



Celebrating 20 Years

SUBSIDIARY COMPANIES ANNUAL REPORT 2016-17
The Return on Beliefs



A Larsen & Toubro
Group Company



**LARSEN & TOUBRO INFOTECH LIMITED
SUBSIDIARY COMPANIES**

REPORTS AND ACCOUNTS 2016-2017

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DIRECTORS' REPORT

Dear Members,

The Directors have pleasure in presenting the Annual report and Audited Accounts for the year ended March 31, 2017.

1. FINANCIAL HIGHLIGHTS

Particulars	EURO	
	2016-17	2015-16
Total Income	12,334,389	13,304,914
Profit / (Loss) before Tax	508,238	596,924
Less : Tax	215,664	207,421
Net Profit / (Loss) after Tax	292,574	389,502
Add: Balance b/f from previous year	3,712,455	3,322,953
Balance to be carried forward	4,005,029	3,712,455

2. STATE OF COMPANY AFFAIRS

The gross sales and other income for the Financial Year under review were EUR 12.33 Mn as against EUR 13.30 Mn for the previous Financial Year. The profit after tax including extraordinary and exceptional items was EUR 0.29 Mn for the Financial Year under review as against EUR 0.39 Mn for the previous Financial Year.

3. CAPITAL EXPENDITURE

As at March 31, 2017, the gross fixed and intangible assets including leased assets, stood at EUR 177,443 and the net fixed and intangible assets, including leased assets, stood at EUR 105,644. Capital Expenditure during the Financial Year under review amounted to EUR 55,111.

4. DIVIDEND

In order to conserve the resources for future business growth, the Directors do not recommend dividend for the current year.

5. DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL APPOINTED/RESIGNED DURING THE YEAR

During the year, Mr. Makarand Deolalkar resigned as a Managing Director w.e.f. October 12, 2016. Mr. Sudhir Chaturvedi was appointed as Managing Director w.e.f. October 12, 2016.

The Board places on record the valuable contribution made by Mr. Makarand Deolalkar during his tenure as Managing Director of the Company.

Presently, Mr. Ashok Kumar Sonthalia and Mr. Sudhir Chaturvedi are the Managing Directors on the Board of the Company, appointed on October 1, 2015 & October 12, 2016 respectively.

6. AUDITORS

M/s. Pohner & Von Loeben are the auditors of the Company. They have been re-appointed as Statutory Auditors of the Company for the ensuing Financial Year.

DIRECTORS REPORT (Contd.)

7. FINANCIAL STATEMENTS

The Auditors report to the shareholders does not contain any qualification, observation or adverse comment.

8. DIRECTORS RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms that:

- a) In the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) 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 or loss of the Company for that period;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the Local Statutes for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors have prepared the Annual Accounts on a going concern basis;
- e) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

9. ACKNOWLEDGEMENT

Your Directors acknowledge the invaluable support extended by the Government authorities in Germany and take this opportunity to thank them as well as the customers, employees, Financial Institutions, Banks and all the various stakeholders for their continued co-operation and support to the Company.

Date: April 18, 2017

Place: London.

For and on behalf of the Board

Sudhir Chaturvedi
Director

AUDITOR'S REPORT

1. ASSIGNMENT

The management of Larsen & Toubro Infotech GmbH, Leipzig,

- authorised signatory hereinafter referred to as "Larsen" as well as the "Company"-

appointed us (confirmation of order dated April 4, 2017) by the shareholders resolution dated, April 20, 2016 to audit the financial statements and the accounting records for the year ended March 31, 2017.

The maintenance of the books and records and the preparation of the annual financial statements in accordance with the German Commercial Code (HGB) and the additional regulations of the articles of association are on the responsibility of the Company's management. Our responsibility is to express an opinion on the annual financial statements based on our audit.

We carried out our audit in accordance with the general conditions of assignment for Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften of the "Institut der Wirtschaftsprüfer" in Germany e.V. (IDW), dated January 01, 2017 (added in appendix 3). Our responsibility and our liability, especially to third parties, is based on these conditions of assignment.

We report about our audit in accordance with § 321 German Commercial Code (HGB) and in accordance with the reporting standards of IDW PS 450. Our report is directed to the audited Company and consists of a main part, which includes all essential statements summarized and four appendices, which are an essential part of our report.

We certify in accordance with § 321 par. 4 a German Commercial Code (HGB) that we have observed the Audit Independence Rules.

2. GENERAL STATEMENTS

2.1. SITUATION OF THE COMPANY

The Company, as a small company with regard to § 267 par. 1 German Commercial Code used its right to choose according to § 264 par. 1 sent. 4 German Commercial Code and did not prepare a management report. The evaluations of the management about the situation of the Company and the risks of the future development affect disclosure and valuation decisions already within the scope of the preparation of the annual financial statements by the legal representatives. As far as the judgement of the situation of the Company by the legal representatives was considered in the annual financial statements in the form of the audited papers and documents as well as additionally given information we make the following statements:

Within the scope of the audit of the annual financial statements as well as the business situation of the Company we noted no facts which argue against the judgement of the situation of the Company according to the submitted annual financial statements.

2.2. STATEMENTS ACCORDING TO § 321 PAR. 1 SENT. 3 GERMAN COMMERCIAL CODE IRREGULARITIES

In the course of our audit no irregularities have been found.

3. SUBJECT, CHARACTER AND AUDIT SCOPE

The subject of our audit was the Company's accounting and the financial statements.

The Company is a small sized company in accordance with § 267 par. 1 German Commercial Code (HGB). Therefore the Company is not obliged by applicable law to be audited with regard to § 316 pf. German Commercial Code (HGB). The Company applies the statutory accounting requirements in Germany.

The audit was carried out in accordance with § 317 German Commercial Code (HGB) and the auditing Standards promulgated in the statement of IDW PS 200 pf. by the German "Institut der Wirtschaftsprüfer" (IDW). We have audited, whether the regulations of the German Commercial Code and additional regulations of the articles of association of the Company and the regulations and standards of accounting were noticed. The audit covers other regulations only in so far as these regulations contain rules with which the financial statements have to comply. This audit does neither cover any specific information on criminal offences such as breach of public trust or embezzlements nor any offences committed beyond accounting.

The audit was performed by defining an audit strategy, taking a risk-orientated approach. Based on this approach, significant criteria for the determination of audit procedures is the risk of errors and violations of statutory provisions. Knowledge of the business activities and the economic and legal environment of the Company and evaluations of possible misstatements are taken into account in the determination of audit procedures.

On the basis of this determination we have planned our audit procedures.

The effectiveness of the internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements are examined primarily on a test basis within the framework of the audit. We focused on economic importance of each part of the audit and the type of accounting principles. Because of this assurance of the proper business transactions the scope of the individual

AUDITOR'S REPORT (Contd.)

audit procedures could be cut down. The audit procedures included plausibility checks and the audit of evidence of individual business transactions.

Provided that materiality limits were not exceeded no adjustments have been made.

We carried out our audit in April 2017 in our office premises in Munich. Our auditor's functions were essentially finished on April 21, 2017.

Our audit was focused on:

- Valuation of accruals
- Reconcile and evaluation of trade receivables and trade payables including affiliated companies

We have requested confirmations of affiliated companies concerning trade receivables and trade payables. Amounts due from and to affiliated companies have been agreed upon with the companies concerned.

The cash in banks and liabilities due to banks are in accordance with confirmations and statement of accounts.

Details about the audit scope and methods are included in our working papers.

All requested documents had been at our entire disposal. Necessary explanations were given to us by:

- Warth & Klein Grant Thornton AG, the tax adviser of the Company (Munich)
- Ms. Rupali Hatle, Larsen & Toubro Infotech Ltd. (Mumbai/India).

We have received the Letter of Representation by the managing director. In the Letter of Representation the management promised that the bookkeeping contains all assets, liabilities and risks and that the information given to us is complete.

4. STATEMENTS AND EXPLANATION TO ACCOUNTING

4.1. ADEQUACY OF THE ACCOUNTING

4.1.1 ACCOUNTING AND OTHER REVIEWED DOCUMENTS

The accounting of the Company including the wage and salary accounting of the reporting year are performed outside by Warth & Klein Grant Thornton AG Wirtschaftsprüfungsgesellschaft (tax consultant company), Munich, by the use of a data processing program called DATEV.

We have convinced ourselves of the adequacy and procedure of the accounting as a whole and its practical use. The vouchers are orderly and conclusive. Journal and ledger accounts are properly recorded. The accounting records documents handling is in accordance with the general accepted accounting principles. Assets and liabilities were properly proved. When we finished our audit all accounts were closed.

In the course of our audit and due to the information given to us we did not find any indications that the safety of the data processed for the purposes of accounting is not guaranteed.

4.1.2 FINANCIAL STATEMENTS

The balance sheet as of March 31, 2017 and the profit and loss account for the period from April 1, 2016 to March 31, 2017 were correctly deduced from the accounting. The balance sheet format complies with the German Commercial Code. The assets were proven by balance files, confirmations, correspondences of the Company and other documents.

We audited the financial statements as of March 31, 2016 and supplied it with the auditors' opinion on April 22, 2016. The financial statements as of March 31, 2016 were approved at the shareholders' meeting on April 22, 2016.

The financial statements of Larsen & Toubro Infotech GmbH, Leipzig, were prepared in accordance with §§ 242-256 German Commercial Code (HGB) and the complementing regulations of §§ 264-288 German Commercial Code (HGB). Furthermore the regulations in the German GmbH Law were noticed.

The valuation of assets and liabilities applied to the German Commercial Code. The used accounting and valuation methods are presented in the notes to the financial statements (appendix 1.3).

Valuation methods and classifications of the financial statements as of March 31, 2016 are applied. The standards of § 252 of German Commercial Code (HGB) were followed by the Company and the German Accounting Directive Implementation Act.

The notes to the financial statements are in accordance with the applicable law and regulations. The notes to the financial statements especially contain all necessary disclosures, representations, analysis, explanations and reasons with regard to recording methods of the accounting and valuation of the individual items in the balance sheet and profit and loss account as well as the other necessary disclosures. We examined the individual disclosures of the notes to the financial statements within our audit of the individual items in the balance sheet and profit and loss account.

AUDITOR'S REPORT (Contd.)

4.2. OVERALL PICTURE CONVEYED BY THE FINANCIAL STATEMENTS

4.2.1 RESULT OF THE FINANCIAL STATEMENTS

According to the result of our audit the financial statements, in compliance with generally accepted accounting principles, present overall a true and fair view of its net worth, financial position and results of operations.

4.2.2 SUBSTANTIAL VALUATION METHODS

Tangible assets and intangible assets stated at purchase costs reduced by systematic depreciation. Fixed assets are depreciated on a straight-line method. Low value items up to EUR 410 are completely written-off in their first year.

The inventories are evaluated with the original purchase or production costs. As far as there were lower values at the day of the balance sheet, those were stated.

Receivables are stated at nominal value. Receivables denominated in a foreign currency are converted into EURO at the average spot exchange rate at the balance sheet date. Risks on receivables are taken into account by lump-sum valuation adjustments to appropriate extent.

Other accruals are set up for uncertain liabilities and are stated at the amount required based on sound business judgement.

Liabilities are stated at their settlement amounts. Liabilities denominated in a foreign currency are converted into EURO at the average spot exchange rate at the date of the balance sheet.

4.2.3 CHANGE IN ACCOUNTING AND EVALUATION METHODS

The application of accounting and evaluation choices of the German Commercial Code (HGB) as well as other bases of evaluation for the financial statements are unchanged compared to prior year. A change in accounting and evaluation methods as well as basic influences on the reporting of the net assets, financial position and results of operations by a changed practice of the scope of discretion are, according to our assessment, not existing.

Due to the initial application of the German Commercial Code (HGB) as revised by the German Accounting Directive Implementation Act (BilRUG) the structure differs from last year's in the following points: deletion of the items "extraordinary income", "extraordinary expenses" as well as "results of ordinary activities" and "extraordinary results", insertion of the item "result after taxes" between the items "taxes on income" and "other taxes". Restructuring to ensure compatibility of sales revenues were not necessary for the year 2016/ 2017.

4.2.4 STATEMENTS CONCERNING SINGLE ITEMS OF THE BALANCE SHEET

We refer to the notes of financial statements (Appendix 1.3).

As requested we did not give a detailed report about the net assets, financial position and results of operations of the Company.

5. REPETITION OF THE AUDITORS' OPINION

Based on the results of our audit of the financial statements as of March 31, 2017 of Larsen & Toubro Infotech GmbH, Leipzig, we render the following

AUDITORS' OPINION:

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 of Larsen & Toubro Infotech GmbH, Leipzig, for the period from April 1, 2016 to March 31, 2017. The bookkeeping system and the preparation of these documents in accordance with German commercial law and supplementary articles of incorporation 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 based on our audit.

We conducted our audit of the annual financial statements in accordance with § 317 HGB ("German Commercial Code") and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [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 are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit.

AUDITOR'S REPORT (Contd.)

The audit includes assessing the accounting principles used and the evaluation of significant estimates made by management and evaluating the overall presentation of the annual financial statements. 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 comply with the legal requirements and supplementary provisions of the shareholder agreement 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.

Munich, April 21, 2017

signed Pöhner
Director

signed von Loeben
Director

We submit this auditors' report according to § 321 German Commercial Code (HGB) while considering the generally accepted auditing standards (IDW-PS 450).

The publication or transfer of the financial statements in a form different from the one we have audited is only permitted after our consent if in the course of doing so reference is made to our audit opinion or audit.

