE COMPANIES (APPOINTMENT & REMUNERATION) RULES 2014

The Company had no employee who was in receipt of remuneration of not less than ₹ 60, 00,000 during the year ended 31st March, 2016 or not less than ₹ 5, 00,000 per month during any part of the said year.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to provisions of Section 134 (5) of the Companies Act, 2013, your Directors, based on the representation received from the Operating Management, and after due enquiry, confirm that:

(i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

(ii) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(iii) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(iv) the directors have prepared the annual accounts on a going concern basis;

(v) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENTS

The Board takes this as an opportunity to thank the promoters of the Company for their faith and patronage.

For and on behalf of the Board

Keshub Mahindra
Chairman

Place : Mumbai

Date : 23rd May 2016

Annexure - 1

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2016

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 -Maharashtra, India – 400072 022-66882000
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10% or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Not Applicable as it is a Section 8 Company		
2			
3			

III. PARTICULARS 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) Banks / FI	-	-	-	-	-	-	-	-	-
Sub Total A (2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**-**	**50000**	**50000**	**100%**	**-**	**50000**	**50000**	**100%**	**-**
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
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)	-	-	-	-	-

S. No.	Particulars of Remuneration	Name of Directors				Total Amount
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	-	-	-	-	-
	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

Place: Mumbai

Date : 23rd May 2016

Keshub Mahindra

Chairman

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies(Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL				
(a) Name(s) of the related party and nature of relationship:				
(b) Nature of contracts/arrangements/ transactions				
(c) Duration of the contracts/arrangements/ transactions				
(d) Salient terms of the contracts or arrangements or transactions including the value, if any				
(e) Justification for entering into such contracts or arrangements or transactions				
(f) date(s) of approval by the Board				
(g) Amount paid as advances, if any:				
(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188				
2. Details of material contracts or arrangement or transactions at arm's length basis				
	Transaction No 1	**Transaction No 2**	**Transaction No 4**	**Transaction No 5**
(a) Name(s) of the related party and nature of relationship :	Tech Mahindra Limited Holding Company	Comiva Technologies Limited Fellow subsidiary Company	Tech Mahindra Business Services Limited Fellow subsidiary Company	Satyam Venture Engineering Services Pvt. Limited Fellow subsidiary Company
(b) Nature of contracts/arrangements/ transactions	CSR Contribution as per Companies Act, 2013 for the FY 15-16	CSR Contribution as per Companies Act, 2013 for the FY 15-16	CSR Contribution as per Companies Act, 2013 for the FY 15-16	CSR Contribution as per Companies Act, 2013 for the FY 15-16
(c) Duration of the contracts / arrangements/ transactions				
(d) Salient terms of the contracts or arrangements or transactions including the value,if any	CSR Contribution as per Companies Act, 2013 Value - ₹ 297,400,000	CSR Contribution as per Companies Act, 2013 Value - ₹ 10,881,197	CSR Contribution as per Companies Act, 2013 Value - ₹ 27,529,045	CSR Contribution as per Companies Act, 2013 Value - ₹ 5,544,844
(e) Date(s) of approval by the Board, if any:	N.A.	N.A.	N.A.	N.A.
(f) Amount paid as advances, if any:				

For and on behalf of the Board

Place: Mumbai
Date : 23rd May 2016

Keshub Mahindra
Chairman

INDEPENDENT AUDITOR'S REPORT

To the Members of Tech Mahindra Foundation

Report on the Financial Statements

1. We have audited the accompanying financial statements of Tech Mahindra Foundation ("the Company"), which comprise the Balance Sheet as at March 31, 2016, and the Statement of Income and Expenditure for the year then ended,and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, 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). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.

4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2016, and its deficit for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As the Company is licensed under Section 8 of Companies Act, 2013 the Companies (Auditor's Report) Order, 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.

10. As required by Section 143(3) of the Act, we report that:

    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

    b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c. The Balance Sheet, the Statement of Income and Expenditure dealt with by this Report are in agreement with the books of account;

    d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);

    e. On the basis of written representations received from the Directors as on March 31, 2016 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act.

    f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

        i. The Company does not have any pending litigations which would impact its financial position.

        ii. The Company did not have any long-term contracts including derivate 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
Firm's Registration Number 105102W

R.D. Onkar
Partner
Membership Number-045716
Pune
Date: May 23, 2016

BALANCE SHEET AS AT MARCH 31, 2016

		Note	**As at March 31, 2016 ₹**	As at March 31, 2015 ₹
I	**SOURCES OF FUNDS :**			
	SHAREHOLDERS' FUNDS:			
	Capital	I	**5,00,000**	5,00,000
	Corpus Fund	I	**82,26,21,656**	79,66,21,656
	Surplus /(Deficit) in Income and Exenditure Account		**(5,22,509)**	(2,29,877)
	TOTAL		**82,25,99,147**	79,68,91,779
	Fixed Asset :	II		
	i) Tangible Assets		**32,35,886**	5,87,396
	ii) Intangible Assets		**12,872**	21,002
	Net Block		**32,48,758**	6,08,398
	CURRENT ASSETS, LOANS AND ADVANCES:	III		
	Loans & Advances		**1,40,41,373**	1,26,13,366
	Cash and Bank Balances		**80,65,37,386**	78,40,59,639
			82,05,78,759	79,66,73,005
	Less : CURRENT LIABILITIES AND PROVISIONS:	IV		
	Liabilities		**12,28,370**	3,89,624
			12,28,370	3,89,624
	TOTAL		**82,25,99,147**	79,68,91,779
	SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	VII		

As per our attached report of even date

For B K Khare & Co.
Chartered Accountants

R.D. Onkar
Partner
M No . 45716

Place : Pune
Date : May 23, 2016

For Tech Mahindra Foundation

Mr. Keshub Mahindra
Director

Mr. Anand Mahindra
Director

Mr. Vineet Nayyar
Director

Mr. Ulhas Yargop
Director

Place : Mumbai
Date : May 23, 2016

INCOME & EXPENDITURE ACCOUNT FOR THE PERIOD ENDED MARCH 31, 2016

	Note	Actual March 31, 2016 ₹	Actual March 31, 2015 ₹
INCOME	V	**36,23,12,066**	32,95,06,044
TOTAL		**36,23,12,066**	32,95,06,044
EXPENDITURE :			
Operating and Other Expenses	VI	**4,32,72,626**	3,96,49,337
Donation		**31,90,47,475**	28,96,65,942
Depreciation		**2,84,596**	1,91,305
TOTAL		**36,26,04,697**	32,95,06,584
(Deficit)/Excess of Income over Expenditure for the year		**(2,92,632)**	(540)
Balance carried forward from previous year		**(2,29,877)**	(2,29,337)
Excess of Income over expenditure/(Expenditure over income)		**(5,22,509)**	(2,29,877)
TOTAL		**36,23,12,066**	32,95,06,044
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	VII		

