



Independent Auditor's Report

To The Members of Seec Technologies Asia Private Limited

Report on the Financial Statements:

We have audited the accompanying Ind AS financial statements of **Seec Technologies Asia Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss and including the statement of Other Comprehensive income, the Cash Flow Statement and the statement of changes in Equity 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 stated in section 134(5) of the Companies Act, 2013 (the Act), with respect to the preparation of these Ind AS financial statements that gives a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including Indian Accounting standards (Ind AS) specified under section 133 of the Act., read Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimate 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 accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

Our responsibility is to express an opinion on these Ind AS 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 provision of the Act and the Rules made there under.

We conducted our audit of Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered accountants of India, as 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 disclosures in the stand alone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

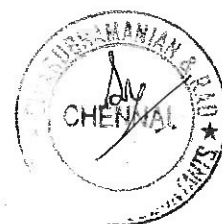
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the afore said Ind AS 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, 2018, its profit including other comprehensive income, its cash flow and the changes in equity 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 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 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 it appears from our examination of those books;
 - c) The Balance sheet, Statement of Profit and Loss including the statement of other comprehensive income, the Cash Flow Statement and statement of changes in Equity dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone Ind AS financial Statements comply with the accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 Companies (Indian Accounting Standards) Rules 2015, as amended;



- e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the board of directors, none of the directors is disqualified as on March 31, 2018, 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 B"; and
- g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rule 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has no pending litigations which impacts its financial position
- (ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
- (iii) There were no amounts which were required to be transferred to the Investors Education and Protection Fund by the Company.

Place: Chennai

Date: 04/05/18



For Sivasubramanian & Rao
Chartered Accountants
FRN: 003904S

S. Viswanathan
S. Viswanathan
Partner
M. No: 20572

Annexure A to Independent Auditor Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2018, we report that:

- i. (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.
- ii. The company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are 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 or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the company and hence not commented upon.
- 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. The Company has not accepted any deposits from the public.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- vii. (a) The company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, cess, goods and service tax and other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect provident fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, goods and service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they become payable.

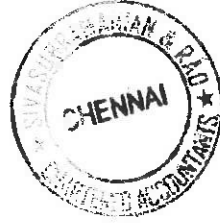


(b) According to the record of the company, there no material dues sales-tax, wealth tax, service tax, customs duty, goods and service tax, cess are outstanding on account of any disputes.

- viii. The Company do not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- ix. The Company did not raise any money by way of initial public offer or further public offer (Including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.
- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid / provided for managerial remuneration. Hence provisions of section 197 read with Schedule V to the Act, paragraph 3 (xi) of the Order is not applicable.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and 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. Accordingly, paragraph 3(xv) of the Order is not applicable.



(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.



For Sivasubramanian & Rao
Chartered Accountants
FRN: 003904S

Place: Chennai

Date: 09/05/18

S. Viswanathan
Partner
M. No: 20572

Annexure - B to the 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 Seec Technologies Asia Private Limited ("the Company") as of 31 March 2018 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 ('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 2018, 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 Sivasubramanian & Rao
Chartered Accountants
FRN: 003904S



A handwritten signature in black ink, appearing to read "S. Viswanathan".

S. Viswanathan
Partner
M. No: 20572

Place: Chennai

Date :

04/05/18

SEEC TECHNOLOGIES ASIA PRIVATE LIMITED

Balance Sheet as on March 31, 2018

(All amounts in INR, unless otherwise stated)

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Particulars	Note	March 31, 2018	Mar 31, 2017
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	3	8,873,622	10,713,260
Financial assets			
- Loans and deposits	4(a)	2,782,896	2,076,146
Income tax assets (net)	4(b)	17,466,557	19,816,557
Deferred tax assets (net)	5	684,768	684,768
CURRENT ASSETS			
Financial asset			
- Loans and deposits	6	77,270,681	38,521,867
- Trade receivables	7	255,493,375	261,144,270
- Cash and Cash equivalents	8	229,757	38,756,371
TOTAL		362,801,656	371,713,239

EQUITY AND LIABILITIES

SHAREHOLDERS' FUNDS

Equity Share Capital	9	34,990,020	34,990,020
Other Equity	10	177,427,317	172,085,893
		212,417,337	207,075,913