Munich, April 21, 2017

Pöhner
Wirtschaftsprüfer

von Loeben
vereidigter Buchprüfer

(Signet-No. 17/04)

BALANCE SHEET AS AT MARCH 31,2017

	EUR	EUR	previous year TEUR
ASSETS			
A Fixed assets			
I Tangible assets			
Other equipment, factory and office equipment	105,644.00		70
II Financial assets			
Investments	0.00	105,644.00	-
B. Inventories			
Orders in progress		98,554.20	557
C. Current assets			
I. Receivables and other assets			
1. Trade receivables	3,400,208.05		2,851
2. Receivables from affiliated companies	437,903.87		562
3. Other assets	130,897.24		430
II. Cash, Bank Balances	<u>2,365,939.00</u>	6,334,948.16	873
D. Accrued items			
		1,276.19	10
		<u>6,540,422.55</u>	<u>5,353</u>
LIABILITIES			
A Equity			
I Subscribed capital			
	25,000.00		25
II Retained profits			
	3,712,455.83		3,323
III Net income for the year	<u>292,573.82</u>	4,030,029.65	389
B Accruals			
I Tax accruals			
	273,100.00		275
II Other accruals			
	<u>458,633.52</u>	731,733.52	436
C Liabilities			
I Trade payables			
	6,107.97		47
- thereof due within one year EUR 6,107.97 (p.y. 47 TEUR)			
II Amounts due to affiliated companies			
	1,531,684.77		619
- thereof due within one year EUR 1,531,684.77 (p.y. 619 TEUR)			
III Other liabilities			
	<u>240,866.64</u>	1,778,659.38	239
- thereof due to tax payments EUR 165,362.05 (p.y. 106 TEUR)			
- thereof due to social security and similiar obligations EUR 4,761.10 (p.y. - TEUR)			
- thereof due within one year EUR 240,866.64 (p.y. 239 TEUR)			
		<u>6,540,422.55</u>	<u>5,353</u>

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31,2017

	EUR	EUR	previous year TEUR
1 Sales revenues		12,539,922.34	12,670
2 Increase in orders in progress		-458,234.43	519
3 Other operating income		252,700.83	116
- of which currency translation gains EUR 223,726.08 (p.y. 115 TEUR)		12,334,388.74	13,305
4 Costs of purchased services		-6,805,680.30	-7,780
		5,528,708.44	5,525
5 Personnel expenses			
a) Wages and salaries	-3,021,102.18		-3,065
b) social charges	-495,301.97		-477
6 Depreciation on intangible fixed and tangible assets	-19,196.42		-4
7 Other operating expenses	-1,485,498.72	-5,021,099.29	-1,382
- of which expenses translation gains EUR 100.608,27 (p.y. 130 TEUR)		507,609.15	597
8 Other interest and similar income	628.78		-
9 Interest and similar expenses	-0.00	628.78	-
		508,237.93	597
10 Taxes on income		-215,664.11	-208
- of which deferred taxes EUR 0.00 (p.y. - TEUR)			
11 Result after taxes		292,573.82	389
12 Other taxes		-0.00	-
13 Net income for the year		292,573.82	389
14 Retained profits		3,712,455.83	3,323
15 Disposable profits		4,005,029.65	3,712

NOTES TO THE FINANCIAL STATEMENTS AS OF MARCH 31, 2017

1. KEY FIGURES, CLASSIFICATION, PREVIOUS YEAR'S FIGURE

The Larsen & Toubro Infotech GmbH – hereinafter referred to as the Company – with its seat in Leipzig, was founded by notarial record agreement dated June 14, 1999 and has a capital stock of EUR 25,000.00. The Company was registered at the commercial register Leipzig (HRB 15958) on July 28, 1999.

The parent company is Larsen & Toubro Infotech Limited with its domicile in Mumbai, India.

Object of the Company is the provision of consulting services in the area of information technology as well as the trade with products and rights of every type, particularly with assets, devices and fittings regarding information technology as well as software.

The company is a small company according to § 267 HGB (German Commercial Code), as the characteristics of size with regard to § 267 par. 1 HGB are not reached. The financial statements are set up according to the HGB and the GmbHG (Limited liability company law).

The structure of the balance sheet and profit and loss summary is according to the regulations of the HGB. The profit and loss account was set up in total expenditure format according to § 275 Abs. 2 HGB. The notes were prepared under consideration of the alleviation of § 288 HGB.

Due to the initial application of the German Commercial Code (HGB) as revised by the German Accounting Directive Implementation Act (BilRUG) the structure differs from last year's in the following points: deletion of the items "extraordinary income", extraordinary expenses" as well as "results of ordinary activities" and "extraordinary results", insertion of the item "result after taxes" between the items "taxes on income" and "other taxes". Restructuring to ensure compatibility of sales revenues were not necessary for the year 2016/ 2017.

Due to the initial application of HGB rules as revised by the BilRUG, sales revenues in the financial year 2016/2017 are not comparable to the sales revenues in the financial year 2015/2016. In regard to the disclosure of revenue results there have been no changes in 2016/2017 compared to 2015/2016.

2. ACCOUNTING PRINCIPLES AND STANDARD OF VALUATION AND NOTES TO THE FINANCIAL STATEMENT

The applied accounting principles and valuation methods of the annual financial statements are in accordance with §§ 238 ff. HGB as well as with §§ 264 ff. HGB for corporations and the German Accounting Directive Implementation Act (BilRuG).

Fixed assets are capitalized at acquisition or production costs less normal depreciation. Moveable assets are depreciated using the straight-line method. Low value items up to EUR 410.00 are completely written-off in their first year.

The inventories are evaluated with the original purchase or production costs. As far as there were lower values at the day of the balance sheet, those were stated.

Receivables are stated at nominal value. Receivables denominated in a foreign currency are converted into EURO at the average spot exchange rate at the balance sheet date. Risks on receivables are taken into account by lump-sum valuation adjustments to appropriate extent.

Other assets and liabilities are considered with the nominal face respectively settlement value.

Liabilities are stated at their settlement amounts. Liabilities denominated in a foreign currency are converted into EURO at the average spot exchange rate at the date of the balance sheet.

3. INFORMATIONS ON BALANCE SHEET AND PROFIT & LOSS ACCOUNT

Fixed assets developed as follows:

	Purchase and manufacturing costs			Balance at March 31, 2017 EUR
	Balance at April 1, 2016 EUR	Additions EUR	Disposals EUR	
A. Fixed Assets				
I. Tangible assets				
Other equipment, fixtures, furniture and office equipment	123,912.90	55,111.12	1,581.70	177,442.62
II. Financial Assets				
Investments	113,494.50	0.00	113,494.50	0.00
	237,407.40	55,111.42	115,076.20	117,442.62

3. INFORMATIONS ON BALANCE SHEET AND PROFIT & LOSS ACCOUNT

Fixed assets developed as follows:

	Depreciation			Net book value	
	Balance at April 1, 2016 EUR	Additions EUR	Disposals EUR	Balance at March 31, 2017 EUR	Balance at March 31, 2016 EUR
A. Fixed Assets					
I. Tangible assets					
Other equipment, fixtures, furniture and office equipment	54,183.90	19,196.42	1,581.70	71,798.62	105,644.00
II. Financial Assets					
Investments	113,493.50	0.00	113,493.50	0.00	1.00
	167,677.40	19,196.42	115,075.20	71,798.62	105,644.00
				69,730.00	

Receivables are all due within one year.

The other accruals contain provisions for financial statements and audit (26 TEUR), vacation provisions (238 TEUR), insurance association (20 TEUR), disability charge (1 TEUR) and outstanding invoices (174 TEUR).

The liabilities include liabilities against affiliated companies of EUR 1,531,684.77 that are all due within one year.

Contingencies according to § 251 HGB did not exist at closing date.

Deferred tax assets and deferred tax liabilities were not to be taken into account.

4. OTHER INFORMATION

Managing Director:

Ashok Kumar Sonthalia, Managing Director, Mumbai/India
(Power to sole representation, exempt of § 181 BGB)

Makarand Deolalkar, Managing Director, Mumbai/India (till October 12, 2016)
(Power to sole representation, exempt of § 181 BGB)

Sudhir Chaturvedi, Managing Director, Purley/Great Britain (since October 12, 2016)
(Power to sole representation, exempt of § 181 BGB)

With regard to further disclosures, use has been made of the protective clause provided for by § 286 par. 4 HGB.

The annual average number of employees was 43.

Proposal for appropriation of profit:

The Management proposes to carry forward the net accumulated profit of EUR 4,005,029.65.

5. EVENTS AFTER THE BALANCE SHEET DATE

No significant events arose after the end of the financial year which have not been considered in the profit and loss account or the balance sheet.

Leipzig, April 18, 2017

Larsen & Toubro Infotech GmbH,
Leipzig

Sudhir Chaturvedi
Director

LEGAL POSITION

A. COMPANY'S STRUCTURE

Legal form:	Limited liability company
Company name:	Larsen & Toubro Infotech GmbH
Legal domicile:	D-04109 Leipzig
Articles of association:	June 14, 1999 (Dr. Carsten Ritter, Leipzig/Germany)
Commercial Register:	Local first-instance court Leipzig, HR B 15958. We received a certificate of registration dated January 10, 2017.
Object of the Company:	Delivery of consulting services in the field of information technology as well as dealing with goods and rights of all kind, especially with assets, equipment and fixtures for information technology as well as software.
Nominal Capital:	EUR 25,000.00 (py. 25 TEUR) 100 % of the shares of the Company are being held by Larsen & Toubro Infotech Ltd., Mumbai/India
Managing Directors:	Ashok Kumar Sonthalia, Mumbai/India Makarand Deolalkar, Mumbai/India (till October 12, 2016) Sudhir Chaturvedi, Purley/Great Britain (since October 12, 2016)
Fiscal Year:	April 1 until March 31
Prior financial Statements:	The financial statements as of March 31, 2016 were approved at the shareholders' meeting on April 22, 2016.

B. TAX BASIS

General

The Company is recorded by the local tax office for corporations in Leipzig (registration number: 231/113/12222).

The tax authorities carried out a tax audit in the year 2012 for the assessment periods 2007 to 2009.

DIRECTORS' REPORT

Dear Members,

The Directors have pleasure in presenting the Annual Report and Audited Accounts for the year ended March 31, 2017.

1. FINANCIAL HIGHLIGHTS

Particulars	CAD*	
	2016-17	2015-16
Total Income	17,489,556	13,643,849
Profit / (Loss) before Tax	708,773	735,559
Less: Tax	173,376	197,613
Net Profit/ (Loss) after Tax	535,397	537,946
Add: Balance b/f from previous year	1,956,771	1,418,825
Less: Dividend Paid	(1,000,000)	-
Balance to be carried forward	1,492,168	1,956,771

Note: *Canadian Dollars

2. STATE OF CORPORATION AFFAIRS

The total income for the Financial Year under review was CAD 17.49 Mn as against CAD 13.64 Mn for the previous Financial Year, registering an increase of CAD 3.85 Mn. The profit after tax for the Financial Year under review was CAD 0.54 Mn as against CAD 0.54 Mn for the previous Financial Year.

3. CAPITAL EXPENDITURE

As at March 31, 2017, the gross fixed and intangible assets, including leased assets, stood at CAD 27,144 and the net fixed and intangible assets, including leased assets, stood at CAD 2,315. Capital Expenditure during the year amounted to CAD 807.

4. DIVIDEND

During the year, the Corporation has paid an interim dividend at the rate of CAD 1 per share, on 1,000,000 paid-up equity shares of the Corporation. The dividend payment including the withholding tax has resulted in total outflow of CAD 1 Mn.

The Directors do not propose payment of any final dividend for the year ended March 31, 2017.

5. DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL APPOINTED/ RESIGNED DURING THE YEAR

During the year under review, Mr. Harsh Naidu and Mr. Chad Alderson were appointed as Directors w.e.f. August 30, 2016. Mr. Sunil Pande and Mr. Alfred Page resigned as Directors w.e.f. August 30, 2016. The Board places on the record the valuable contributions made by Mr. Sunil Pande & Mr. Alfred Page during their tenure as Directors of the Corporation.

Mr. Kedar Gadgil resigned as Chief Financial Officer & Secretary ('CFO & Secretary') of the Corporation w.e.f. March 15, 2017 and the Board places on the record the valuable contribution made by Mr. Kedar Gadgil during his tenure as CFO & Secretary of the Corporation.

Mr. Alekh Gupta was appointed as CFO & Secretary of the Corporation w.e.f. March 15, 2017, till the next annual election of the officers or until his successor has been duly elected or appointed.

6. AUDITORS

M/s KNAV Professional Corporation (Chartered Accountants) are the auditors of the Corporation. They have been re-appointed as Statutory Auditors of the Corporation for the ensuing Financial Year.

DIRECTORS REPORT (Contd.)

7. FINANCIAL STATEMENTS

The Auditors report to the shareholders does not contain any qualification, observation or adverse comment.

8. DIRECTORS RESPONSIBILITY STATEMENT

The Board of Directors of the Corporation confirms that:

- a) In the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) 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 Corporation at the end of the financial year and of the profit or loss of the Corporation for that period;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with local statutes for safeguarding the assets of the Corporation and for preventing and detecting fraud and other irregularities;
- d) The Directors have prepared the Annual Accounts on a going concern basis;
- e) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

8. ACKNOWLEDGEMENT

Your Directors acknowledge the invaluable support extended by the Government authorities in Canada and take this opportunity to thank them as well as the customers, employees, Financial Institutions, Banks and all the various stakeholders for their continued co-operation and support to the Corporation.

Date: April 26, 2017
Place: Canada.