As per our attached report of even date

For B K Khare & Co.
Chartered Accountants

R.D. Onkar
Partner
M No . 45716

Place : Pune
Date : May 23, 2016

For Tech Mahindra Foundation

Mr. Keshub Mahindra
Director

Mr. Anand Mahindra
Director

Mr. Vineet Nayyar
Director

Mr. Ulhas Yargop
Director

Place : Mumbai
Date : May 23, 2016

NOTES FORMING PART OF THE BALANCE SHEET

	As at March 31, 2016 ₹	As at March 31, 2015 ₹
Note I		
Corpus Funds		
Share Capital		
Authorised :		
50,000 Equity Shares of ₹ 10/- each fully paid-up	**500,000**	500,000
Issued, Subscribed & Paid up :		
50,000 Equity Shares of ₹ 10/- each fully paid-up	**500,000**	500,000
TOTAL	**500,000**	500,000
Specific Donations		
As per last Balance Sheet	**796,621,656**	737,926,656
Add : Received during the year	**26,000,000**	58,695,000
TOTAL	**822,621,656**	796,621,656

Note II:
Fixed Assets

₹

		Gross Block				Accumulated Depreciation/ Amortisation				Net Block	
		Cost as at April 01, 2015	Additions during the year	Deletions during the year	**Balance as at March 31, 2016**	As at April 01, 2015	For the year	Deductions during year	**Upto March 31, 2016**	As at March 31, 2015	**As at March 31, 2015**
a	**Tangible Assets**										
	Furniture and Fixtures	172,540	1,099,655	-	**1,272,195**	32,559	52,517	-	**85,077**	1,187,118	**139,981**
	Computers	331,082	366,220	42,315	**654,987**	106,086	122,003	22,333	**205,755**	449,232	**224,996**
	Office Equipment	317,009	1,479,063		**1,796,072**	94,590	101,946	-	**196,536**	1,599,536	**222,419**
	Total (a)	**820,631**	**2,944,938**	**42,315**	**3,723,254**	**233,235**	**276,466**	**22,333**	**487,368**	**3,235,886**	**587,396**
b	**Intangible Assets**										
	Software	29,114	-	-	**29,114**	8,112	8,130	-	**16,242**	12,872	**21,002**
	Total (b)	**29,114**	**-**	**-**	**29,114**	**8,112**	**8,130**	**-**	**16,242**	**12,872**	**21,002**
	Grand Total (a+b)	**849,745**	**2,944,938**	**42,315**	**3,752,368**	**241,347**	**284,596**	**22,333**	**503,610**	**3,248,758**	**608,398**
	Previous Year	**641,006**	**208,739**	**-**	**849,745**	**50,042**	**191,305**	**-**	**241,347**	**608,398**	**590,964**

NOTES FORMING PART OF THE BALANCE SHEET

				As at March 31, 2016 ₹	As at March 31, 2015 ₹
Note III					
CURRENT ASSETS, LOANS AND ADVANCES :			III		
(a) Loans and Advances :					
(Unsecured)					
Interest Accrued on Deposits				**2,606,199**	1,558,787
Balances with Government Authorities					
Tax Deducted at Source				**11,016,291**	10,730,997
Other Advances				**418,883**	323,582
				14,041,373	12,613,366
(a) Cash and Bank Balances :					
Balance with Scheduled banks:	(i)	In Current accounts		**96,386**	13,996,639
	(ii)	In Fixed Deposit accounts		**806,441,000**	770,063,000
				806,537,386	784,059,639
TOTAL				**820,578,759**	796,673,005

Note IV		
CURRENT LIABILITIES AND PROVISIONS:		
Dues to Small Scale Industrial Undertakings	**-**	-
Others	**1,228,369**	389,624
TOTAL	**1,228,369**	389,624

NOTES FORMING PART OF THE INCOME AND EXPENDITURE ACCOUNT

	As at March 31, 2016 ₹	As at March 31, 2015 ₹
Note V		
INCOME		
Interest on :		
Deposits with banks	**46,590,821**	65,067,685
Other Income	**262,607**	-
Donations Received	**315,458,637**	264,438,359
TOTAL	**362,312,066**	329,506,044
Note VI		
OPERATING AND OTHER EXPENSES		
Professional and Consultancy Fees	**26,545,403**	29,221,895
Bank Charges	**16,655**	7,284
Audit Fees	**57,250**	56,180
Insurance Expenses	**5,646**	-
Printing & Stationery	**2,249,212**	1,851,322
Travelling & Conveyance	**1,033,253**	999,396
Books & Periodicals	**50,248**	99,552
Welfare Expenses	**40,302**	28,392
Software Expenses	**-**	723,668
Teacher’s Award Function Expenses	**-**	500,000
Welfare Project Expenses	**11,075,592**	773,027
Seminars & Conferences	**32,026**	215,500
Telephone Expenses	**135,599**	91,857
Office & Miscellaneous Expenses	**2,031,440**	5,081,264
TOTAL	**43,272,626**	39,649,337

NOTE VII

Notes forming part of the Balance Sheet and Income Expenditure Account

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2016

1. Significant accounting policies:

(a) Basis for preparation of accounts:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles ("GAAP") in India under historical cost convention and on accrual basis, and are in conformity with mandatory accounting standards, as prescribed under Section 133 of the Companies Act 2013, read with rule 7 of the Companies (accounts) Rules, 2014, and the provisions of the Act (to the extent notified).

All assets and liabilities have been classified as current and non-current as per Company's normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013.

(b) Revenue recognition:

Interest income is recognized on time proportion basis. Donations received with a specific direction from the donors that they shall form part of the income have been accounted for accordingly.

(c) Donations:

Donations received with a specific direction from the donors that they shall form part of the corpus have been accounted for accordingly.

(d) Fixed Assets including intangible assets:

Fixed assets are stated at cost less accumulated depreciation. Costs comprise of purchase price and attributable costs, if any.