CURRENT LIABILITIES

Financial Liabilities			
- Trade payables	11	86,406,302	118,889,450
Other current liabilities	12	63,108,065	44,765,542
Short-term provisions	13	869,952	982,334

TOTAL		362,801,656	371,713,239
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Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Sivasubramanian & Rao

Chartered Accountants

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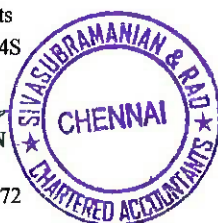
S VISWANATHAN

Partner

Membership no : 20572

Place: Chennai

Date: 04.05.2018



For and on behalf of the Board of Directors of

SEEC TECHNOLOGIES ASIA PRIVATE LIMITED

K. Gopinathan
Director

T.V. Sinha
Director

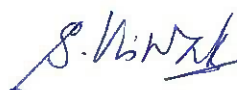
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SEEC TECHNOLOGIES ASIA PRIVATE LIMITED
Statement of Profit and Loss for the year ended March 31, 2018
(All amounts in INR, unless otherwise stated)

Particulars	Note	Year Ended March 31, 2018	Year Ended March 31, 2017
Revenue from operations	14	185,539,886	203,770,641
Other Income	15	1,882,540	2,751,663
Total Income		187,422,426	206,522,304
Expenses			
Employee Benefit Expenses	16	168,908,690	184,416,567
Depreciation and amortization expense	3	1,839,638	1,883,975
Finance Cost	17	-	561,690
Other Expenses	18	8,982,674	18,558,167
Total Expenses		179,731,002	205,420,399
Profit before tax		7,691,424	1,101,905
Tax Expenses			
Income taxes - Current tax		2,350,000	500,000
Profit/(Loss) for the year		5,341,424	601,905
Other comprehensive income			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year, net of tax		5,341,424	601,905
Earnings per share (Equity shares par value INR 10 each)			
Basic		1.53	0.17
Diluted		1.53	0.17
Number of shares used in computing earnings per share			
Basic		3,499,002	3,499,002
Diluted		3,499,002	3,499,002

As per our report of even date


For Sivasubramanian & Rao
Chartered Accountants
Firm Regn No.003904S



S VISWANATHAN
Partner
Membership no : 20572



Place: Chennai
Date: 04.05.2018

For and on behalf of the Board of Directors of
SEEC TECHNOLOGIES ASIA PRIVATE L


K. Govindarajan
Director


T.V. Sinha
Director



SEEC TECHNOLOGIES ASIA PRIVATE LIMITED
Statement of cash flow for the Year ended March 31, 2018
(Amounts in Rupees unless otherwise stated)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Cash flows from operating activities		
Profit before taxation	5841424 7,691,424	1,101,905
Adjustments for:		
Depreciation / amortisation	1,839,638	1,883,976
Interest Income	(44,815)	(857,707)
Rental & Other Income	(1,837,725)	(1,893,956)
Exchange differences on translation of foreign currency cash and cash equivalents	(1,047,969)	-
Unrealised exchange (gains) / losses		-
(Profit) / Loss on sale of fixed assets		-
Working capital changes:		
Decrease / (Increase) in trade receivables	5,650,895	(96,038,120)
Decrease/(Increase) in short term loans and advances	(39,455,564)	(25,688,242)
Decrease / (Increase) in other current assets		-
Increase/(Decrease) in Trade payable	(32,483,148)	140,488,919
Increase/(Decrease) in other current liabilities	18,342,522	(580,136)
Increase/(Decrease) in short term provisions	(112,383)	(45,859)
Increase/(Decrease) in Long term Loans and advances		(138,141)
Net cash from operating activities	(41,457,124)	18,232,639
Cash flows from investing activities		
Purchase of fixed assets and changes in capital work in progress		-
Proceeds from sale of fixed assets	0	-
Interest received	44,815	857,707
Decrease/(Increase) in long term loans and advances		-
Decrease / (Increase) in other non current assets		-
Rent & other income received	1,837,725	1,893,956
Unrealised exchange (gains) / losses	1,047,969	-
Net cash used in investing activities	2,930,509	2,751,663
Cash flows from financing activities		
Increase/(Decrease) in long term provisions		(38,762)
Short term Borrowings		(52,510,353)
Net cash used in financing activities	-	(52,549,115)
Net increase / (decrease) in cash and cash equivalents during the year		(31,564,813)
Cash and cash equivalents at the beginning of the year	38,756,371	70,321,184
Cash and cash equivalents at the end of the year	229,757	38,756,371