For and on behalf of the Board

Chad Alderson
Director

INDEPENDENT AUDITOR'S REPORT

To the Shareholder

L&T Infotech Canada Ltd / Infotech Larsen & Toubro Canada LTEE

We have audited the accompanying financial statements of L&T Infotech Canada Ltd / Infotech Larsen & Toubro Canada LTEE ("the Company") which comprise the balance sheets as at March 31, 2017 & March 31, 2016 and the related statements of income and retained earnings and statements of cash flows for the years ended March 31, 2017 & March 31, 2016, 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 Canadian accounting standards for private enterprises and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 Canadian generally accepted auditing standards. 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 L&T Infotech Canada Ltd / Infotech Larsen & Toubro Canada LTEE as at March 31, 2017 & March 31, 2016 and its financial performance and its cash flows for the years ended March 31, 2017 & March 31, 2016 in accordance with Canadian accounting standards for private enterprises.

KNAV Professional Corporation

Chartered Professional Accountants

Licensed Public Accountants

Date: April 26, 2017

Place: Toronto

BALANCE SHEETS*(All amounts in Canadian Dollars, unless otherwise stated)*

		<u>March 31, 2017</u>	<u>March 31, 2016</u>
ASSETS			
Current assets			
Cash and cash equivalents	6	798,766	419,510
Accounts receivable	7	1,992,821	3,639,819
Advance taxes		7,926	107,994
Other current assets	8	<u>316,690</u>	<u>231,142</u>
Total current assets		\$ <u>3,116,203</u>	<u>4,398,465</u>
Office equipment	9	<u>2,315</u>	<u>1,773</u>
Total assets		\$ <u><u>3,118,518</u></u>	<u><u>4,400,238</u></u>
LIABILITIES			
Current liabilities			
Accounts payable	10	1,462,233	2,015,603
Other current liabilities	11	<u>155,533</u>	<u>419,231</u>
Total current liabilities		\$ <u>1,617,766</u>	<u>2,434,834</u>
Future tax liabilities	15	<u>8,484</u>	<u>8,533</u>
Total liabilities		\$ <u>1,626,250</u>	<u>2,443,367</u>
Shareholder's equity			
Share capital	12	100	100
Retained earnings		<u>1,492,168</u>	<u>1,956,771</u>
Total shareholder's equity		\$ <u>1,492,268</u>	<u>1,956,871</u>
Total liabilities and shareholder's equity		\$ <u><u>3,118,518</u></u>	<u><u>4,400,238</u></u>

*(See accompanying notes to the financial statements)***APPROVED ON BEHALF OF THE BOARD:**

Chad Alderson
Director

STATEMENTS OF INCOME AND RETAINED EARNINGS*(All amounts in Canadian Dollars, unless otherwise stated)*

	Notes	For the year ended	
		March 31, 2017	March 31, 2016
Revenue		17,436,791	13,530,636
Other income	14	52,765	113,213
Total revenue		\$ 17,489,556	13,643,849
Employee cost		5,878,375	4,930,714
Subcontracting expenses		10,575,146	7,235,408
Total direct expense		\$ 16,453,521	12,166,122
Sales and administration expenses		294,178	195,155
Rent		32,172	32,376
Professional charges		161,184	221,436
Travelling and conveyance		35,449	49,910
Telephone charges		7,135	19,874
Auditor's remuneration		10,054	24,458
Foreign exchange (gain) loss		(220,991)	184,015
Miscellaneous expenses		4,185	10,421
Total indirect costs		\$ 323,366	737,645
Depreciation	9	265	473
Bank charges		3,631	4,048
Income before tax		\$ 708,773	735,559
Current income taxes		173,425	197,744
Future income taxes		(49)	(131)
Income taxes	15	173,376	197,613
Net income after taxes		\$ 535,397	537,946
Dividend distribution		(1,000,000)	-
Retained earnings, beginning of the year		1,956,771	1,418,825
Retained earnings, end of the year		\$ 1,492,168	1,956,771

(See accompanying notes to the financial statements)

APPROVED ON BEHALF OF THE BOARD:

Chad Alderson
Director

STATEMENTS OF CASH FLOWS*(All amounts in Canadian Dollars, unless otherwise stated)*

	Notes	For the year ended	
		March 31, 2017	March 31, 2016
Cash flow from operating activities			
Net income		535,397	537,946
Adjustments for:			
Amortization		265	473
Future income benefit		(49)	(131)
Unrealized foreign exchange gain		(51,839)	(189,801)
Changes in non-cash working capital			
Accounts receivable,		1,647,505	(1,869,710)
Other current assets		(86,066)	(67,539)
Accounts payable		(502,093)	441,712
Income taxes recoverable (net)		100,116	(92,856)
Other current liabilities		(263,173)	158,606
Cash provided by (used in) operating activities		\$ 1,380,063	(1,081,300)
Cash flow from investing activities			
Purchase of office equipment		(807)	-
Cash used in investing activities		\$ (807)	-
Cash flow from financing activities			
Dividend distribution		(850,000)	-
Withholding tax on dividend		(150,000)	-
Cash used in financing activities		\$ (1,000,000)	-
Net foreign exchange difference on cash and cash equivalents			20
Increase (decrease) in cash and cash equivalents		379,256	(1,081,280)
Cash and cash equivalents, at beginning of the year		419,510	1,500,790
Cash and cash equivalents, at end of the year		\$ 798,766	419,510
Supplemental cash flow information			
Income tax paid		197,525	170,565

(See accompanying notes to the financial statements)

APPROVED ON BEHALF OF THE BOARD:

Chad Alderson
Director

NOTES TO FINANCIAL STATEMENTS

FOR THE PERIOD ENDED MARCH 31, 2017

1. Description of business

Larsen & Toubro Infotech Canada Ltd. / Infotech Larsen & Toubro Canada LTEE (the "Company") is incorporated under the Canada Business Corporations Act (Ontario). The Company is a wholly owned subsidiary of Larsen & Toubro Infotech Ltd., an India company ("Parent"). The Company is engaged in software consulting and development services.

2. Basis of presentation

The financial statements of the Company have been prepared by the management in accordance with Part II of the Chartered Professional Accountants in Canada Handbook -Accounting standards for private enterprises ("GAAP") which sets out generally accepted accounting principles for non-publicly accountable enterprises in Canada and includes the significant accounting policies described hereafter.

3. Basis for measurement

The financial statements have been prepared on going concern and historical cost basis.

4. Functional and presentation currency

The Company's functional and presentation currency is the Canadian dollar.

5. Significant accounting policies

a) Use of estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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.

Management bases the estimates on a number of factors, including historical experience, current events and actions that the Company may undertake in the future and other assumptions that the Company believes are reasonable under the circumstances. Estimates are used in accounting for items and matters such as revenues, provision for doubtful accounts, useful lives of non-current assets, legal and tax contingencies, employee compensation plans, income taxes and investment tax credit.

The estimates and judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

- i. Income taxes: Management uses estimates when determining current and deferred income taxes. These estimates are used to determine the recoverability of tax loss carry forward amounts, research and development expenditures and investment tax credits.

b) Foreign currency transactions

Transactions denominated in foreign currencies are translated into the Canadian dollar at the rate of exchange in effect at the time of the transaction. Monetary assets and liabilities are translated into Canadian dollars at the year-end exchange rate. Non-monetary items are translated at historical rates. All exchange gains and losses are included in net income.

c) Revenue recognition

The Company recognizes revenues across all the revenue streams when they are earned, specifically when all the following conditions are met:

- a) Services are provided to customers;
- b) There is clear evidence that an arrangement exists;
- c) Amounts are fixed or can be determined; and
- d) The ability to collect is reasonably assured.

The Company recognizes revenue for different revenue streams as follows:

- Time and material service: Revenue with respect to time-and-material contracts is recognized as related services are performed applying the contracted rates.
- Development service: Revenue from development service is recognized on a percentage completion method. Percentage completion is measured based upon the efforts incurred to date in relation to the total estimated efforts to complete the contract. The Company monitors estimates of total contract revenue and cost on a routine basis through the delivery period. The cumulative impact of any change in estimates of the contract revenue or costs is reflected in the period in which the changes become known. In the event that a loss is anticipated on a particular contract, provision is made for the estimated loss.
- Revenue recognized under above methods is included in accrued income if it is not invoiced by the year end.

NOTES TO FINANCIAL STATEMENTS (Contd.)**FOR THE PERIOD ENDED MARCH 31, 2017**d) *Provision for doubtful debts*

The Company follows specific identification method for providing for doubtful debts. Management analyses accounts receivable and the composition of the accounts receivable ageing, historical bad debts, when evaluating the adequacy of the provision for doubtful debts.

e) *Financial instruments*

Financial instruments are measured at fair value on initial recognition. After initial recognition, financial instruments are measured at their fair values, except for loans and receivables and other financial liabilities, which are measured at cost or amortized cost using the effective interest rate method.

The Company has made the following classifications:

- Cash and cash equivalents are classified as assets held for trading and are measured at fair value. Gains and losses resulting from the periodic revaluation are recorded in net income;
- Accounts receivable are classified as loans and receivables and are initially recorded at fair value and subsequent measurements are recorded at amortized cost using the effective interest rate method; and
- Accounts payable and accrued liabilities are classified as other financial liabilities and are initially measured at their fair value. Subsequent measurements are recorded at amortized cost using the effective interest rate method.

f) *Income taxes*

The Company follows asset and liability method of accounting for income taxes. Under this method, future income taxes are recognized for the future income tax consequences attributable to differences between the financial statement carrying values and their respective income tax basis [temporary differences]. Future income tax assets and liabilities are measured using substantively enacted income tax rates expected to apply to taxable income in the years during which temporary differences are expected to be realized or settled. The effect on future income tax assets and liabilities of a change in tax rates is included in income in the period that includes the enactment date. A valuation allowance is provided to the extent that it is more likely than not; that future income tax asset will not be realized.

g) *Investment tax credits*

The Company is entitled to investment tax credits, which are earned as a percentage of eligible research and development expenditures incurred in each taxation year. Income tax investment tax credits related to expensed research and development costs are recorded as a reduction of the total expenditure. Income tax investment tax credits related to property and equipment are accounted for as a reduction in the cost of the related asset.

h) *Dividend*

Dividends are recognized as a liability in the period in which they are declared. The income tax consequences of dividends are recognized when a liability to pay the dividend is recognized.

i) *Cash and cash equivalents*

Cash and cash equivalents, including cash on account, demand deposits and short-term investments with original maturities of three months or less, are recorded at cost, which approximates market value.

j) *Computers, furniture and office equipment*

Computers, furniture and office equipment are stated at cost less accumulated amortization. Capital assets are amortized over their estimated useful lives at the following rates and methods:

Equipment	:	20% declining balance method
Mobile phones	:	30% declining balance method
Computer equipment	:	30% declining balance method
Furniture and fixtures	:	20% declining balance method

The Company regularly reviews its capital assets to eliminate obsolete items.

NOTES TO FINANCIAL STATEMENTS (Contd.)**FOR THE PERIOD ENDED MARCH 31, 2017****6. CASH AND CASH EQUIVALENTS**

	As at March 31, 2017	<i>As at March 31, 2016</i>
Cash at bank	\$ 798,766	419,510
Total	798,766	419,510

7. ACCOUNTS RECEIVABLE, NET OF PROVISION

Accounts receivable comprise of:

	As at March 31, 2017	<i>As at March 31, 2016</i>
Related party accounts receivable	53,493	1,234,868
Trade accounts receivable	1,939,328	2,404,951
Total accounts receivable	1,992,821	3,639,819

The terms and conditions with related party accounts receivable are the same common terms provided to non-related parties. There were no activities in the provision for bad and doubtful debts for the year ended March 31, 2017 and March 31, 2016.

8. OTHER CURRENT ASSETS

Other current assets comprise of:

	As at March 31, 2017	<i>As at March 31, 2016</i>
Accrued income	178,776	149,108
Investment tax credit receivable	30,427	30,427
Advance to employees	80,034	51,607
Other advances	27,453	-
Total	\$ 316,690	231,142

9. PROPERTY AND EQUIPMENT

PARTICULARS	Computer equipment	Equipment	Furniture & fixtures	Total
As at March 31, 2016				
Gross block	21,823	2,097	2,546	26,466
Less: deletions	-	130	-	130
Less: Accumulated depreciation	20,731	1,671	2,161	24,563
Net block	1,092	296	385	1,773

As at March 31, 2017				
Gross block	21,823	1968	2,546	26,337
Add: Additions	-	807	-	807
Less: Accumulated depreciation	20,810	1,781	2,238	24,829
Net block	1,013	994	308	2,315

Depreciation expense for the year ended March 31, 2017 amounted to \$ 265 (year ended March 31, 2016 - \$ 473).

NOTES TO FINANCIAL STATEMENTS (Contd.)**FOR THE PERIOD ENDED MARCH 31, 2017****10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable and accrued liabilities comprise of:

	As at March 31, 2017	<i>As at March 31, 2016</i>
Related party accounts payable	1,112,998	1,479,799
Other accounts payable	10,180	-
Accrued liabilities	339,055	535,804
Total	\$ 1,462,233	2,015,603

11. OTHER CURRENT LIABILITIES

	As at March 31, 2017	<i>As at March 31, 2016</i>
Provision for income tax	-	228,499
Due to government agencies	145,196	144,609
Other payables	-	44,024
Advances received	10,337	2,099
Total	\$ 155,533	419,231

12. SHARE CAPITAL

	As at March 31, 2017	<i>As at March 31, 2016</i>
Authorized:		
Unlimited common shares	-	-
Issued:	100	100
100 common shares	\$ 100	100

13. DIVIDEND

During the period ended March 31, 2017, interim dividend was paid to parent of \$ 1,000,000 inclusive of withholding tax of \$ 150,000 (March 31, 2016: NIL).