(e) Depreciation / amortization of fixed assets:

(i) Depreciation on fixed assets is charged based on straight line method on an estimated useful life as prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, where the life of the assets has been assessed as under based on technical advice, considering the nature of the asset, estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Computers and Project specific software	3 years
Furniture and Fixtures	5 years
Office Equipments	5 years

(ii) Assets costing upto ₹ 5,000 are fully depreciated in the year of purchase.

2. Donations received during the year 2015-16 and 2014-15

Particular	2015-16 ₹	2014-15 ₹
Specific Donations		
Tech Mahindra Limited	**26,000,000**	58,695,000
Donations	**-**	
Tech Mahindra Limited	**271,400,000**	202,427,753
Comviva Technologies Limited	**10,881,197**	4,100,001
Tech Mahindra BPO Limited	**-**	13,320,000
Tech Mahindra Business Services Ltd.	**27,529,045**	21,829,260
Satyam Venture Engineering Services Pvt. Ltd.	**5,544,844**	6,761,345
Mahindra Finance Limited	**-**	16,000,000
Others	**103,551**	-
Total	**341,458,637**	323,133,359

As per our attached report of even date

For B K Khare & Co.
Chartered Accountants

R.D. Onkar
Partner
M No . 45716

Place : Pune
Date : May 23, 2016

For Tech Mahindra Foundation

Mr. Keshub Mahindra
Director

Mr. Anand Mahindra
Director

Mr. Vineet Nayyar
Director

Mr. Ulhas Yargop
Director

Place : Mumbai
Date : May 23, 2016

MAHINDRA EDUCATIONAL INSTITUTIONS

Board of Directors:
Mr. Vineet Nayyar - Nominee Director
Mr. C P Gurnani - Nominee Director
Mr. Milind Kulkarni - Director
Mr. Rakesh Soni - Director
Mr. Shivanand Raja - Additional Director

Registered Office:
Survey No: 62/1A,
Bahadurpally,
Jeedimetla,
Hyderabad – 500043,
Telangana,
India.

Bankers:
HDFC Bank Limited
Kotak Mahindra Bank Limited

Auditors:
M. Bhaskara Rao & Co.,
Chartered Accountants

DIRECTORS' REPORT

Your Directors present their Third Annual Report of your Company for the year ended 31st March 2016.

FINANCIAL RESULTS

	For the year ended March 31, 2016 ₹	For the year ended March 31, 2015 ₹
Expenditure on the objects of the Company	**386,710,033**	306,031,008
Donations received for Corpus fund and Building & Equipment fund	**171,000,000**	96,600,000

REVIEW OF ACTIVITIES

The Company was formed as a section 25 company in the year 2013 under Companies Act 1956, for the cause of promoting quality higher education by establishing institutions of higher learning, encourage education and research work in different disciplines and to promote innovation and technology development. As part of this objective, the Company has established a technical institution in Hyderabad, on 4th August 2014 named as Mahindra Ecole Centrale (MEC), to offer four year B. Tech Program from the academic year 2014-15 in association with Ecole Centrale, Paris and industry-academia MOU with Jawaharlal Nehru Technological University, Hyderabad.

MEC has successfully completed two academic years and the Batch of 2014 moves from the core program to professional program and the Pass percentage is more than 90 percent for this batch. Industry sponsored workshop on Intellectual Property Rights was held in September 2015. The following are some of the achievements during the year.

- Industry connects at Mumbai (November 2015), Hyderabad (January 2016), Delhi (February 2016) were held.
- IEEE sponsored international conference on Controls was held at MEC during the month of January 2016.
- All eligible students of Batch 2014 have been placed at various organizations as Interns for a period of eight weeks.
- More than 25 papers have been published in peer reviewed journal by MEC faculty.
- MEC has secured projects from DST, DRDO and SERB despite being a private technical college.
- Nobel laureate Prof. Serge Horace visited MEC and addressed the faculty and students in January 2016.
- Prof. Bishnu Pal received Khosla National Award, Shri Om Prakash Bhasin National Award, nominated as nodal contact for India by UNESCO for International Year of Light, and Esther Hoffman Beller Medal

Auditors

M/s. M. Bhaskara Rao & Co., Chartered Accountants, holds office upto the conclusion of ensuing Annual General Meeting of the Company and has given their consent for re-appointment.

Your Board recommends the re-appointment of M/s. M. Bhaskara Rao & Co., Chartered Accountants as the Statutory Auditors of the Company.

There were no qualifications, reservations and adverse remarks reported in the Auditor's Report for the FY 2015-16 to comment upon by your Directors.

Fixed Deposits

Your Company has not accepted any deposits and as such, no amount of principal or interest was outstanding on the date of the Balance Sheet.

Loans/guarantees / investments

The Company has not given / accepted any loans or guarantees during the year under review.

Dividends

No dividend was recommended by the Board of Directors for the FY 2015-16.

Directors

Pursuant to the provisions the Company co-opted Mr. Shivanand Raja as Additional director on the Board effective from May 24, 2016, who shall hold office up to the date of the next annual general meeting. Your Company has received notice from a member in terms of Section 160 of the Companies Act, 2013 proposing Mr. Shivanand Raja for the office of Director. Your Directors recommend the appointment.

Pursuant to the provisions of section 152(6)(c) of the Companies Act 2013, Mr. Rakesh Soni, Director 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, 2016 three Board Meetings were held on, May 25, 2015, November 03, 2015 and December 08, 2015. The intervening gap between the meetings was as prescribed under the Companies Act, 2013.

Committees of the Board

MEI being a company 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 disclosure of KMP's is not required since the provisions of section 134(3) (q) of Companies Act, 2013 and the Companies Rules (Accounts), 2014 are not applicable to your company.

Internal 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, to ensure internal controls processes in place, the management had appointed E&Y LLP, Hyderabad as internal auditors for the Company. They have conducted internal audit reviews for the FY 2015-16.

Board Evaluation and Remuneration Policy

Your board has not formulated policies for its Evaluation and Remuneration since the company falls below the ceiling limit specified under Section 134(3)(e) of The Companies Act,2013 and The Companies(Meetings of Board and Powers) Rules,2014.

Corporate Social Responsibility (CSR)

The company falls below 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.

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 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 A.

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 Companies Act 2013 is not applicable.