Notes:

- The above Cash Flow Statement has been prepared by using the "Indirect Method" set out in Accounting

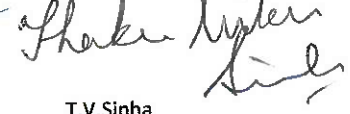
As per our attached report of even date
For Sivasubramanian & Rao

For and on behalf of the Board


PARTNER
Membership no : 20572




K. Govindarajan
Director


T.V. Sinha
Director

Place: Chennai
Date: 04.05.2018



SEEC TECHNOLOGIES ASIA PRIVATE LIMITED
Notes Financial Statements for the year ended March 31, 2018
(All amounts in INR, unless otherwise stated)

3 Plant, property and equipment

Particulars	Land	Buildings	Plant & Machinery	Electrical Equipment	Furniture and Fittings	Total
Gross Block						
As at April 1, 2016	2,399,995	5,944,765	18,185,914	5,724,901	22,398,656	54,654,231
Additions	-	-	-	-	-	-
Deletions	-	-	-	-	-	-
As at March 31, 2017	2,399,995	5,944,765	18,185,914	5,724,901	22,398,656	54,654,231
Additions	-	-	-	-	-	-
Deletions	-	-	-	-	-	-
As at March 31, 2018	2,399,995	5,944,765	18,185,914	5,724,901	22,398,656	54,654,231
Accumulated Depreciation						
As at April 1, 2016	-	1,554,794	18,185,914	4,624,266	17,692,023	42,056,998
Depreciation charge for the year	-	197,961	-	572,490	1,113,524	1,883,974
Disposals	-	-	-	-	-	-
As at March 31, 2017	-	1,752,755	18,185,914	5,196,755	18,805,547	43,940,972
Depreciation charge for the year	-	197,964	-	528,146	1,113,528	1,839,638
Disposals	-	-	-	-	-	-
As at March 31, 2018	-	1,950,719	18,185,914	5,724,901	19,919,075	45,780,610
Net Book Value						
As at April 1, 2016	2,399,995	4,389,971	0	1,100,636	4,706,632	12,597,234
As at March 31, 2017	2,399,995	4,192,010	0	528,146	3,593,109	10,713,260
As at March 31, 2018	2,399,995	3,994,046	0	-	2,479,581	8,873,622

"Land and Buildings with a carrying amount of Rs.2,00,600,000 (31st Mar 2017 Rs.2,00,600,000) are subject to first charge to secure the Company's bank loans."



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SEEC TECHNOLOGIES ASIA PRIVATE LIMITED
Statement of Changes in Equity for the year ended March 31, 2018
(All amounts in INR, unless otherwise stated)

Statement of Changes in Equity for the year ended 31 March 2018

a. Equity Share Capital:

Equity shares of INR 10 each issued, subscribed and fully paid

As at 1 April 2016

At 31 March 2017

Issue of share capital

At 31 March 2018

No. of shares	Amount (INR)
34,99,002	34,990,020
34,99,002	34,990,020
-	-
34,99,002	34,990,020

b. Other equity

For the year ended 31 March 2018

Particulars	Reserves & Surplus				Items of OCI		Total Equity
	Securities premium	Share based payment reserves	General reserve	Retained earnings	Cash flow hedge reserve	Other items of other comprehensive income	
As at 1st April 2017	-	-	-	172,085,893	-	-	172,085,893
Exercise of share options	-	-	-	-	-	-	-
Share-based payments	-	-	-	-	-	-	-
Profit for the year	-	-	-	5,341,424	-	-	5,341,424
Re-measurement of the net defined benefit liability/asset, net of tax effect	-	-	-	-	-	-	-
Total Comprehensive Income	-	-	-	-	-	-	-
As at 31st March 2018	-	-	-	177,427,317	-	-	177,427,317