14. OTHER INCOME

Other income comprises of:

	For the year ended March 31, 2017	<i>For the year ended March 31, 2016</i>
Recovery of traveling expenses	50,667	98,003
Others	2,098	15,210
	\$ 52,765	113,213

NOTES TO FINANCIAL STATEMENTS (Contd.)**FOR THE PERIOD ENDED MARCH 31, 2017****16. INCOME TAX**

A reconciliation of income taxes at Canadian statutory rates with the reported income taxes is as follows:

	For the year ended March 31, 2017	<i>For the year ended March 31, 2017</i>
Statutory federal and provincial income tax rates	26.50%	26.50%
Expected taxes on income	187,825	195,479
<u>Increase (decrease) in income taxes resulting from:</u>		
Permanent differences	1,147	2,134
Income tax refund of prior year	(15,617)	-
Others	21	-
Provision for income taxes	\$ 173,376	197,613
	As at March 31, 2017	As at March 31, 2016
Future income tax liabilities:		
Investment tax credits	(8063)	(8,063)
Capital assets	(421)	(470)
Total	(8,484)	(8,533)

17. RELATED PARTY TRANSACTIONS**A. Related parties:**

- a. Larsen & Toubro Limited., India - ultimate parent company
- b. Larsen & Toubro Infotech Limited., India - parent company
- c. Larsen & Toubro Infotech Limited., USA – branch of Larsen & Toubro Infotech Ltd., India
- d. Larsen & Toubro Infotech Financial Services Technologies Inc. - fellow subsidiary
- e. L&T Technology Services Limited - fellow subsidiary

NOTES TO FINANCIAL STATEMENTS (Contd.)**FOR THE PERIOD ENDED MARCH 31, 2017****B. Summary of transactions with related parties are as follows:**

	For the year ended March 31, 2017	<i>For the year ended March 31, 2017</i>
Expenses reimbursed to:		
Larsen & Toubro Infotech Limited, USA	\$ 645,419	-
Larsen & Toubro Infotech Financial Services Technologies Inc.	\$ 97,853	20,651
Larsen & Toubro Infotech Limited., India	\$ 30,025	1,144
Procurement of services recorded as expenses:		
Larsen & Toubro Infotech Limited., USA	\$ 652,924	915,480
Larsen & Toubro Infotech Limited, India	\$ 8,692,058	5,554,972
Sale of services		
Larsen & Toubro Infotech Limited, USA	\$ 4,226,027	2,846,170
Larsen & Toubro Infotech Financial Services Technologies Inc.	\$ 102,819	18,263
Larsen & Toubro Infotech Limited, India	\$ 64,635	-
Expenses reimbursed by		
L&T Technology Services Limited	\$ 6,740	1,192
Larsen & Toubro Infotech Financial Services Technologies Inc.	\$ 71,933	16,318
Larsen & Toubro Infotech Limited., India	\$ -	40,000

These transactions are under normal credit terms and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

The following balances are (due from)/due to related parties and are non-interest bearing:

	As at March 31, 2017	<i>As at March 31, 2016</i>
Larsen & Toubro Infotech Limited, India	1,105,644	1,463,054
	\$ 1,105,644	1,463,054

The following balances are due from/ (due to) related parties and are non-interest bearing:

	As at March 31, 2017	<i>As at March 31, 2016</i>
Larsen & Toubro Infotech Limited., USA	\$ 51,580	1,220,142
Larsen & Toubro Infotech Financial Services Technologies Inc.	\$ (7,354)	13,534
L&T Technology Services Limited	\$ 1,913	1,192
	46,139	1,234,868

NOTES TO FINANCIAL STATEMENTS (Contd.)

FOR THE PERIOD ENDED MARCH 31, 2017

18. FINANCIAL INSTRUMENTS

In the normal course of business, the Company is exposed to financial risks that may potentially impact its operating results. The Company employs risk management strategies with a view to mitigating these risks on a cost-effective basis.

Credit risk

Financial instruments that potentially subject the Company to credit risk consist of cash equivalents and accounts receivable. The carrying amount of assets included on the balance sheet represents the maximum credit exposure.

No asset-backed commercial paper products were held. The Company has deposited the cash equivalents with a reputable financial institution, from which management believes the risk of loss to be remote.

As at March 31, 2017, two customers accounted for 61% [March 31, 2016 - three customers accounted for 78%] of the accounts receivable.

Currency risk

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. Company's 27% sales are denominated in U.S. dollars. As at March 31, 2017, the accounts receivable denominated in U.S. dollars amounted to USD 182,993 [March 31, 2016 – USD 481,709]. The Company's cash and cash & cash equivalents denominated in U.S dollars amounted to USD 15,958 [March 31, 2016 – USD 157,975]

Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulties in meeting obligations associated with financial liabilities. Accounts payable are primarily due within 90 days and will be satisfied from current working capital.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company manages other price risk through asset allocation and maintaining a portfolio that is well diversified on both a geographic and industry sector basis

19. ECONOMIC DEPENDENCE

During the year ended March 31, 2017 a contract with one of the Company's major customers provided 67% of total revenues (March 31, 2016: 46%).

20. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the presentation adopted in the current year. The reclassification has no impact on the reported net income and retained earnings.

21. SUBSEQUENT EVENTS

The Company evaluated all events and transactions that occurred after March 31, 2017 through April 26, 2017, the date the financial statements are issued. Based on the evaluation, the Company is not aware of any events or transactions that would require recognition or disclosure in the financial statements.

DIRECTORS' REPORT

Dear Members,

It's a pleasure in presenting the Annual report and Audited Accounts for the year ended March 31, 2017.

1. FINANCIAL HIGHLIGHTS

Particulars	USD*	
	2016-17	2015-16
Total Income	1,396,486	2,055,843
Profit/(Loss) before Tax	66,500	97,256
Less : Tax	-	-
Net Profit / (Loss) after Tax	66,500	97,256
Add: Balance b/f from previous year	1,699,773	1,602,517
Balance to be carried forward	1,766,272	1,699,773

Note: *US Dollars

2. STATE OF COMPANY AFFAIRS

The total income for the Financial Year under review was USD 1.40 Mn as against USD 2.06 Mn for the previous Financial Year. The profit after tax was USD 0.07 Mn for the Financial Year under review as against USD 0.10 Mn for the previous Financial Year.

3. DIVIDEND

In order to conserve the resources for future business growth, no dividend is recommended for the current year.

4. DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL APPOINTED/RESIGNED DURING THE YEAR

During the year under review Mr. Harsh Naidu was appointed as Director & Manager w.e.f. August 30, 2016.

Mr. Sunil Pande resigned as a Director w.e.f. August 30, 2016. The Company places on record the valuable contribution made by Mr. Sunil Pande during his tenure as a Director of the Company.

5. AUDITORS

M/s Ramesh Sarva, C.P.A, P.C. are the Statutory Auditors of the Company.

6. FINANCIAL STATEMENTS

The Auditors report to the Shareholders does not contain any qualification, observation or adverse comment.

7. DIRECTORS RESPONSIBILITY STATEMENT

The Sole Director of the Company confirms that:

- In the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- The Director has 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 or loss of the Company for that period;
- The Director has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with local statutes for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Director has prepared the Annual Accounts on a going concern basis;
- The Director has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

8. ACKNOWLEDGEMENT

Your Director acknowledge the invaluable support extended by the Government authorities in USA and take this opportunity to thank them as well as the customers, supply chain partners, employees, Financial Institutions, Banks and all the various stakeholders for their continued co-operation and support to the Company.

Date: April 12, 2017
Place: USA.

For and on behalf of the Board

Harsh Naidu
Director

INDEPENDENT AUDITOR'S REPORT

RAMESH SARVA, C.P.A., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

RAMESH SARVA, C.P.A.

109-17 72nd ROAD
FOREST HILLS, N.Y. 11375
TEL (718) 268 -6906
FAX (718) 575 -3375

April 12, 2017

Larsen & Toubro Infotech, LLC,
2035 Lincoln Hwy, #3000
Edison NJ 08817

Gentlemen:

We audited the accompanying Balance Sheet of Larsen & Toubro Infotech, LLC as of March 31, 2017 and the related statements of Income, Retained Earnings and Cash Flows for the twelve months ended March 31, 2017. 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 generally accepted auditing standards. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the 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 financial statement preparation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Larsen & Toubro Infotech LLC as of the twelve months ended and the results of its operations and its cash flows for the year then ended are in conformity with the generally accepted accounting principles.

Respectfully

For **Ramesh Sarva, C.P.A. , P.C.**

Ramesh Sarva, CPA

BALANCE SHEET AS OF MARCH 31, 2017

	<u>2016-2017</u>	<u>2015-2016</u>
	<u>(Amounts in USD*)</u>	
CURRENT ASSETS		
CASH IN BANK	42,196	
DUE FROM AFFILIATES	18,07,201	
OTHER RECEIVABLES	<u>2,557</u>	
Total Current Assets		18,51,954
PROPERTY AND EQUIPMENT		
TOTAL ASSETS		<u><u>18,51,954</u></u>
CURRENT LIABILITIES		
ACCRUED EXPENSES	<u>85,682</u>	
Total Current Liabilities		85,682
LONG-TERM LIABILITIES		
BRANCH EQUITY		
Retained Earnings	<u>17,66,272</u>	
Total Stockholders' Equity		17,66,272
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		<u><u>18,51,954</u></u>

INCOME STATEMENT

For the 12 months
months Ended
March 31, 2017

SALES

GROSS REVENUE

13,96,486

COST OF GOODS SOLD

TRAVEL

23,197

RELOCATION EXPENSES

1,539

EMPLOYEE MEDICAL INSURANCE

55,044

PAYROLL TAXES

79,948

SALARIES

10,95,305

OTHER O/H

1,009

TOTAL COST OF GOODS SOLD

12,56,042

GROSS PROFIT

1,40,444

OPERATING EXPENSES

BANK CHARGES

170

INSURANCE

884

STATE FRANCHISE TAX

5,412

OFFICE EXPENSES

15,416

PROFESSIONAL FEES

7,133

TELEPHONE EXPENSE

520

ENTERTAINMENT

2,271

EXCHANGE (GAIN)/LOSS

42,138

TOTAL OPERATING EXPENSES

73,944

INCOME(LOSS) BEFORE INCOME TAX

66,500

NET INCOME (LOSS)

66,500

NOTES TO FINANCIAL STATEMENTS

FOR THE PERIOD ENDED MARCH 31, 2017

- 1 The LLC was incorporated in the State of Delaware as a wholly owned subsidiary of Larsen & Toubro Infotech Limited, to take over the work and absorb the staff from a large client. Client closed IT operations and transferred to L & T Infotech, LLC.
- 2 There are no contingent liabilities. Capital is fully provided by the parent, Larsen & Toubro Infotech Limited.
- 3 There are no outstanding taxes due for more than 3 months to any tax authority. Separate tax return is not filed for the LLC as it has a single owner, and elected to file taxes together with owner, Larsen & Toubro Infotech Limited of New Jersey.
- 4 Tax Provision: State Franchise and Federal income taxes are provided in full.

DIRECTORS' REPORT

Dear Members,

The Directors have pleasure in presenting the Annual Report and Audited Accounts for the year ended March 31, 2017.

1. FINANCIAL HIGHLIGHTS

Particulars	CAD*	
	2016-17	2015-16
Total Income	50,996,295	47,201,796
Profit / (Loss) before Tax	10,745,621	5,419,161
Less : Tax	3,025,402	1,548,117
Net Profit/(Loss) after Tax	7,720,219	3,871,044
Add: Balance b/f from previous year	1,349,912	6,978,868
Less: Dividend distributed	(1,725,000)	(9,500,000)
Balance to be carried forward	7,345,131	1,349,912

Note: *Canadian Dollars

2. CAPITAL EXPENDITURE

As at March 31, 2017, the gross fixed and intangible assets, including leased assets, stood at CAD 104.97 Mn. and the net fixed and intangible assets, including leased assets, stood at CAD 38.72 Mn. Capital Expenditure during the year under review amounted to CAD 0.65 Mn.

3. STATE OF COMPANY AFFAIRS

The total income for the Financial Year under review was CAD 50.99 Mn as against CAD 47.20 Mn for the previous Financial Year. The profit after tax was CAD 7.72 Mn for the Financial Year under review as against profit after tax of CAD 3.87 Mn for the previous Financial Year.

4. DIVIDEND

During the year, the Corporation has paid an interim dividend at the rate of CAD 1.73 per share after deducting the applicable withholding tax on 1,000,000 paid-up equity shares of the Corporation. The dividend payment including the withholding tax has resulted in total outflow of CAD 1.73 Mn.

The Directors do not propose payment of any final dividend for the year ended March 31, 2017.

5. DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL APPOINTED/RESIGNED DURING THE YEAR

During the year under review, Mr. Harsh Naidu and Mr. Chad Alderson were appointed as the Directors of the Corporation w.e.f. August 30, 2016.

Mr. Sunil Pande and Mr. Alfred Page resigned as the Directors of the Corporation w.e.f. August 30, 2016. The Board places on the record the valuable contribution made by Mr. Sunil Pande & Mr. Alfred Page during their tenure as Director of the Corporation.

Mr. Kedar Gadgil resigned as Chief Financial Officer & Secretary ('CFO & Secretary') of the Corporation w.e.f. March 9, 2016. The Board places on record the valuable contribution made by Mr. Kedar Gadgil during his tenure as a CFO & Secretary of the Corporation.

Mr. Alekh Gupta was appointed as CFO & Secretary of the Corporation w.e.f. March 9, 2017, till the next annual election of the officers or until his successor has been duly elected or appointed.

6. AUDITORS

M/s KNAV Professional Corporation are the auditors of the Corporation. They have been re-appointed as Statutory Auditors of the Corporation for the ensuing Financial Year.

DIRECTORS REPORT (Contd.)