Extract of Annual Return

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as **Annexure B**

Conservation of Energy, Technology Absorption and Foreign Exchange

The particulars prescribed as per Sec 134 (3) (m) of Companies Act 2013 read with Companies (Accounts) Rules 2014 made thereunder Rule 8.

a) Conservation of Energy: The operations of the Company are not energy-intensive and hence, the provisions are not applicable.

b) Research and Development: No amount was spent on Research and development during the year under review.

c) Foreign Exchange earnings and outgo: No amount was earned or expended in foreign exchange during the year under review.

Particulars of employees as required by section 197 (12) of the Companies Act, 2013 and Rules framed thereunder

The Company had no employee who was in receipt of remuneration of not less than ₹ 6,000,000 during the year ended 31st March, 2016 or not less than ₹ 500,000 per month during any part of the said year.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Companies Act, 2013, your Directors, based on the representation received from the Operating Management, and after due enquiry, confirm that:

i. In the preparation of the annual accounts, the applicable accounting standards have been followed;

ii. They have, in the selection of the accounting policies, consulted the Statutory Auditors and these have been applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31st March 2016 and of the surplus of the Company for the year ended on that date;

iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. The annual accounts have been prepared on a going concern basis.

v. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

ACKNOWLEDGEMENTS

The Board takes this as an opportunity to thank all the stakeholders of the Company for their faith and patronage.

For and on behalf of the Board

Vineet Nayyar
Chairman

Place: Hyderabad

Annexure A

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1 **Details of contracts or arrangements or transactions not at arm's length basis**

There were no contracts or arrangements or transactions entered in to during the year ended March 31, 2016, 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	: Ultimate Holding company
3)	**Related Party**	: Tech Mahindra Foundation
	Relationship	: Fellow Subsidiary
4)	**Related Party**	: Mahindra Vehicle Manufacturing Co
	Relationship	: Enterprise under same Management

(b) **Nature of contracts/arrangements/transactions:**

Tech Mahindra Ltd	: Receipt of Donations and Reimbursement of Expenses
Mahindra & Mahindra Ltd	: Receipt of Donations
Tech Mahindra Foundation	: Receipt of Donations
Mahindra Vehicle Manufacturing Co	: Receipt of Donations

(c) **Duration of the contracts / arrangements/transactions** : FY 2015-16

(d) **Salient terms of the contracts or arrangements or transactions including the value, if any:**

Donations Received (₹) :	
Tech Mahindra Limited	**: 170,000,000**
Mahindra & Mahindra Ltd	**: 150,000,000**
Tech Mahindra Foundation	**: 16,000,000**
Mahindra Vehicle Manufacturing Co	**: 5,000,000**
Expenses Reimbursed:	
Tech Mahindra Limited	**: 84,000**
Rent Paid	
Tech Mahindra Limited	**: 84,851,637**
Reimbursement	
Tech Mahindra Limited	**: 7,791**

(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

Place: Hyderabad

Vineet Nayyar
Chairman

Annexure B

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31/03/2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i) CIN: U80300TG2013NPL086878

ii) Registration Date : 09/04/2013

iii) Name of the Company: Mahindra Educational Institutions

iv) Category / Sub-Category of the Company: Company limited by shares, Indian Non-Government Company

v) Address of the Registered office and contact details: Tech Mahindra Limited, Survey no. 62/1A, Bahadurpally, Jeedimetla, Hyderabad, Andhra Pradesh - 500 043

vi) Whether listed Company: No

vii) Name, Address and Contact details of Registrar and Transfer Agent, if any: NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Education	854	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

S. N0	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of shares held Applicable Section
1	Tech Mahindra Limited	L64200MH1986PLC041370	Holding	100

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
g) Individual/ HUF									
h) Central Govt									
i) State Govt (s)									
j) Bodies Corp.	Nil	10000	10000	100		10000	10000	100	Nil
k) Banks / FI									
l) Any Other….									
Sub-total (A) (1):-									
(2) Foreign									
a) NRIs - Individuals									
b) Other – Individuals									

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	
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									
ii) Individual shareholders holding nominal share capital in excess ₹ 1 lakh									
c) Others (specify)									
Sub-total (B)(2):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total Public Shareholding (B)=(B)(1)+(B)(2)									
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	**Nil**	**10000**	**10000**	**100**		**10000**	**10000**	**100**	**Nil**

(ii) Shareholding of Promoters

Sl no	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year		
		No. of shares	% of total shares of the company	%of shares pledged/shares encumbered to total shares	No. of shares	% of total shares of the company	%of shares pledged/shares encumbered to total shares
1	Tech Mahindra Limited	9800	99.99	NA	9800	99.99	NA
2	Tech Mahindra Limited jointly with Chander Prakash Gurnani	100	Negligible	NA	100	Negligible	NA
3	Tech Mahindra Limited jointly with Vineet Nayyar	100	Negligible	NA	100	Negligible	NA
Total		**10000**	**100**	**NA**	**10000**	**100**	**NA**

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. Allotment /transfer /bonus/sweat equity etc.):	Nil	Nil	Nil	Nil
	At the End of the year	Nil	Nil	Nil	Nil

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. Allotment /transfer /bonus/sweat equity etc.):	Nil	Nil	Nil	Nil
	At the End of the year	Nil	Nil	Nil	Nil

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	200	Negligible	200	Negligible
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. Allotment /transfer / bonus/sweat equity etc.):	NA	NA	NA	NA
	At the End of the year	200	Negligible	200	Negligible

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness	
Indebtedness at the beginning of the financial year					
i) Principal Amount	NIL	NIL	NIL	NIL	NIL
ii) Interest due but not paid					
iii) Interest accrued but not due					
Total (i+ii+iii)	NIL	NIL	NIL	NIL	NIL
Change in Indebtedness during the financial year					
- Addition	NIL	NIL	NIL	NIL	NIL
- Reduction					
Net Change	NIL	NIL	NIL	NIL	NIL
Indebtedness at the end of the financial year	NIL	NIL	NIL	NIL	NIL
i) Principal Amount					
ii) Interest due but not paid	NIL	NIL	NIL	NIL	NIL
iii) Interest accrued but not due					
Total (i+ii+iii)	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission - as % of profit - others, specify…	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	Total (A)	**-**	**-**	**-**	**-**	**-**
	Ceiling as per the Act	-	-	-	-	-

B. Remuneration to other directors:

S l . no.	Particulars of Remuneration	Name of directors				Total Amount
	3. Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify	-	-	-	-	-
	Total (1)	-	-	-	-	-
	4. Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key managerial Personnel			Total Amount
		CEO	Company secretary	CFO	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	
4	Commission - as % of profit - others, specify…	-		-	-
5	Others, please specify	-	-	-	-
	Total (A)	-	-	-	-
	Ceiling as per the Act	-	-	-	-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

For and on behalf of the Board

Vineet Nayyar
Chairman

Place: Hyderabad

INDEPENDENT AUDITORS' REPORT

To
The Members of
Mahindra Educational Institutions

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Mahindra Educational Institutions** ("the Company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Income and Expenditure, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016, and its surplus and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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.