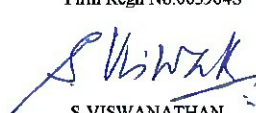
For the year ended 31 March 2017

Particulars	Reserves & Surplus				Items of OCI		Total Equity
	Securities premium	Share Based Payment Reserves	General Reserve	Retained earnings	Cash flow hedge reserve	Other items of other comprehensive income	
As at 1st April 2016	-	-	-	171,483,988	-	-	171,483,988
Exercise of share options	-	-	-	-	-	-	-
Share-based payments	-	-	-	-	-	-	-
Profit for the year	-	-	-	601,905	-	-	601,905
Re-measurement of the net defined benefit liability/asset, net of tax effect	-	-	-	-	-	-	-
Movement in cash flow hedge	-	-	-	-	-	-	-
Total Comprehensive Income	-	-	-	-	-	-	-
As at 31st March 2017	-	-	-	172,085,893	-	-	172,085,893

As per our report of even date

For Sivasubramanian & Rao
Chartered Accountants
Firm Regn No.003904S

For and on behalf of the Board of Directors of
Seec Technologies Asia Private Limited



S VISWANATHAN
Partner
Membership no : 20572

Place: Chennai
Date: 04.05.2018





K. Govindarajan
Director



T.V. Sinha
Director



SEEC TECHNOLOGIES ASIA PRIVATE LIMITED
Notes to the financial statements as on March 31, 2018
(All amounts are in Rs., unless otherwise stated)

1 Corporate Information

SEEC Technologies Asia Private Limited was incorporated on March 23, 1998 in Hyderabad, India with the objective of developing and distributing computer software and providing services relating to development and maintenance of computer software.

The Company is a subsidiary of Intellect Design Arena Inc., USA (Name of the holding company was changed on 23rd December 2014 from Polaris Software Lab Inc., USA to align with the change of name of its holding company Polaris Software Lab Pte Ltd., Singapore to Intellect Design Arena Pte Ltd., Singapore which is a subsidiary of Intellect Design Arena Ltd., Chennai)

2 Basis of preparation of financial statements

These financial statements are prepared in accordance with Indian Accounting Standards (IndAS) under the historical cost convention on the accrual basis. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS101 First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or are vision to an existing accounting standard requires a change in the accounting policy hitherto in use.

3 Significant Accounting Policies

a) Use of estimates

The preparation of the financial statements in conformity with IndAS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Appropriate changes in estimates are made as 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.

b) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Software development and support services

Revenue from software development and support services comprises income from time-and-material and fixed price contracts. Revenue with respect to time-and-material contracts is recognized as related services are performed. Revenue from fixed-price contracts is recognized in accordance with the proportionate completion method. Provision for estimated losses on incomplete contract is recorded in the year in which such losses become probable based on the current contract estimates.

Revenue accrued and not billed represents earnings on ongoing fixed price and time and material \contracts over amounts invoiced to customers. Revenue in excess of billing represents earnings on ongoing fixed price & time and material contracts over amounts invoiced to customers.

Billings in excess of revenue represent amounts billed in case of ongoing fixed price and time and material contracts wherein amounts have been billed in accordance with the billing cycle and efforts would be incurred subsequent to the balance sheet date.

Other Income

Interest is recognized using the time-proportion method.



c) Fixed assets

Fixed assets are stated at cost, less accumulated depreciation until the date of the balance sheet and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

d) Depreciation on tangible fixed assets

Depreciation on fixed assets is provided using the straight line method.

Depreciation on plant, property and equipment is calculated on a straight-line basis using the rates arrived at, based on the useful lives estimated by the management. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.. The company has used the following rates to provide depreciation on its plant, property and equipment.

The useful lives considered for depreciation of fixed assets are as follows:

Assets Category	Estimated useful life (in years)
Buildings	29
Plant and Machinery	15
Computer Equipments	3
Servers and Computer accessories	6
Electrical fittings, furniture and fixtures	10
Office equipments	5
Vehicles	4-8
Leasehold improvements	Over the lease period or 10 years whichever is lower
Leasehold Land	Over the lease period (99 years)

e) Impairment

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Company.

f) Foreign currency translations

Transactions in foreign currency are recorded at exchange rates prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are converted at the exchange rate as on the Balance Sheet date. The exchange differences arising on such conversions are recognized as income or expense in the Profit & Loss account.

g) Earnings per share

The basic earnings per share are computed by dividing the net profit attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share and also the weighted average number of equity shares which would have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as at the beginning of the period, unless they have been issued at a later date. The diluted potential equity shares have been adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e.) the average market value of the outstanding shares. In computing dilutive earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increase loss per share are included.