7. FINANCIAL STATEMENTS

The Auditors report to the shareholders does not contain any qualification, observation or adverse comment.

8. DIRECTORS RESPONSIBILITY STATEMENT

The Board of Directors of the Corporation confirms:

- a) In the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) 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 Corporation at the end of the financial year and of the profit or loss of the Corporation for that period;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with local statutes for safeguarding the assets of the Corporation and for preventing and detecting fraud and other irregularities;
- d) The Directors have prepared the Annual Accounts on a going concern basis;
- e) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

9. ACKNOWLEDGEMENT:

Your Directors acknowledge the invaluable support extended by the Government authorities in Canada and take this opportunity to thank them as well as the customers, employees, Financial Institutions, Banks and all the various stakeholders for their continued co-operation and support to the Corporation.

Date: April 22, 2017
Place: Canada.

For and on behalf of the Board

Chad Alderson
Director

INDEPENDENT AUDITOR'S REPORT

To the Shareholder

L&T Infotech Financial Services Technologies Inc.

We have audited the accompanying financial statements of L&T Infotech Financial Services Technologies Inc. ("the Company") which comprise the balance sheets as at March 31, 2017 & March 31, 2016 and the related statements of income and retained earnings and statements of cash flows for the years ended March 31, 2017 and March 31, 2016, 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 Canadian accounting standards for private enterprises and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 Canadian generally accepted auditing standards. 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 L&T Infotech Financial Services Technologies Inc. as at March 31, 2017 & March 31, 2016 and its financial performance and its cash flows for the years ended March 31, 2017 and March 31, 2016 in accordance with Canadian accounting standards for private enterprises.

KNAV Professional Corporation

Chartered Professional Accountants
Licensed Public Accountants

Date: April 22, 2017

Place: Toronto

BALANCE SHEETS*(All amounts in Canadian Dollars, unless otherwise stated)*

	<u>Notes</u>	<u>As at March 31, 2017</u>	<u>As at March 31, 2016</u>
ASSETS			
Current assets			
Cash and cash equivalents	6	1,945,439	2,130,663
Demand deposits with Bank	7	28,000,000	9,000,000
Accounts receivable	9	7,137,493	10,065,166
Unbilled revenue		237,041	142,628
Income tax recoverable, net		71,785	71,785
Prepaid expenses	10	1,134,051	1,036,711
Other current assets	11	94,341	55,446
Total current assets		<u>\$ 38,620,150</u>	<u>22,502,399</u>
Restricted deposits	8	1,200,000	-
Demand deposits with Bank	7	1,000,000	-
Prepaid expenses, non-current	10	946,676	-
Future tax assets		668,145	2,145,372
Computers	12	1,657,989	2,359,435
Furniture and office equipment	13	272,633	422,092
Software	14	22,195,259	31,018,451
Customer relationship intangibles	15	7,766,250	9,837,250
Goodwill		6,822,971	6,822,971
Total assets		<u>\$ 81,150,073</u>	<u>75,107,970</u>
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	16	3,230,866	3,862,388
Deferred revenue			533,329
Other liabilities	17	4,093,177	762,455
Total current liabilities		<u>\$ 7,324,043</u>	<u>5,158,172</u>
Future tax liabilities		3,980,899	6,099,886
Total liabilities		<u>\$ 11,304,942</u>	<u>11,258,058</u>
SHAREHOLDER'S EQUITY			
Share capital	18	62,500,000	62,500,000
Retained earnings		7,345,131	1,349,912
Total shareholder's equity		<u>\$ 69,845,131</u>	<u>63,849,912</u>
Total liabilities and shareholder's equity		<u>\$ 81,150,073</u>	<u>75,107,970</u>

*(The accompanying notes are an integral part of these financial statements)***APPROVED ON BEHALF OF THE BOARD:**

Harsh Naidu
Director

Chad Alderson
Director

STATEMENTS OF INCOME AND RETAINED EARNINGS*(All amounts in Canadian Dollars, unless otherwise stated)*

	Notes	For the year ended	
		March 31, 2017	March 31, 2016
Revenue		50,770,287	45,955,315
Other income	20	226,008	1,246,481
Total revenue		\$ 50,996,295	47,201,796
Employee cost		12,019,415	10,720,975
Subcontracting expenses		5,830,812	6,833,499
Computer lease rent		905,171	1,079,719
Transition service agreement direct costs	21	(567,422)	153,584
Software purchase annual license fee		1,421,580	1,115,828
Other direct cost		476,527	491,489
Total direct expenses		\$ 20,086,083	20,395,094
Sales and administration expenses		4,159,200	4,714,146
Premises rent		1,162,759	1,127,804
Professional charges		296,112	334,868
General repairs and maintenance		111,157	146,554
Travelling and conveyance		196,859	142,456
Telephone and link expenses		122,794	180,104
Auditor's remuneration		80,144	140,671
Foreign exchange loss		15,272	3,553
Hardware purchase annual license		2,378	-
Miscellaneous expenses		299,016	222,709
Total indirect costs		\$ 6,445,691	7,012,865
Depreciation and amortization		13,718,900	14,374,676
Income before tax		\$ 10,745,621	5,419,161
Provision for income tax	23	4,339,286	-
Future income tax (benefit) expense	23	(1,313,884)	1,548,117
Net income after taxes		\$ 7,720,219	3,871,044
Dividend distribution	25	(1,725,000)	(9,500,000)
Retained earnings, beginning of the period		1,349,912	6,978,868
Retained earnings, end of the period		\$ 7,345,131	1,349,912

(See accompanying notes to the financial statements)

APPROVED ON BEHALF OF THE BOARD:

Harsh Naidu
Director

Chad Alderson
Director

STATEMENTS OF CASH FLOWS*(All amounts in Canadian Dollars, unless otherwise stated)*

	For the year ended	
	March 31, 2017	<i>March 31, 2016</i>
Cash flow from operating activities		
Net income after tax	7,720,219	3,871,044
Adjustment for non-cash items		
Depreciation and amortization	13,718,900	14,374,676
Future income taxes	(1,313,884)	1,548,117
Assets written off	56,668	-
Bad debt provision written-off	(49,216)	-
Net change in non-cash operating working capital		
Accounts receivable	2,976,889	(3,058,804)
Unbilled revenue	(94,413)	928,314
Prepaid expenses	(97,340)	(188,482)
Other current assets	(38,895)	(28,686)
Income tax recoverable	672,124	-
Other non-current assets	(946,676)	-
Deferred revenue	(631,522)	-
Accounts payable and accrued liabilities	(533,329)	503,504
Restricted deposits	(1,200,000)	-
Other current liabilities	3,330,722	258,498
Net cash provided by operating activities	23,570,247	18,208,181
Cash flow from investing activities		
Purchases of computers	(419,464)	(2,079,627)
Purchases of furniture and office equipment	(19,618)	(22,104)
Capitalization of software	(1,591,389)	(4,325,758)
Demand deposits with bank	(20,000,000)	(9,000,000)
Net cash used in investing activities	(22,030,471)	(15,427,489)
Cash flow from financing activities		
Dividend distribution	(1,466,250)	(8,075,000)
Withholding tax on dividend	(258,750)	(1,425,000)
Net cash used in financing activities	(1,725,000)	(9,500,000)
Net decrease in cash and cash equivalents	(185,224)	(6,719,308)
Cash and cash equivalents, at beginning of the period	2,130,663	8,849,971
Cash and cash equivalents, at end of the period	1,945,439	2,130,663

(See accompanying notes to the financial statements)

APPROVED ON BEHALF OF THE BOARD:Harsh Naidu
DirectorChad Alderson
Director

NOTES TO FINANCIAL STATEMENTS

(All amounts in Canadian Dollars, unless otherwise stated)

1. Description of business

L&T Infotech Financial Services Technologies Inc. (the "Company" or "LTIFST") is incorporated under the Canada Business Corporations Act. The Company is a wholly owned subsidiary of Larsen & Toubro Infotech Ltd., India ("Parent"). The Company commenced operations on January 1, 2011 with the acquisition of the information technology operations business of Citigroup Fund Services Canada Inc. ("Citi" or "CFSC") by the Company's Parent.

2. Basis of presentation

The financial statements of the Company have been prepared by the management in accordance with Canadian accounting standards for private enterprises ("GAAP").

3. Basis for measurement

The financial statements have been prepared on historical cost basis.

4. Functional and presentation currency

The Company's functional and presentation currency is the Canadian dollar.

5. Significant accounting policies

Use of estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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.

Management bases the estimates on a number of factors, including historical experience, current events and actions that the Company may undertake in the future and other assumptions that the Company believes are reasonable under the circumstances. Estimates are used in accounting for items and matters such as revenues, allowance for doubtful accounts, useful lives of non-current assets, legal and tax contingencies, employee compensation plans, income taxes and investment tax credit.

The estimates and judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below

- i. Estimated useful lives and valuation of intangible assets: Management estimates the useful lives of intangible assets based on the period during which the assets are expected to be available for use and also estimates their recoverability to assess if there has been an impairment. The amounts and timing of recorded expenses for amortization and impairments of intangible assets for any period are affected by these estimates. The estimates are reviewed at least annually and are updated if expectations change as a result of technical or commercial obsolescence, threats and legal or other limits to use. It is possible that changes in these factors may cause significant changes in the estimated useful lives of the Company's intangible assets in the future.
- ii. Income taxes: Management uses estimates when determining current and deferred income taxes. These estimates are used to determine the recoverability of tax loss carry forward amounts, research and development expenditure and investment tax credits.

Foreign currency transactions

Transactions denominated in foreign currencies are translated into the Canadian dollar at the rate of exchange in effect at the time of the transaction. Monetary assets and liabilities are translated into Canadian dollars at the period-end exchange rate. Non-monetary items are translated at historical rates. All exchange gains and losses are included in net income.

Dividend

Dividends are recognized as a liability in the period in which they are declared. The income tax consequences of dividends are recognized when a liability to pay the dividend is recognized.

Revenue recognition

The Company recognizes revenues across all the revenue streams when they are earned, specifically when all the following conditions are met:

- a) Services are provided to customers;
- b) There is clear evidence that an arrangement exists;
- c) Amounts are fixed or can be determined; and
- d) The ability to collect is reasonably assured.

NOTES TO FINANCIAL STATEMENTS (Contd.)

(All amounts in Canadian Dollars, unless otherwise stated)

The Company recognizes revenues for different revenue streams as follows:

- Application Service Provider (“ASP”) Service: Revenue is recognized by applying the contracted rates on the total number of active and inactive fund accounts across all client customer environments.
- Time and Material Service: Revenue with respect to time-and-material contracts is recognized as related services are performed applying the contracted rates.
- Development Service: Revenue from development service is recognised on accomplishment of milestone. Milestone is measured based upon the time and material efforts incurred to date. The Company monitors estimates of total contract revenue and cost on a routine basis through the delivery period. The cumulative impact of any change in estimates of the contract revenue or costs is reflected in the period in which the changes become known. In the event that a loss is anticipated on a particular contract, provision is made for the estimated loss. Revenue recognised under this method is included in unbilled revenue if it is not invoiced by the year end.
- License Service: Revenue from sale of license is recognized upon delivery of license.

Billings in advance of work performed are included in deferred revenue.

Provision for doubtful debts

The Company follows specific identification method for providing for doubtful debts. Management analyses accounts receivable and the composition of the accounts receivable ageing, historical bad debts, when evaluating the adequacy of the allowance for doubtful debts.

Financial instruments

Financial instruments are measured at fair value on initial recognition. After initial recognition, financial instruments are measured at their fair values, except for loans and receivables and other financial liabilities, which are measured at carrying or exchange amount depending on the circumstances.

The Company has made the following classifications:

- Cash and cash equivalents are classified as assets held for trading and are measured at fair value. Gains and losses resulting from the periodic revaluation are recorded in net income;
- Accounts receivable are classified as loans and receivables and are initially recorded at fair value and subsequent measurements are recorded at amortized cost using the effective interest rate method; and
- Accounts payable and accrued liabilities are classified as other financial liabilities and are initially measured at their fair value. Subsequent measurements are recorded at amortized cost using the effective interest rate method.

Operating lease

Lease payments under operating lease are recognized as an expense on a straight-line basis over the lease term in the statement of income. Certain operating lease agreements provide for scheduled rent increases over the lease term. Rent expense for such lease is recognized on a straight-line basis over the lease term.

Income taxes

The Company follows asset and liability method of accounting for income taxes. Under this method, future income taxes are recognized for the future income tax consequences attributable to differences between the financial statement carrying values and their respective income tax basis [temporary differences]. Future income tax assets and liabilities are measured using substantively enacted income tax rates expected to apply to taxable income in the years during which temporary differences are expected to be realized or settled. The effect on future income tax assets and liabilities of a change in tax rates is included in income in the period that includes the enactment date. A valuation allowance is provided to the extent that it is more likely than not; that future income tax asset will not be realized.

Investment tax credit

The Company is entitled to investment tax credits, which are earned as a percentage of eligible research and development expenditures incurred in each taxation year. Income tax investment tax credits related to expensed research and development costs are recorded as a reduction of the total expenditure. Income tax investment tax credits related to property and equipment are accounted for as a reduction in the cost of the related asset.

Cash and cash equivalents

Cash and cash equivalents, including cash on account, demand deposits and short-term investments with original maturities of three months or less, are recorded at cost, which approximates market value. Restricted cash deposits do not form part of cash and equivalents.

NOTES TO FINANCIAL STATEMENTS (Contd.)*(All amounts in Canadian Dollars, unless otherwise stated)****Property and equipment***

Computers, mobile phones, furniture and office equipment and software are stated at cost less accumulated depreciation and amortization. Depreciation and amortization is calculated on the straight-line method over the following estimated useful lives:

Class of asset	Useful life
Computers	3 to 5 years
Furniture and office equipment	5 years
Acquired software	10 years
Internally developed software	1 to 5 years

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit and loss.