2. As required by section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   c. the balance sheet, the statement of income and expenditure and the cash flow statement dealt by this Report are in agreement with the books of account;

   d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

   e. On the basis of written representations received from the directors as on 31 March 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016, 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 did not have any material foreseeable losses relating to long-term contracts including derivatives contract;

      iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund.

for M. Bhaskara Rao & Co.,
Chartered Accountants
Firm Registration No. 000459S

M. V. Ramana Murthy
Partner
Membership No.206439

Hyderabad, 24 May 2016

Annexure B to the Independent Auditors' report

Report on the Internal Financial Controls 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 Mahindra Educational Institutions ("the Company") as of 31 March 2016 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.

Auditors' 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 2016, 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, 24 May 2016

Balance Sheet as at 31 March 2016

(in ₹)

	Note		As at 31 March 2016		As at 31 March 2015
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	3	**100,000**		100,000	
Reserves and Surplus	4	**270,815,138**		87,671,006	
			270,915,138		87,771,006
Non Current Liabilities					
Other Long Term Liabilities	5	**-**		2,320,000	
Long Term Provisions	6	**3,945,683**		3,164,760	
			3,945,683		5,484,760
Current Liabilities					
Trade Payables	7				
a) Dues of micro enterprises and small enterprises		**-**		-	
b) Dues of creditors other than micro enterprises and small enterprises		**102,932,953**		59,375,507	
Other Current Liabilities	8	**55,961,159**		20,895,361	
			158,894,112		80,270,868
Total			**433,754,933**		173,526,634
ASSETS					
Non Current Assets					
Fixed Assets	9				
Tangible Assets		**78,385,654**		56,798,592	
Intangible Assets		**-**		-	
Long Term Loans and Advances	10	**267,164**		617,096	
Other Non Current Assets	11	**13,000,000**		13,000,000	
			91,652,818		70,415,688
Current assets					
Trade Receivables	12	**4,443,750**		2,396,400	
Cash and Bank Balances	13	**331,448,825**		98,571,641	
Short Term Loans and Advances	14	**4,085,033**		1,140,898	
Other Current Assets	15	**2,124,507**		1,002,007	
			342,102,115		103,110,946
Total			**433,754,933**		173,526,634
Corporate Information and Significant accounting policies	1 & 2				

Accompanying notes form an intergral part of the financial statements

Accompanying notes form an integral part of the financial statements

In terms of our report attached
for **M. Bhaskara Rao & Co.**
Chartered Accountants

M.V. Ramana Murthy
Partner

Hyderabad, 24 May, 2016

for and on behalf of the Board of Directors
Mahindra Educational Institutions
CIN: U80300TG2013NPL086878

Vineet Nayyar	**C P Gurnani**	**Milind Kulkarni**
Director	Director	Director
DIN: 00018243	DIN: 00018234	DIN: 00012888

Mumbai, 24 May, 2016

STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 31 MARCH 2016

(in ₹)

	Note	**Year ended 31 March 2016**		Year ended 31 March 2015	
Income					
Fee from Academic Courses	16	**220,407,246**		90,105,306	
Donations Recevied		**170,000,000**		214,816,454	
Other Income	17	**8,446,919**		1,675,767	
Total			**398,854,165**		306,597,527
Expenses					
Operating expenses	18	**87,738,244**		80,423,439	
Employee Benefits Expense	19	**99,089,538**		77,105,019	
Depreciation and Amortization Expense	9	**25,592,584**		15,691,511	
Other expenses	20	**174,289,667**		132,811,039	
Total			**386,710,033**		306,031,008
Surplus Before Tax			**12,144,132**		566,519
Tax Expense	28				
- Current tax			**-**		-
- Deferred tax			**-**		-
Surplus for the year			**12,144,132**		566,519
Earnings per equity share of face value of ₹ 10 each					
Basic and Diluted - ₹	24		**1,214.41**		56.65
Corporate Information and Significant accounting policies	1 & 2				

Accompanying notes form an intergral part of the financial statements

In terms of our report attached
for **M. Bhaskara Rao & Co.**
Chartered Accountants

M.V. Ramana Murthy
Partner

Hyderabad, 24 May, 2016

for and on behalf of the Board of Directors
Mahindra Educational Institutions
CIN: U80300TG2013NPL086878

Vineet Nayyar	**C P Gurnani**	**Milind Kulkarni**
Director	Director	Director
DIN: 00018243	DIN: 00018234	DIN: 00012888

Mumbai, 24 May, 2016

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

(in ₹)

		31 March 2016	31 March 2015
A.	**Cash flow from operating activities**		
	Surplus before tax	**12,144,132**	566,519
	Adjustments for		
	Depreciation and Amortization Expense	**25,592,584**	15,691,511
	Interest Income	**(6,952,179)**	(1,218,459)
	Operating profit before working capital changes	**30,784,537**	15,039,571
	Changes in working capital:		
	Adjustments for (increase) / decrease in operating assets:		
	Loans and advances - Long Term	**601,096**	(600,000)
	Trade Receivables	**(2,047,350)**	(2,396,400)
	Loans and advances - Short Term	**(2,944,135)**	(979,240)
	Adjustments for increase / (decrease) in operating liabilities:		
	Long Term Provisions	**780,923**	3,164,760
	Other Long Term Liabiliies	**(2,320,000)**	2,320,000
	Trade Payables	**43,557,446**	48,391,974
	Other Current Liabilities	**35,065,798**	20,747,037
	Cash generated from operations	**103,478,315**	85,687,702
	Income Tax paid (Net)	**(251,164)**	(17,096)
	Net cash flow from operating activities (A)	**103,227,151**	85,670,606
B.	**Cash flow from investing activities**		
	Capital Expenditure on Fixed Assets & Intangible Assets	**(47,179,646)**	(72,490,103)
	Investments in Bank Deposits	**(240,000,000)**	(83,000,000)
	Redemption or Maturity of Bank Deposits	**240,000,000**	70,000,000
	Interest Received	**5,829,679**	216,452
	Net cash flow used in investing activities (B)	**(41,349,967)**	(85,273,651)
C.	**Cash flow from financing activities**		
	Amounts received towards Corpus Fund	**-**	96,600,000
	Amounts received towards Building fund	**171,000,000**	
	Net cash flow from financing activities (C)	**171,000,000**	96,600,000
	Net increase / (decrease) in cash and cash equivalents	**232,877,184**	96,996,956
	Cash and cash equivalents at the beginning of the year	**98,571,641**	1,574,685
	Cash and cash equivalents at the end of the year	**331,448,825**	98,571,641