h). Provision and contingent Liabilities

Provisions are recognized when the company has a present obligation as a result of past event, for which it is probable that a cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their 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 management estimates. Contingent liabilities are disclosed when the company has a possible obligation and it is probable that a cash outflow will not be required to settle the obligation.

i. Earning per Share

Basic earnings per share, is calculated by dividing the net profit/(loss) after tax for the period attributable to the equity shareholders by the weighted average number of shares outstanding during the year.

j) Retirement and other employee benefits

Provident Fund

Employees receive benefits from a provident fund, which is a defined contribution plan. Both the employee and the Company make monthly contributions to the Regional Provident Fund equal to a specified percentage of the covered employee's salary. The company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. The Company has no further obligations under the plan beyond its monthly contributions.

Gratuity

The Company provides for gratuity in accordance with the Payment of Gratuity Act, 1972, a defined benefit retirement plan (the Plan) covering all employees. The plan, subject to the provisions of the above Act, provides a lump sum payment to eligible employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. A trust has been constituted to administer the gratuity fund. Gratuity liability is accrued and provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial period. Actuarial gains/losses are immediately taken to Statement of Profit and Loss and are not deferred.

Leave Benefits

Provision for long-term compensated absences is accrued and provided for on the basis of actuarial valuation made at the end of each financial period. The actuarial valuation is done as per projected unit credit method. Actuarial gains/losses are immediately taken to Statement of Profit and Loss and are not deferred.

k) Current and Deferred Taxes

Tax expense comprises of current and deferred tax. The current charge for income taxes is calculated in accordance with the relevant tax regulations applicable to the Company. The current tax provision and advance income tax as at balance sheet date have been arrived at after setting off advance tax and current tax provision where the Company has legally enforceable right to set off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax assets and liabilities are recognised for the future tax consequences attributable to timing differences between the taxable income and accounting income. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment 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 legal right to do so.

Deferred tax assets are recognised only if there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised and are reassessed for the appropriateness of their respective carrying values at each balance sheet date. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain or virtually certain as the case maybe, that future taxable income will be available against which such deferred tax assets can be realized. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain as the case maybe, that sufficient future taxable income will be available against which deferred tax asset can be realised.



Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

4 Non Current Assets-Loans

Particulars	31-Mar-18	31-Mar-17
Security Deposit	2,782,896	2,076,146
Advance income tax (Net of provision for tax)	17,466,557	19,816,557
TOTAL	20,249,453	21,892,703

5 Deferred Tax Assets-net

Particulars	31-Mar-18	31-Mar-17
Fixed assets	684,768	684,768
TOTAL	684,768	684,768

6 Short-term loans and advances

Particulars	31-Mar-18	31-Mar-17
Advances recoverable in cash or in kind or for value to be received	9,640,875	4,426,409
Loans to Employees	1,527,539	716,946
Salary advance	-	-
Input tax credit receivable	66,102,267	33,378,512
TOTAL	77,270,681	38,521,867

7 Trade Receivables

Particulars	31-Mar-18	31-Mar-17
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
- Unsecured considered good	143,715,643	111,798,157
Other debts		
- Unsecured considered good	111,777,732	149,346,113
TOTAL	255,493,375	261,144,270

8 Cash and Bank Balances

Particulars	31-Mar-18	31-Mar-17
Cash and cash equivalents		
(b) Balance with banks		
- On current account	229,757	38,756,371
- On deposit account	-	-
TOTAL	229,757	38,756,371



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9 Equity Share Capital

Particulars	31-Mar-18	31-Mar-17
Authorised		
35,00,000 equity shares of Rs.10 each	35,000,000	35,000,000
(100% Shares held by Intellect Design Arena Inc)	35,000,000	35,000,000
(b) Issued, Subscribed and Paid up		
34,99,002 common shares of Rs.10 each	34,990,020	34,990,020
Total issued, subscribed and fully paid-up share capital	34,990,020	34,990,020

10 Other Equity

Particulars	31-Mar-18	31-Mar-17
Opening balance	172,085,893	171,483,988
Net Profit/(Net Loss) For the current year	5,341,424	601,905
Amount available for appropriation	177,427,317	172,085,893
TOTAL	177,427,317	172,085,893