Certain costs are capitalized for the development or enhancement of computer software used internally to process customer transactions or sold externally through software license or service arrangements. Routine software maintenance and customer support costs are expensed when incurred.

Customer relationship intangibles

Customer relationship intangibles, which are comprised of customer contracts and relationships acquired, are stated net of amortization. Customer relationship intangibles are amortized on a straight-line basis over their estimated useful lives of ten years.

Impairment of long-lived assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted cash flows expected to result from its use and eventual disposition. This assessment is based on the carrying amount of the asset at the date it is tested for recoverability, whether it is in use or under development. In cases where the undiscounted expected future cash flows are less than the carrying amount, an impairment loss shall be recognized when the carrying amount of a long-lived asset is not recoverable and exceeds its fair value. An impairment loss shall be measured as the amount by which the carrying amount of a long-lived asset exceeds its fair value. If an impairment loss is recognized, the adjusted carrying amount becomes the new cost basis.

An impairment loss shall not be reversed if the fair value subsequently increases.

Goodwill

Goodwill represents the cost of acquired businesses in excess of the fair value of net identifiable assets acquired. Goodwill is not amortized but is instead tested for impairment if events or changes in circumstances indicate that an impairment loss may have occurred. In the impairment test, the carrying amount of the reporting unit, including goodwill, is compared with its fair value. When the carrying amount of the reporting unit exceeds its fair value, a goodwill impairment loss is recognized, up to a maximum amount of the recorded goodwill related to the reporting unit. Goodwill impairment losses are not reversed.

6. CASH AND CASH EQUIVALENTS

	As at March 31, 2017	<i>As at March 31, 2016</i>
Bank balance with bank	1,945,439	2,130,663
Total	1,945,439	2,130,663

7. DEMAND DEPOSIT WITH BANK

Demand deposits with bank comprise following:

	As at March 31, 2017	<i>As at March 31, 2016</i>
<u>Demand deposits with Bank</u>		
Current	28,000,000	9,000,000
Non-current	1,000,000	-
Total	29,000,000	9,000,000

NOTES TO FINANCIAL STATEMENTS (Contd.)*(All amounts in Canadian Dollars, unless otherwise stated)*

Current demand deposits are demand deposits with the Bank maturing in more than 90 days from original issue date but less than 365 days from the original maturity date. Following is the schedule depicting the issue date, original principal, rate of interest on deposit, the currency in which the deposits are denominated and the maturity date of the total current demand deposits as on March 31, 2017 and March 31, 2016.

Deposits with maturity of in less than 365 days but more than 90 days, classified as current deposits:

Serial no.	Issue date	Original principal	Rate of interest	Currency	Maturity date
I.	7-Dec-16	3,000,000	1.00%	CAD	13-Apr-17
II.	9-Dec-16	1,500,000	1.00%	CAD	24-Apr-17
III.	3-Jan-17	2,000,000	1.10%	CAD	26-Jun-17
IV.	3-Jan-17	2,000,000	1.15%	CAD	27-Dec-17
V.	5-Jan-17	2,000,000	1.15%	CAD	5-Jan-18
VI.	20-Jan-17	1,000,000	1.15%	CAD	17-Jan-18
VII.	30-Jan-17	2,500,000	1.15%	CAD	30-Jan-18
VIII.	2-Feb-17	1,000,000	1.15%	CAD	2-Feb-18
IX.	10-Feb-17	3,000,000	1.15%	CAD	12-Feb-18
X.	24-Feb-17	1,500,000	1.15%	CAD	26-Feb-18
XI.	6-Mar-17	6,000,000	1.15%	CAD	6-Mar-18
XII.	24-Mar-17	2,500,000	1.15%	CAD	23-Mar-18
Total		28,000,000			

Deposits with maturity of more than 365 days from the balance sheet date are classified as non-current deposits:

Serial no.	Issue date	Original principal	Rate of interest	Currency	Maturity date
I.	31-Mar-17	1,000,000	1.15%	CAD	2-Apr-18
Total		29,000,000			

The carrying amount of the demand deposits represent the fair value as on March 31, 2017.

8. RESTRICTED DEPOSIT

The Company's restricted deposits include the following:

	As at March 31, 2017	<i>As at March 31, 2016</i>
Fixed deposit with an escrow deposit account	1,200,000	-
Total	1,200,000	-

This long-term deposit has been created as a part of an agreement with a customer along with an escrow agent. As per services agreement with the customer, the deposit is drawn to satisfy any shortfall in the companies' obligation to pay damages in accordance with the provisions of the agreement. This fund can only be drawn upon mutual agreement and subject to terms and conditions of the escrow agreement. Funds will be in the escrow account until the end of client's contract i.e. February 15, 2021, with options for renewals. As on March 31, 2017, the funds are not invested and lying as cash in an interest-bearing deposit account.

9. ACCOUNT RECEIVABLE

The Company's accounts receivables primarily relate to sale of services. Accounts receivables comprise the following:

	As at March 31, 2017	<i>As at March 31, 2016</i>
Account receivable	7,137,493	10,145,780
Less: Provision for doubtful debts	-	(80,614)
Total	7,137,493	10,065,166

NOTES TO FINANCIAL STATEMENTS (Contd.)*(All amounts in Canadian Dollars, unless otherwise stated)***9. ACCOUNT RECEIVABLE (Conted.)**

The activities in provision for doubtful debts account for year ended March 31, 2017 and March 31, 2016 are as given below:

	<u>March 31, 2017</u>	<u>March 31, 2016</u>
Balance at beginning of the year	80,614	2,162,454
Provisions made during the year	-	19,435
Bad debts written-off during the year	(49,216)	(1,060,355)
Bad debts recovered during the year	(31,398)	(1,040,920)
Balance at end of the year	<u><u>-</u></u>	<u><u>80,614</u></u>

During the previous year ended March 31, 2016, receivable from customer of \$ 80,614 was considered doubtful and accordingly management had provided for the said amount.

During the year ended March 31, 2017, management has written off bad debts amounting to \$ 49,216. The management recovered doubtful debts amounting to \$ 31,398 (USD 25,000) from the customer. This benefit has been recognized in the income statement for the year ended on March 31, 2017 as other income.

10. PREPAID EXPENSES

	<u>As at March 31, 2017</u>	<u>As at March 31, 2016</u>
<u>Prepaid expenses</u>		
Current	1,134,051	1,036,711
Non-current	946,676	-
Total	<u><u>2,080,727</u></u>	<u><u>1,036,711</u></u>

The Company pays hardware maintenance fees in advance for which services are availed for 2-5 years based on the contracts. These expenses are amortized on a straight-line basis over their useful life. Prepaid expenses for which maintenance services will be availed after March 31, 2018 till end of their useful life are treated as non-current assets.

11. OTHER CURRENT ASSETS

	<u>As at March 31, 2017</u>	<u>As at March 31, 2016</u>
Deposits	38,518	29,738
Interest recoverable	49,823	19,708
Other assets	6,000	6,000
Total	<u><u>94,341</u></u>	<u><u>55,446</u></u>

12. COMPUTERS

	<u>As at March 31, 2017</u>	<u>As at March 31, 2016</u>
Cost	7,839,910	7,551,274
Less: Accumulated depreciation	(6,181,921)	(5,191,839)
Total	<u><u>1,657,989</u></u>	<u><u>2,359,435</u></u>

Depreciation expense for the year ended March 31, 2017 amounted to \$ 1,109,288 (March 31, 2016 - \$ 1,473,939).

During the year ended March 31, 2017 computers having net book value of \$ 11,892 were written off. The cost of asset written off was \$ 130,828 with accumulated depreciation of \$ 118,936. The net effect of the write off is reduction in computer asset by \$ 11,892.

NOTES TO FINANCIAL STATEMENTS (Contd.)*(All amounts in Canadian Dollars, unless otherwise stated)***13. FURNITURE AND OFFICE EQUIPMENTS**

	As at March 31, 2017	<i>As at March 31, 2016</i>
Cost	944,485	808,667
Capital work in progress – office signage	-	116,200
Less: Accumulated depreciation	(671,852)	(502,775)
Total	272,633	422,092

Depreciation expense for the year ended March 31, 2017 amounted to \$ 168,806 (March 31, 2016 - \$ 161,226)

14. SOFTWARE

	As at March 31, 2017	<i>As at March 31, 2016</i>
<u>Cost</u>		
Acquired and purchased software	25,894,934	25,921,397
Internally developed and purchased software	42,757,045	41,244,548
	68,651,979	67,165,945
<u>Less: Accumulated amortization</u>		
Acquired software	(16,551,183)	(12,967,578)
Internally developed and purchased software	(29,905,537)	(23,179,916)
	(46,456,720)	(36,147,494)
Total	22,195,259	31,018,451

Internally developed and purchased software includes \$ 22,412 (year ended March 31, 2016 - \$ 16,589) of software under internal development which has not been amortized during the year.

During the year ended March 31, 2017 software having net book value of \$ 44,775 were written off. The cost of asset written off was \$ 105,354 with accumulated amortization of \$ 60,579. The net effect of the write off is reduction in software of \$ 44,775.

Amortization expense for the period ended March 31, 2017 amounted to \$ 10,369,806 (year ended March 31, 2016 - \$ 10,668,511).

15. CUSTOMER RELATIONSHIP INTANGIBLES

	As at March 31, 2017	<i>As at March 31, 2016</i>
Cost	20,710,000	20,710,000
Less: Accumulated amortization	(12,943,750)	(10,872,750)
Total	7,766,250	9,837,250

Amortisation expense for the period ended March 31, 2017 amounted to \$ 2,071,000 (year ended March 31, 2016 - \$ 2,071,000).

16. ACCOUNT PAYABLE AND ACCRUED LIABILITIES

	As at March 31, 2017	<i>As at March 31, 2016</i>
Account payable	1,428,339	1,541,100
Accrued liabilities	1,802,527	2,321,288
Total	3,230,866	3,862,388

NOTES TO FINANCIAL STATEMENTS (Contd.)*(All amounts in Canadian Dollars, unless otherwise stated)***17. OTHER CURRENT LIABILITIES**

	As at March 31, 2017	<i>As at March 31, 2016</i>
Sales tax payable	502,070	312,455
Provision for dividend tax	-	450,000
Provision for income tax	3,574,709	-
Other liabilities	16,398	-
Total	4,093,177	762,455

18. SHARE CAPITAL

	As at March 31, 2017	<i>As at March 31, 2016</i>
Authorization:		
Unlimited common shares		
Issued: 1,000,000 common shares	62,500,000	62,500,000
Total	62,500,000	62,500,000

19. FINANCIAL INSTRUMENTS

In the normal course of business, the Company is exposed to financial risks that may potentially impact its operating results. The Company employs risk management strategies with a view to mitigating these risks on a cost-effective basis.

Credit risk

Financial instruments that potentially subject the Company to credit risk consist of cash equivalents and accounts receivable. The carrying amount of assets included on the balance sheet represents the maximum credit exposure.

Cash equivalents consist mainly of short-term investments, such as bank deposits. No asset-backed commercial paper products were held. The Company has deposited the cash equivalents with a reputable financial institution, from which management believes the risk of loss to be remote.

The Company's accounts receivable is from customers engaged in the fund management sector. As at March 31, 2017, five customers accounted for 75% [March 31, 2016 - four customers accounted for 70%] of the accounts receivable.

As at March 31, 2017, one vendor accounted for 63% [March 31, 2016 - one customers accounted for 62%] of the accounts payable.

Currency risk

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. Certain of the Company's purchases are denominated in U.S. dollars. As at March 31, 2017, the accounts payable and accrued liabilities denominated in U.S. dollars amounted to USD NIL [March 31, 2016 - USD 15,241]

Interest rate risk

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

Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulties in meeting obligations associated with financial liabilities. Accounts payable are primarily due within 90 days and will be satisfied from current working capital.

20. OTHER INCOME

	Year ended March 31, 2017	<i>Year ended March 31, 2016</i>
Interest income from bank deposits	194,610	85,808
Bad debts recovered (Refer note 9)	31,398	1,160,673
Total	226,008	1,246,481

NOTES TO FINANCIAL STATEMENTS (Contd.)*(All amounts in Canadian Dollars, unless otherwise stated)***21. TRANSITION SERVICE AGREEMENT ("TSA")**

	Year ended March 31, 2017	<i>Year ended March 31, 2016</i>
Transition service agreement direct cost*	(567,422)	153,584
Total	(567,422)	153,584

*The Company from the acquisition date in 2011 accrued TSA cost payable to Citibank. In the process of final settlement of dues, Citibank waived off certain portion of the liability for TSA costs and the provision for the cost has been reversed.

22. EMPLOYEE FUTURE BENEFITS

The Company sponsors pension arrangements for substantially all its employees through defined contribution plans. The Company makes regular contributions to the employees' individual accounts, which are administered by a plan trustee, in accordance with the plan documents. The cost of this plan, which is expensed as incurred, amounted \$ 356,672 as at March 31, 2017 [March 31, 2016 – \$ 371,090].