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, 24 May, 2016

for and on behalf of the Board of Directors
Mahindra Educational Institutions
CIN: U80300TG2013NPL086878

Vineet Nayyar	**C P Gurnani**	**Milind Kulkarni**
Director	Director	Director
DIN: 00018243	DIN: 00018234	DIN: 00012888

Mumbai, 24 May, 2016

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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 Basis of Accounting and Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India ("Indian GAAP") to comply with the Accounting Standards specified under Section 133 of Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") /Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under historical cost convention.

2.2 Use of estimates

The preparation of the financial statements in conformity with GAAP requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.3 Tangible Fixed Assets and Intangible assets

Tangible fixed assets and intangible assets are stated at actual cost less accumulated depreciation and net of impairment. The actual cost capitalised includes material cost, freight, installation cost, duties and taxes, eligible borrowing costs and other incidental expenses incurred during the construction / installation stage.

Capital work-in-progress: Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.4 Depreciation / amortization of fixed assets

Depreciation / amortisation on fixed assets is charged based on straight line method on estimated useful life based on Part C of Schedule II to the Companies Act 2013 except in respect of Library books which have been depreciated over 3 years based on their condition, usability etc., as per the technical estimates of the Management

The cost of software purchased for internal use is capitalized and depreciated in full in the year in which it is put to use.

2.5 Impairment of Assets:

The carrying amount of assets, other than inventories is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the assets is estimated. The recoverable amount is the greater of the asset's net selling price and value in use which is determined based on the estimated future cash flow discounted to their present values. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

2.6 Employee Benefits

Liability for employee benefits, both short and long term, for present and past services which are due as per the terms of the employment are recorded in accordance with Accounting Standard – 15 "Employee Benefits". Contribution to Provident fund is charged as expense, being a defined contribution plan. Liability for compensated absences (treated as long term liability) and gratuity are provided on the basis of valuation of the liability by an independent actuary.

2.7 Revenue Recognition

Revenue in respect of fee income is recognised on accrual basis considering certainity of realisation.

Interest income on bank deposits is accounted on accrual basis.

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 bulidings and equipment are treated as building and equipment fund.

2.9 Foreign Currency Transactions

Foreign currency transactions are accounted at the exchange rates prevailing on the date of transactions. Gains and losses resulting from settlement of such transactions are recognised in the Statement of Income and Expenditure. Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year end rates. The difference in translation of monetary assets and liabilities and realised gains and losses on foreign exchange transactions are recognised in the Statement of Income and Expenditure.

2.10 Leases

The Company's leasing arrangements are mainly in respect of operating leases for premises and building. The leasing arrangements range upto 99 years generally and are usually cancellable / renewable by mutual consent on agreed terms. The aggregate lease rents payable are charged as rent in the Statement of Income and Expenditure.

2.11 Taxes on Income

Current Tax: Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred Taxes: Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realize the assets. Deferred tax assets are reviewed at each balance sheet date for their realisability.

2.12 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 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.

2.13 Provisions and Contingent Liabilities

A provision is recognized when the group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. The provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect current best estimates.

Contingent liabilities are not recognized in the financial statements. A contingent asset is neither recognized nor disclosed in the financial statements."

2.14 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.15 Operating cycle

The Company adopts operating cycle based on 12 months period.

3. Share Capital

	As at March 31, 2016		As at March 31, 2015	
	Number of Shares	**Amount (in ₹)**	**Number of Shares**	**Amount (in ₹)**
Authorised Capital				
Equity Shares of ₹ 10/- each	**10,000**	**100,000**	10,000	100,000
Issued, Subscribed and Fully Paid up				
Equity Shares of ₹ 10/- each	**10,000**	**100,000**	10,000	100,000
	10,000	**100,000**	**10,000**	**100,000**

3.1 Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the reporting year.

	As at March 31, 2016		As at March 31, 2015	
Equity Shares of ₹ 10 each	**Number of Shares**	**Amount (in ₹)**	**Number of Shares**	**Amount (in ₹)**
Balance at the beginning of the period	**10,000**	**100,000**	-	-
Add: Allotted during the period	**-**	**-**	10,000	100,000
Balance at the end of the period	**10,000**	**100,000**	10,000	100,000

3.2 Rights, preferences and restrictions attached to equity shares

The equity shares of the Company having par value of ₹10/- per share rank pari passu in all respects including voting rights and entitlement to dividend. Repayment of the capital in the event of winding up of the Company will inter alia be subject to the provisions of Companies Act 2013, the Articles of Association of the Company and as may be determined by the Company in General Meeting prior to such winding up.

3.3 Shares held by holding / ultimate holding Company and/or their subsidiaries / associates

	As at March 31, 2016		As at March 31, 2015	
Equity shares of ₹ 10 each fully paid held by Holding Company:	**Number of Shares**	**Amount (in ₹)**	**Number of Shares**	**Amount (in ₹)**
Tech Mahindra Limited	**10,000**	**100,000**	10,000	100,000

3.4 Details of shares held by each shareholders holding more than 5% shares in the Company

	As at March 31, 2016		As at March 31, 2015	
Equity shares of ₹ 10 each fully paid	**Number of Shares**	**% of Holding**	**Number of Shares**	**% of Holding**
Tech Mahindra Limited	**10,000**	**100%**	10,000	100%

(in ₹)

		As at March 31, 2016	As at March 31, 2015
4.	**Reserves and Surplus**		
4.1	**Corpus Fund**		
	Opening balance	**116,600,000**	20,000,000
	Add: Additions during the year [Refer note 23]	**-**	96,600,000
	Closing Balance	**116,600,000**	116,600,000
4.2	**Building and Equipment Fund**		
	Opening balance	**-**	-
	Add: Additions during the year [Refer note 23]	**171,000,000**	-
	Closing Balance	**171,000,000**	-
4.3	**Surplus / (Deficit) in Statement of Income and Expenditure**		
	Opening Balance	**(28,928,994)**	(29,495,515)
	Add: Surplus for the year after tax	**12,144,132**	566,521
	Closing Balance	**(16,784,862)**	(28,928,994)
	Total	**270,815,138**	87,671,006
5.	**Other Long Term Liabilities**		
	Others	**-**	2,320,000
	- Caution Deposit from students		
	Total	**-**	2,320,000
6.	**Long Term Provisions**		
	Provision for Employee Benefits		
	Gratuity [Refer note 6.1]	**2,324,795**	1,426,304
	Compensated Absences	**1,620,888**	1,738,456
	Total	**3,945,683**	**3,164,760**

6.1 The following table sets forth the status of the Gratuity Plan of the Company, and the amounts recognized in the balance sheet and Statement of profit and loss.