11 Trade payables

Particulars	31-Mar-18	31-Mar-17
Sundry Creditors		
Sundry Creditors for Goods and Expenses	447,395	838,472
Others Payable	5,640,264	5,744,796
Related Parties:		
Outsourcing / Consultancy Charges payable	80,318,643	112,306,181
Advances received from Related Parties	-	-
TOTAL	86,406,302	118,889,450

12 Other current liabilities

Particulars	31-Mar-18	31-Mar-17
Dues to related parties	48,600,267	34,689,611
Accrued salaries & benefits	8,639,984	9,716,431
Statutory payable	5,867,814	359,501
TOTAL	63,108,065	44,765,543

13 Short-term provisions

Particulars	31-Mar-18	31-Mar-17
Provision for employee benefits		
- Provision for leave benefits	869,952	982,334
TOTAL	869,952	982,334

14 Revenue from Operations

Particulars	31-Mar-18	31-Mar-17
Sale of services	185,539,886	203,770,641
	-	-
TOTAL	185,539,886	203,770,641



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15 Other Income

Particulars	31-Mar-18	31-Mar-17
Interest received on deposits with banks	-	665,940
Interest on others	44,815	191,767
Miscellaneous Income, Rent	1,837,725	1,893,956
TOTAL	1,882,540	2,751,663

16 Employee Benefit Expenses

Particulars	31-Mar-18	31-Mar-17
Salaries and incentive		
Salaries and bonus	22,522,496	24,106,368
Cost of technical sub-contractors	145,193,891	158,457,434
Contribution to		
(i) Provident fund	735,978	776,743
Gratuity contribution scheme	211,776	484,161
Staff welfare expenses	244,549	591,862
TOTAL	168,908,690	184,416,568

17 Finance Cost

Particulars	31-Mar-18	31-Mar-17
Interest Expenses	-	561,690
TOTAL	-	561,690

18 Other Expenses

Particulars	31-Mar-18	31-Mar-17
Payment to the auditors		
- Audit Fees	160,000	160,000
Cost of software packages, consumable and maintenance	76,654	-
Professional and Legal charges	43,545	117,943
Security Charges	1,016,524	1,408,078
Rates and taxes excluding Taxes on Income	236,287	81,951
Bank charges & commission	32,045	14,610
Miscellaneous expenses	-	-
Power & Fuel	4,431,591	4,607,954
Property tax & others	434,476	585,336
Repairs & Maintenance - Others	557,921	1,522,924
Office Maintenance	1,183,304	1,236,565
Net Gain on foreign currency transaction and translation (other than considered as finance cost)	810,327	8,822,806
TOTAL	8,982,674	18,558,167



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19 Related Party Transactions

Particulars	31-Mar-18	31-Mar-17
Intellect Design Arena Ltd		
Software Development Expenses	145,193,891	158,457,434
Rendering of Software Development Service	185,539,886	203,770,641
Outstanding Balances as on 31.03.2018:		
Intellect Design Arena Ltd INC	48,600,267	-

No amounts in respect of related parties have been provided for / written off / written back during the year.

20 Earnings in Foreign Currency

The Details of expenditure & earning in Foreign Currency

Particulars	31-Mar-18	31-Mar-17
Earnings- Sales	185,539,886	203,770,641

21 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

As at Mar 31, 2018, the Company had no outstanding dues to Micro and Small enterprises (for March 31, 2016: Rs Nil). The list of Micro and Small enterprises was determined by the Company on the basis of information available with the Company. The Company also had no outstanding dues that require to be furnished under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006.

22 Transactions with related parties - Transfer Pricing

The Company has entered into international transactions with related parties(Group Companies). The Company has a policy of maintaining documents as prescribed by the Income-tax Act, 1961 to prove that these international transactions are at arm's length and believes that 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.

23 Previous year's figures have been regrouped wherever necessary to confirm to this year's Classification.

As per our report even date

For Sivasubramanian & Rao
Chartered Accountants
Firm Regn No.003904S

S VISWANATHAN
PARTNER

Membership no : 20572



For and on behalf of the Board

K.Govindarajan
Director

T.V.Sinha
Director

Place: Chennai
Date: 04.05.2018