23. INCOME TAX

A reconciliation of income taxes at Canadian statutory rates with the reported income taxes is as follows:

	Year ended March 31, 2017	<i>Year ended March 31, 2016</i>
Statutory federal and provincial income tax rates	26.50%	26.50%
Expected taxes on income	2,847,590	1,436,149
<u>Increase (decrease) in income taxes resulting from</u>		
Non-deductible items	5,863	7,466
True-up of tax provision	-	(32,702)
Tax liability on ITC utilized (net of ITC not taxable)	34,746	-
Others	137,203	137,204
Provision for income taxes	3,025,402	1,548,117

The income tax effects of temporary differences that gave rise to significant portions of the future income tax assets and future income tax liabilities were as follows:

	As at March 31, 2017	<i>As at March 31, 2016</i>
Future income tax assets		
Non-capital losses	-	533,156
Accounts payable and accrued liabilities	7,570	7,068
Deferred rent	240,288	254,390
Customer relationship intangible	271,307	159,135
Research & development expenses	-	319,343
	519,165	1,273,092
Ontario corporate minimum tax	-	423,401
Investment tax credit receivable	169,702	448,877
Total	688,867	2,145,370
Future income tax liabilities		
Computers and software	3,980,899	6,099,886
SRED expenses carried forward	51,176	-
Total	4,032,075	6,099,886
Net future tax liabilities	3,343,208	3,954,516

The Company has non-capital losses in the amount of \$ Nil (2016 \$ 1,924,575).

NOTES TO FINANCIAL STATEMENTS (Contd.)*(All amounts in Canadian Dollars, unless otherwise stated)*

Taxation years ended March 31, 2011, March 31, 2012 and March 31, 2013:

The Canada Revenue Agency (“CRA”) conducted a tax audit of the Company for the three years ended March 31, 2013 and has disallowed/reallocated certain expenses due to which carry forward non-capital losses have been reduced by \$ 382,395 as follows:

Taxation year ended March 31, 2012	\$ 282,523
Taxation year ended March 31, 2013	\$ 99,872

The CRA has charged interest of \$ 12,655 on the taxable income as determined by CRA. Since the Company has carry forward losses, the taxable income should have been offset against the carry forward losses resulting in \$ Nil taxable income and no interest payable.

A notice of objection (“NOO”) has been filed with Chief of Appeals, Canada Revenue Agency and the Company is confident that the disallowed expenses will be allowed as a deductible expense. Consequently, the Company is of the view that income tax may not be payable for the three years ending March 31, 2013.

24. COMMITMENTS AND CONTINGENCIES

The Company has operating leases for its premises for Matheson Office. The annual minimum payments under the operating leases is as follows:

	Amount
March 31, 2018	1,185,019
March 31, 2019	1,185,019
March 31, 2020	1,185,019
March 31, 2021	1,185,019
March 31, 2022	1,185,019
Thereafter	1,185,019

25. DIVIDEND

During the year ended March 31, 2017, interim dividend was paid to parent company of \$ 1,725,000 (March 31, 2016: \$ 9,500,000). Withholding tax thereon amounting to \$ 258,750 was deposited to government within due dates prescribed by the CRA.

26. RELATED PARTY TRANSACTIONS**A. Related parties:**

- a. Larsen & Toubro Infotech Ltd., India - parent company
- b. Larsen & Toubro Infotech Ltd., UK – branch of Larsen & Toubro Infotech Ltd., India
- c. Larsen & Toubro Infotech Ltd., USA – branch of Larsen & Toubro Infotech Ltd., India
- d. Larsen & Toubro Infotech Canada Limited – fellow subsidiary
- e. Larsen and Toubro Technology Services Limited - fellow subsidiary

NOTES TO FINANCIAL STATEMENTS (Contd.)*(All amounts in Canadian Dollars, unless otherwise stated)***B. Summary of transactions with related parties are as follows:**

	Year ended March 31, 2017	<i>Year ended March 31, 2016</i>
Expenses reimbursed by:		
Larsen & Toubro Infotech Limited., India	\$ 97,853	-
Larsen & Toubro Technology Services Limited	\$ 11,200	-
Expenses reimbursed to:		
Larsen & Toubro Infotech Canada Limited.	\$ 71,933	-
Larsen & Toubro Infotech Limited., India	\$ 18,763	-
Larsen & Toubro Infotech Limited., USA	\$ 19,447	-
Procurement of services		
Larsen & Toubro Infotech Canada Limited.	\$ 102,819	84,283
Larsen & Toubro Infotech Limited., India	\$ 6,226,136	6,232,035
Dividend distributed		
Larsen & Toubro Infotech Limited., India	\$ 1,725,000	9,500,000
Services rendered to		
Larsen & Toubro Infotech Canada Limited	\$ -	82,124
Larsen and Toubro Technology Services Limited	\$ -	11,272

These transactions are under normal credit terms and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

The following balances are due to (due from) related parties and are non-interest bearing:

	As at March 31, 2017	<i>As at March 31, 2016</i>
Larsen & Toubro Infotech Ltd, USA	8,994	-
Larsen & Toubro Infotech Canada Ltd	(7,354)	13,534
Larsen & Toubro Infotech Ltd, India	560,472	534,828
Larsen and Toubro Technology Services Limited	(2,800)	(2,800)

Parent Guarantee: Larsen & Toubro Infotech Ltd., India (Parent) has provided guarantee to one of the customers of the Company. The obligation of Larsen & Toubro Infotech Ltd, India is limited in aggregate to the amount of \$ 70,000,000.

27. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the presentation adopted in the current period. The reclassification has no impact on the reported net income and retained earnings.

28. SUBSEQUENT EVENT

The Company evaluated all events and transactions that occurred after March 31, 2017 through April 22, 2017; the date the financial statements are issued. Based on the evaluation, the Company is not aware of any events or transactions that would require recognition or disclosure in the financial statements.

Financial Statements For The Year Ended 31 March 2017

GENERAL INFORMATION

Country of incorporation & Domicile	South Africa
Nature of business and principal activities	Providing IT & outsourcing support & all other related IT services to the customers in South Africa.
Directors	Ms. Ayanda Ngcobo Mr. Kedar Gadgil Mr. Rajeev Gupta Mr. Ravindra Pravin Desai Mr. Sudhir Chaturvedi
Registered office	6th Floor 119 Hertzog Boulevard Foreshore 8001 South Africa
External auditors	Levitt Kirson Chartered Accountants (S.A.) Registered Auditors
Registration number	2011/007226/07
Bankers	ABSA State Bank of India

Compliance statement by the corporate secretary

The Secretarial Agent, Kilgetty Statutory Services (Pty) Ltd certifies that, according to company records, the Company has lodged with the Registrar of Companies all such returns as are required of a company in terms of the Companies Act 2008 and that all such returns are true, correct and up to date in respect of the reporting period ended 31 March 2017.

Financial Statements

The financial statements were externally prepared by Levitt Kirson Business Services (Pty) Ltd.

Financial Statements For The Year Ended 31 March 2017

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Larsen & Toubro Infotech South Africa Proprietary Limited

Opinion

We have audited the Annual Financial Statements of Larsen & Toubro Infotech South Africa Proprietary Limited, which comprise the Statement of Financial Position as at 31 March, 2017, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Annual Financial Statements, including a summary of significant accounting policies.

In our opinion, the Annual Financial Statements present fairly, in all material respects, the financial position of Larsen & Toubro Infotech South Africa Proprietary Limited as at 31 March, 2017, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 71 of 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act, 71 of 2008 of South Africa, which we obtained prior to the date of this report. Other information does not include the Annual Financial Statements and our auditor's report thereon.

Our opinion on the Annual Financial Statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

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

Responsibilities of the directors for the Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the Annual Financial Statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of Annual Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Annual Financial Statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the Annual Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists.

INDEPENDENT AUDITOR'S REPORT (Contd.)

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Annual Financial Statements.

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

- Identify and assess the risks of material misstatement of the Annual Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Annual Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Financial Statements, including the disclosures, and whether the Annual Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Levitt Kirson Partner:
A S Lewis
Chartered Accountant (SA)
Registered Auditor Johannesburg
26 April 2017

Financial Statements For The Year Ended 31 March 2017

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The Directors are required in terms of the Companies Act of South Africa, 2008 to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of Larsen & Toubro Infotech South Africa (Pty) Ltd as at the end of the financial period and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and places considerable importance on maintaining a strong control environment.

To enable these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the select entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year ended 31 March 2018 and, in the light of this review and the current financial position, they are satisfied that the company has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is appended here with.

The annual financial statements have been prepared on the going concern basis, were approved by the directors on 26 April, 2017 and were signed on its behalf by:

Kedar Gadgil
Director
Mumbai

Rajeev Gupta
Director
South Africa

Place: April 26, 2017

Financial Statements For The Year Ended 31 March 2017

DIRECTORS' REPORT

The directors submit their report for the period ended 31 March 2017.

1. Incorporation

The company was incorporated on 5th April 2011 and obtained its certificate to commence business on the same day. 2012 was the first year of operation for the company, with operations beginning on 1st December 2012.

2, Review of activities

The company is engaged in providing IT & outsourcing support & all other related IT services to the customers in South Africa.

3. Events after the reporting period

There were no significant events that occurred in the company since the end of the financial year to the date of this report.

4. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that the company will continue to receive the support of its related companies and that the realisation of assets and settlement of liabilities will occur in the ordinary course of business.

5. Authorised and issued share capital

The company issued no new shares during the period under review, with total issued Share Capital of 443,725 shares. There are 6,275 unissued authorised shares.

6. Dividends

An interim dividend of R 443,725 was declared and paid during the financial year 2016 - 17.

7. Directors

The following persons served as directors during the period under review and to the date of issue of the financial statements:

Mr. Ravindra Pravin Desai	Appointed on 20 March 2013
Ms. Ayanda Ngcobo	Appointed on 20 March 2013
Mr. Kiran Krishna Pai	Resigned on 14 September 2016
Mr. Vinay Rajadhyaksha	Resigned on 14 September 2016
Mr. Sudhir Chatuvedi	Appointed on 14 September 2016
Mr. Rajeev Gupta	Appointed on 14 September 2016
Mr. Kedar Gadgil	Appointed on 14 September 2016

8. External auditor

Levitt Kirson will continue in office in accordance with section 90 of the Companies Act 71 of 2008.

Kedar Gadgil
Director
Mumbai

Rajeev Gupta
Director
South Africa

*Financial Statements For The Year Ended 31 March 2017***STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2017**

	Note(s)	As at 31.03.2017 R	As at 31.03.2016 R
Assets			
Non-Current Assets			
Deferred taxation	7	2,29,161	4,71,968
		<u>2,29,161</u>	<u>4,71,968</u>
Current Assets			
Cash and cash equivalents	1	82,14,131	2,85,33,533
Trade and other receivables	2	1,46,85,620	2,49,13,170
Current tax receivable	6	-	1,26,703
		<u>2,28,99,751</u>	<u>5,35,73,406</u>
Total Assets		<u><u>2,31,28,912</u></u>	<u><u>5,40,45,374</u></u>
Equity and Liabilities			
Equity			
Stated capital	3	4,43,725	4,43,725
Accumulated profit		53,20,973	41,46,130
Total Equity		<u>57,64,698</u>	<u>45,89,855</u>
Liabilities			
Current Liabilities			
Trade and other payables	4	1,67,12,248	4,94,55,519
Current tax payable	6	6,51,966	-
Deferred taxation	7	-	-
Total Liabilities		<u>1,73,64,214</u>	<u>4,94,55,519</u>
Total Equity and Liabilities		<u><u>2,31,28,912</u></u>	<u><u>5,40,45,374</u></u>

STATEMENT OF COMPREHENSIVE INCOME

	Note(s)	As at 31.03.2017 R	As at 31.03.2016 R
Revenue		6,47,71,352	11,95,33,123
Cost of sales		(4,63,44,586)	(9,96,41,974)
Gross profit		1,84,26,766	1,98,91,149
Other income		2,790	1,29,924
Finance income		3,44,621	7,95,550
Operating expenses		(1,64,88,756)	(1,86,49,043)
Operating profit	5	22,85,420	21,67,580
Finance costs		-	-
Profit before taxation		22,85,420	21,67,580
Taxation	6	(6,66,853)	(6,07,001)
Profit for the year		16,18,568	15,60,579
Other comprehensive income		-	-
Total comprehensive profit		16,18,568	15,60,579

*Financial Statements For The Year Ended 31 March 2017***STATEMENT OF CHANGES IN EQUITY**

	Accumulated profit R	Stated capital R	Total equity R
Balance at 01 April 2015	25,85,551	4,43,725	30,29,276
Changes in equity	-	-	-
Total comprehensive profit for the period	15,60,579	-	15,60,579
Total changes	15,60,579	-	15,60,579
Balance at 31 March 2016	<u>41,46,130</u>	<u>4,43,725</u>	<u>45,89,855</u>
Balance at 01 April 2016	41,46,130	4,43,725	45,89,855
Dividends declared	(4,43,725)	-	(4,43,725)
Total comprehensive profit for the period	16,18,568	-	16,18,568
Total changes	11,74,843	-	11,74,843
Balance at 31 March 2017	<u>53,20,973</u>	<u>4,43,725</u>	<u>57,64,698</u>

Note

3

STATEMENT OF CASH FLOWS

	Note(s)	As at 31.03.2017 R	As at 31.03.2016 R
Cash flows from operating activities			
Cash used in operations	10	(2,10,18,649)	2,60,39,375
Interest income		3,44,621	7,95,550
Finance costs		-	-
Income taxes paid		3,54,625	(95,760)
Net cash from operating activities		(2,03,19,403)	2,67,39,165
Total cash movement for the year		(2,03,19,403)	2,67,39,165
Cash at the beginning of the year		2,85,33,533	36,57,270
Total cash at end of the year		82,14,130	2,85,33,533

*Financial Statements For The Year Ended 31 March 2017***ACCOUNTING POLICIES****1 PRESENTATION OF ANNUAL FINANCIAL STATEMENTS**

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the Companies Act of South Africa. The annual financial statements have been prepared on the historical cost basis, except for those assets and liabilities stated at fair value, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

1.1 Financial instruments**Initial recognition and measurement**

Financial instruments are recognised initially when Larsen and Toubro Infotech South Africa (Pty) Ltd becomes a party to the contractual provisions of the instruments.