(in ₹)

		As at 31 March 2016	As at 31 March 2015
A.	**Projected benefit obligation at the beginning of the year**		
	Current service cost	**959,692**	-
	Interest cost	**-**	-
	Actuarial loss/(gain)	**1,365,103**	-
	Benefits paid	**-**	**-**
	Projected benefit obligation at the end of the year	**2,324,795**	

(in ₹)

		As at 31 March 2016	As at 31 March 2015
B.	**Amounts recognized in the balance sheet**		
	Projected benefit obligation at the end of the year	**2,324,795**	-
	Fair value of plan assets at end of the year	**-**	-
	Funded status of the plans - asset / (liability)	**-**	-
	Liability recognized in the balance sheet	**2,324,795**	**-**
C.	**Gratuity cost for the year**		
	Current service cost	**959,692**	-
	Interest cost	**-**	-
	Net actuarial (gain)/loss recognized in the year	**1,365,103**	**-**
	Net gratuity cost	**2,324,795**	**-**
D.	**Assumptions**		
	Discount rate	**8**	-
	Long-term rate of compensation increase	**Teaching 3%** **Non Teaching 5%**	-
7.	**Trade Payables**		
	Dues of micro enterprises and small enterprises	**-**	-
	Dues of creditors other than micro enterprises and small enterprises	**102,932,953**	59,375,507
	Total	**102,932,953**	59,375,507

7.1 The Company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the MSMED Act, 2006) claiming their status as micro or small enterprises. Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by management and the required disclosures are given below:

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 succedding years, until such date when the interest dues as above are acually paid to the small enterprises.	**Nil**	Nil

8.	**Other Current Liabilities**		
	Other Payables		
	- Dues for capital assets	**-**	3,835,918
	- Statutory payables	**5,666,070**	59,443
	- Advance received from students	**50,295,089**	17,000,000
	Total	**55,961,159**	20,895,361

9. Fixed Assets

(in `)

	Gross Block (At Cost)				Accumulated Depreciation				Net Block	
	As at 31 March 2015	**Additions**	**Deletion / Adjustment [Refer note 9.1]**	**As at 31 March 2016**	**Upto 31 March 2015**	**For the year**	**Deletion / Adjustment [Refer note 9.1]**	**Upto 31 March 2016**	**As at 31 March 2016**	**As at 31 March 2015**
Tangible Assets										
Building	-	1,999,259	628,930	2,628,189	-	821,526	34,285	855,811	1,772,378	
Plant and Machinery	42,027,277	14,893,772	(1,807,354)	55,113,695	5,680,957	6,216,580	(31,160)	11,866,377	43,247,318	36,346,320
Computers	-	22,456,677	12,151,091	34,607,768	-	12,067,098	1,309,509	13,376,607	21,231,161	
Office Equipment	16,794,275	1,541,981	(11,869,031)	6,467,225	1,074,574	1,520,956	(1,296,380)	1,299,150	5,168,075	15,719,701
Furniture and Fixtures	-	1,350,274	(130,411)	1,219,863	-	132,699	(17,295)	115,404	1,104,459	
Library Books	5,210,932	3,577,233	18,793	8,806,958	478,361	2,465,293	1,041	2,944,695	5,862,263	4,732,571
Total	**64,032,484**	**45,819,196**	**(1,007,982)**	**108,843,698**	**7,233,892**	**23,224,152**	**-**	**30,458,044**	**78,385,654**	**56,798,592**
Previous Year	-	64,032,484	-	64,032,484	-	7,233,892	-	7,233,892	56,798,592	-
Intangible Assets										
Software	8,457,619	1,360,450	1,007,982	10,826,051	8,457,619	2,368,432	-	10,826,051	-	-
Total	**8,457,619**	**1,360,450**	**1,007,982**	**10,826,051**	**8,457,619**	**2,368,432**	**-**	**10,826,051**	**-**	**-**
Previous Year	-	8,457,619	-	8,457,619	-	8,457,619	-	8,457,619	-	-

9.1 During the year ₹ 11,869,031 [Accumulated deprication thereon ₹ 1,296,380] from Office Equipment and ₹ 1,807,354 [Accumullated deprication thereon ₹ 31,160] from Plant and Machinery has been reclassified to Computers and Software.

9.2 Depreciation / Amortisation charge for the year

		(in ₹)
	Year Ended 31 March 2016	Year Ended 31 March 2015
Tangible Assets	**23,224,152**	7,233,892
Intangible Assets	**2,368,432**	8,457,619
	25,592,584	15,691,511

(in ₹)

		As at 31 March 2016	As at 31 March 2015
10.	**Long - Term Loans And Advances**		
	Unsecured, considered good		
	Security deposit	**16,000**	600,000
	Tax Deducted at Source	**251,164**	17,096
	(Net of provisions ₹ Nil [31.03.2015: ₹ Nil])		
	Total	**267,164**	617,096
11.	**Other Non Current Assets**		
	Unsecured, considered good		
	Fixed Deposits having maturities of more than 12 months from the Balance Sheet date	**13,000,000**	13,000,000
		13,000,000	13,000,000
12.	**Account Receivables**		
	Unsecured, considered good		
	Outstanding for a period exceeding six months from the date they were due for payment	**178,750**	2,100,000
	Other debts	**4,265,000**	296,400
	Total	**4,443,750**	2,396,400
13.	**Cash and Bank Balances**		
	Cash and Cash Equivalents		
	Balances with banks		
	In savings account	**330,128,901**	2,917,801
	In current account	**1,319,924**	95,653,840
	Total	**331,448,825**	98,571,641
14.	**Short - term loans and advances**		
	Unsecured, considered good		
	Loans and Advances to Employees	**522,891**	375,094
	Prepaid expenses	**700,000**	700,000
	Others	**2,862,143**	65,804
	Total	**4,085,033**	1,140,898
15.	**Other Current Assets**		
	Unsecured, considered good		
	Interest Accrued on Bank Deposits	**2,124,507**	1,002,007
	Total	**2,124,507**	1,002,007

(in ₹)

		Year ended 31 March 2016	Year ended 31 March 2015
16.	**Fee from Academic Courses**		
	Academic Fee	**164,610,000**	67,280,000
	Application Fee	**2,232,246**	1,945,306
	Hostel Fee	**44,940,000**	20,880,000
	Gymkhana Fee	**8,625,000**	-
	Total	**220,407,246**	90,105,306
17.	**Other Income**		
	Interest on Bank Deposits	**6,952,179**	1,218,459
	Miscellaneous income	**1,494,740**	457,308
	Total	**8,446,919**	1,675,767
18.	**Academic Expenses**		
	Student Scholarship	**20,000,000**	10,000,000
	Tution Fees	**1,804,806**	974,400
	Affiliation Fees	**28,387,742**	17,088,810
	Ecole Centrale Paris Charges	**35,183,448**	49,788,041
	Seminars and Conferences	**1,311,873**	7,650
	Laboratory expenses	**442,466**	126,018
	Research expenses	**79,174**	1,944,182
	Other expenses	**528,735**	494,338
	Total	**87,738,244**	80,423,439
19.	**Employee Benefits Expenses**		
	Salaries and wages	**91,879,840**	71,483,189
	Contribution to provident and other funds	**5,889,478**	3,655,950
	Gratuity	**898,491**	1,426,304
	Staff welfare expenses	**421,729**	539,576
	Total	**99,089,538**	77,105,019
20.	**Other Expenses**		
	Rent	**84,851,637**	72,741,454
	Rates and taxes	**650,454**	11,187,520
	Power and fuel	**13,856,196**	2,947,036
	Printing and Stationery	**1,566,527**	1,687,138
	Books and Periodicals	**196,815**	650,815
	Travelling and Conveyance	**3,840,153**	3,498,613
	Communication	**1,263,838**	97,626
	Advertisement and Publicity	**14,828,741**	10,291,760
	Recruitment expenses	**1,953,012**	98,595
	Repair and Maintenance	**9,124,067**	2,099,649
	Security Charges	**3,477,878**	2,103,920
	General Office Expenses	**8,879,612**	4,681,073
	Legal and Professional Charges [Refer note 20.1]	**5,337,463**	9,936,649
	Catering expenses	**24,396,109**	10,709,611
	Bank Charges	**11,165**	79,580
	Honarorium	**56,000**	-
	Total	**174,289,667**	132,811,039
20.1	Auditors Remuneration included under Legal and Professional Charges (Excluding service tax)		
	- for statutory audit	**150,000**	100,000
	- for other services	**106,180**	56,180
		256,180	156,180

21. Contingent liability - ₹ Nil [31.03.2015: ₹ Nil]

22. Capital and other commitments - ₹ Nil [31.03.2015: ₹ Nil]

23. Related Party Transactions

23.1. List of related party and relationships

Party Name	**Relationship**
Tech Mahindra Limited	Holding Company
Mahindra and Mahindra Limited	Ultimate Holding Company
Tech Mahindra Foundation	Fellow Subsidairy
Mahindra Vehicle Manufacturers Limited	Fellow Subsidairy

23.2 Related party transactions for the year ended 31 March 2016 are as follows:

(in ₹)

	31 March 2016	31 March 2015
Tech Mahindra Limited		
Donations Received towards Corpus Fund	**-**	96,600,000
Donations Received	**170,000,000**	177,516,454
Expenses Reimbursed	**84,000**	78,244,249
Rent Paid	**84,851,637**	72,741,454
Reimbursement paid	**7,791**	
Mahindra and Mahindra Limited		
Donations Received	**-**	37,300,000
Donations Received towards Building and Equipment Fund	**150,000,000**	-
Tech Mahindra Foundation		
Donations Received towards Building and Equipment Fund	**16,000,000**	-
Mahindra Vehicle Manufacturers Limited		
Donations Received towards Building and Equipment Fund	**5,000,000**	-
Credit Balances at the end of the year		
Tech Mahindra Limited	**19,720,072**	-

24. Earnings Per Equity Shares

	Year Ended 31 March 2016	Year Ended 31 March 2015
Net surplus after tax [in ₹]	**12,144,132**	566,519
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 ₹]	**1,214.41**	56.65

* The Company has no dilutive instruments.

25. Segment Reporting

The Company has only one primary business segment viz., of providing educational services. Hence there are no reportable segments under Accounting Standard -17. During the year under report, substantial part of the Company's business has been carried out in India. The conditions prevailing in India being uniform, no separate geographical disclosures are considered necessary.

26. Leases

26.1 Rental expenses of ₹ 84,851,637 [31.03.2015: ₹ 72,741,454] has been charged to Statement of Profit and Loss in respect of cancellable operating lease.

26.2 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.

(in ₹)

	31 March 2016	31 March 2015
Future Minimum Lease Payments		
Not later than one year	**78,003,530**	74,400,000
Later than one year and not later than five years	**477,756,380**	265,200,000
Total	**555,759,909**	339,600,000
Lease payments recognised in the statement of income and expenditure	**84,851,637**	72,741,454

27. Expenditure / Remittance in Foreign Currency

(in ₹)

	31 March 2016	31 March 2015
Professional Fees paid	**21,352,500**	19,788,041
Travel Cost	**210,642**	665,015

28. Provision for current tax and deffered tax has not been made since the Income of Company is exempted U/s 12A of the Income Tax Act, 1961.

29. The foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

	31 March 2016		31 March 2015	
Particulars	**In foreign currency**	**(in ₹)**	In foreign currency	(in ₹)
Revenue USD	**46,400**	**26,68,800**	-	-

30. Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current year classification / disclosure.

for and on behalf of the Board of Directors
Mahindra Educational Institutions
CIN: U80300TG2013NPL086878

Vineet Nayyar	**C P Gurnani**	**Milind Kulkarni**
Director	Director	Director
DIN: 00018243	DIN: 00018234	DIN: 00012888

Mumbai, 24 May, 2016

Tech Mahindra

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