Larsen and Toubro Infotech South Africa (Pty) Ltd classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit and loss, any directly attributable transaction costs, except as described below. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

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.

Cash and cash equivalents comprise cash balances and call deposits.

Trade and other payables are classified according to the substance of the contractual arrangements entered into.

1.2 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to issue of ordinary shares are recognised as a deduction from equity.

1.3 Income Taxation

Income tax on the profit or loss for the period comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income, in which case it is recognised in equity or other comprehensive income.

Current tax

Current tax represents the expected tax payable on taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous reporting periods.

Deferred tax

Deferred tax is recognised in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying values for the financial reporting purposes. Deferred tax is not recognised for the following temporary differences:

- the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and
- differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. 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 income 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 they 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.

ACCOUNTING POLICIES (Contd.)

1.4 Provisions and contingencies

Provisions are recognised when:

- * Larsen and Toubro Infotech South Africa (Pty) Ltd 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
- * a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

1.5 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates.

1.6 Adoption of New and Revised Standards

A number of new standards, amendments to standards and interpretations are not yet effective for the period ended 31 March 2017, and have not been applied in preparing these financial statements:

*IFRS 9	Financial Instruments	Annual years beginning on or after 1 January 2018
*IFRS 15	Revenue from contracts with customers	Annual years beginning on or after 1 January 2017

The directors anticipate that all of the above Standards and Interpretations will be adopted in the financial statements of the period in which they become effective and that their adoption will have no material impact on the financial statements in the period of initial application.

1.7 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

Management has not made any judgements or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Financial Statements For The Year Ended 31 March 2017

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	As at 31.03.2017 R	As at 31.03.2016 R
1. Cash and cash equivalents		
Cash and cash equivalents consists of the following:		
ABSA Account	52,67,959	43,83,937
State Bank of India Account	18,96,468	13,38,379
State Bank of India Call Account	10,49,704	2,28,11,217
	<u>82,14,131</u>	<u>2,85,33,533</u>
	<u>As at 31.03.2017</u>	<u>As at 31.03.2016</u>
2. Trade and other receivables		
Trade & other receivables consists of the following:		
Trade receivables	1,21,36,869	1,79,66,005
Other receivables	8,46,185	69,47,165
VAT receivable	17,02,566	-
Current tax receivable		
	<u>1,46,85,620</u>	<u>2,49,13,170</u>
	<u>As at 31.03.2017</u>	<u>As at 31.03.2016</u>
3. Stated capital		
Authorised		
450 000 Ordinary shares at no par value	4,50,000	4,50,000
Issued		
443 725 Ordinary shares at no par value	4,43,725	4,43,725
6 275 unissued no par value ordinary shares		
	<u>As at 31.03.2017</u>	<u>As at 31.03.2016</u>
	<u>Shares</u>	<u>Shares</u>
4. Trade and other payables		
Trade and other payables consists of the following:		
Trade payables	1,64,21,950	4,74,78,682
VAT payable	-	2,90,944
Accruals	2,90,298	16,85,893
Withholding tax	-	-
Advance billing	-	-
	<u>1,67,12,248</u>	<u>4,94,55,518</u>
	<u>As at 31.03.2017</u>	<u>As at 31.03.2016</u>
5. Operating profit		
Operating profit for the period is stated after accounting for the following:		
Staff costs	-	4,87,853
	<u>-</u>	<u>4,87,853</u>

Financial Statements For The Year Ended 31 March 2017

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Contd.)

	As at 31.03.2017 R	As at 31.03.2016 R
6. Taxation		
Major components of the tax expense		
SA normal tax		
Current tax	4,28,319	7,95,614
Deferred tax	3,06,228	(1,88,613)
	<u>7,30,274</u>	<u>6,07,001</u>
Reconciliation of the tax expense		
Reconciliation between applicable tax rate and average effective tax rate.		
Accounting profit	22,85,420	21,67,580
Tax at the applicable tax rate of 28% (2016:28%)	<u>7,30,274</u>	<u>6,07,001</u>
6.1. Tax paid		
Opening balance	1,26,703	2,65,622
Tax charge	(4,28,319)	(7,95,614)
Prior year under provision	4,275	-
Closing balance	6,51,966	(1,26,703)
Tax paid	<u>3,54,625</u>	<u>(6,56,695)</u>
	As at 31.03.2017 R	As at 31.03.2016 R
7. Deferred taxation		
The major components of deferred tax balances for the year are as follows:		
Provisions	7,53,431	4,71,968
Income received in advance	-	-
S24C allowance	-	-
	<u>7,53,431</u>	<u>4,71,968</u>
Deferred taxation liability	-	-
Deferred taxation asset	2,10,961	4,71,968
Net deferred taxation asset	<u>2,10,961</u>	<u>4,71,968</u>
	As at 31.03.2017 R	As at 31.03.2016 R
8. Financial assets by category		
The accounting policies for financial instruments have been applied to the line items below:		
		Loans and Receivables
2017		
Trade and other receivables	1,46,85,620	
Cash and cash equivalents	82,14,131	
2016		
Trade and other receivables	2,49,13,170	
Cash and cash equivalents	2,85,33,533	

*Financial Statements For The Year Ended 31 March 2017***NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Contd.)**

	As at 31.03.2017 R	<i>As at 31.03.2016 R</i>
9. Financial liabilities by category		
The accounting policies for financial instruments have been applied to the line items below:		
	Financial Liabilities at amortised cost	
2017		
Trade and other payables	1,67,12,248	
2016		
Trade and other payables	4,94,55,519	
10. Cash used in operations		
Profit before taxation	22,85,420	21,67,580
Adjustments for:		
Interest received	(3,44,621)	(7,95,550)
Finance costs	-	-
Foreign exchange difference	-	-
Changes in working capital:		
Trade and other receivables	1,02,27,549	5,03,93,769
Trade and other payables	(3,27,43,273)	(2,57,26,424)
Dividends	(4,43,725)	-
	(2,10,18,649)	2,60,39,375
	As at 31.03.2017	<i>As at 31.03.2016</i>
11. Related party transactions		
11.1 Identity of related parties		
Larsen and Toubro Infotech South Africa (Pty) Ltd is a joint venture between Larsen & Toubro Infotech Limited and Befula Investments (Pty) Ltd in ratio of 74.9%:25.1%.		
Larsen and Toubro Infotech has a branch office in South Africa.		
Larsen and Toubro Infotech South Africa (Pty) Ltd and Larsen & Toubro Infotech Limited (Branch) are related parties in South Africa.		
	As at 31.03.2017 R	<i>As at 31.03.2016 R</i>
11.2 Balances payable to /receivable from related parties		
Inter-group receivables	-	-
Inter-group payables	(1,62,63,001)	(4,73,84,395)
	(1,62,63,001)	(4,73,84,395)

Inter-group receivable, relates to sales made by Larsen and Toubro Infotech South Africa (Pty)Ltd to Larsen & Toubro Infotech Limited (Branch).

Inter-group payable, relates to expenses to be paid by Larsen and Toubro Infotech South Africa (Pty) Ltd to Larsen & Toubro Infotech Limited (Branch) and Larsen and Toubro Infotech Limited (India).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Contd.)

	As at 31.03.2017 R	As at 31.03.2016 R
11.3 Transactions with related parties		
Inter-group service income (Larsen & Toubro Infotech Ltd (Branch))	-	-
Inter-group training cost (Larsen & Toubro Infotech Ltd (India))	-	-
Inter-group marketing cost (Larsen & Toubro Infotech Ltd (Branch))	(51,55,233)	(61,26,980)
Inter-group on-site support fees (Larsen & Toubro Infotech Ltd (Branch))	(2,44,00,203)	(5,27,89,534)
Inter-group on-site support fees (Larsen & Toubro Infotech Ltd (India))	(89,09,843)	(1,83,39,609)
Inter-group marketing cost(Larsen & Toubro Infotech Ltd (India))	(50,34,904)	(97,57,624)
Inter-group commission (Larsen & Toubro Infotech Ltd (India))	(8,79,801)	(8,44,321)
	(4,43,79,984)	(8,78,58,068)

11.4 Transactions with key management personnel

There were no transactions with key management personnel.

12. Financial instruments

Exposure to no credit risk arises in the normal course of the entity's business

12.1 Credit risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The group does not require collateral in respect of financial assets.

The carrying amount of financial assets represents the maximum credit exposure. The maximum credit exposure at the reporting date was:

Reconciliation between applicable tax rate and average effective tax rate

	Carrying amount 31 March 2017	Carrying amount 31 March 2016
	R	R
Trade receivables	1,46,85,620	2,49,13,170
Deposits	-	-
Prepayments	-	-
Total	1,46,85,620	2,49,13,170

Concentration of credit risk

The company was not exposed to any credit rate risk as the inter-group & other receivables are recoverable.

12.2 Liquidity risk

The following are the contractual maturities of financial liabilities:

Non derivative financial liabilities	Total	< 1 year	2-5 years	>5 years
Trade and other payables	1,67,12,248	1,67,12,248	-	-
Total	1,67,12,248	1,67,12,248	-	-

13. Fair values

The fair values of financial assets and liabilities are substantially the same as the carrying amounts shown in the statement of financial position.

*Financial Statements For The Year Ended 31 March 2017***DETAILED INCOME STATEMENT**

	Note(s)	As at 31.03.2017 R	As at 31.03.2016 R
Revenue			
Services income		6,47,71,352	11,95,33,123
Cost of sales			
Direct Cost		4,55,54,586	9,88,91,974
Purchase of trading goods		7,90,000	7,50,000
Gross profit		1,84,26,766	1,98,91,149
Other income			
Inter-group service income		-	82,318
Other sales		(258)	47,606
Foreign exchange differences		3,44,621	7,95,550
Interest received		3,47,411	9,25,474
Gross Income		1,87,74,177	2,08,16,623
Expenses			
Operating expenses			
Audit Fees		2,26,500	1,74,068
Audit fee- prior year adjustment		(1,61,500)	-
Bank Charges		18,141	5,986
Commission paid		8,79,801	8,44,321
Donations		1,21,340	95,000
Financial Management Fees		-	-
Insurance		93,723	53,362
Inter group services expense		1,05,58,867	1,34,96,603
Office expenses		4,200	4,64,679
Professional fees		7,72,578	20,21,892
Marketing Costs		33,76,606	2,000
Rent paid		5,98,500	2,64,490
Salaries & Wages		-	4,87,853
Telephone & Link charges		-	7,38,789
		1,64,88,756	1,86,49,043
Operating profit	5	22,85,420	21,67,580
Finance cost		-	-
Profit before taxation		22,85,420	21,67,580
Taxation	6	6,66,853	6,07,001
Profit for the year		16,18,568	15,60,579

The supplementary information presented does not form part of the annual financial statements

TAX COMPUTATION

	2017
	R
Net profit as per statement of comprehensive income	22,85,420
Adjust for: Temporary differences	(8,67,170)
Reversal of Provisions	
Amounts received in advance in the prior year	-
Provision for leave- Prior year	(11,60,524)
Provision for expenses - Prior year	(5,25,077)
Provision for expenses	2,91,500
Provision for employee costs	4,61,931
Provision for audit fees	65,000
Provision for IT	-
Amounts received in advance	-
Donations	1,09,340
Interest- SARS	2,119
Taxable income	<u>15,29,709</u>
Taxation thereon @ 28%	4,28,319
Tax liability	
Amount owing/(prepaid) at the beginning of year	-
First provisional payment	(3,22,000)
Second provisional payment	(2,47,850)
Interest and penalties Owing	(2,119)
Final assessment payment 2016	7,95,616
	2,23,647
Tax owing/(prepaid) for the current year	4,28,319
Normal tax	
Tax owing/(prepaid) at the end of the year as per financial statements	<u><u>6,51,966</u></u>

DIRECTORS' REPORT

Dear Members,

It's a pleasure in presenting the Annual report and Audited Accounts for the year ended December 31, 2016.

1. FINANCIAL HIGHLIGHTS

Particulars	RMB Yuan	
	2016	2015
Total Income	1,819,840	4,052,711
Profit/(Loss) before Tax	(441,274)	210,466
Less : Tax	-	273,540
Net Profit/(Loss) after Tax	(441,274)	(63,074)
Add: Balance b/f from previous year	(860,965)	(797,891)
Balance to be carried forward	(1,302,240)	(860,965)

2. STATE OF COMPANY AFFAIRS

The total income for the Financial Year under review was RMB 1.82 Mn as against RMB 4.05 Mn for the previous Financial Year. The loss for the current year was RMB (441,274) as against loss of RMB (63,074) for the previous Financial Year.

The loss for current year is primarily due to the fact that the revenue is not yet sufficient to meet operating expenses.

3. CAPITAL & FINANCE

During the year under review, there was no investment made by Larsen & Toubro Infotech Limited, India, the Parent Company, towards the equity capital of the Company. The total investment by the Parent Company, towards the equity capital, as on the date of balance sheet is USD 175,000.

4. DIVIDEND

No dividend for the year ended December 31, 2016, is proposed to be declared.

5. DETAILS OF DIRECTORS/SUPERVISORS AND KEY MANAGERIAL PERSONNEL APPOINTED/ RESIGNED DURING THE YEAR

During the year under review, Mr. Sudhir Chaturvedi was appointed as Supervisor w.e.f. September 12, 2016. Mr. Rajat Mathur resigned as Supervisor w.e.f. September 12, 2016. The Company places on record the valuable contribution made by Mr. Rajat Mathur, during his tenure as a Supervisor of the Company.

6. FINANCIAL STATEMENTS

The Auditors report to the shareholders does not contain any qualification, observation or adverse comment.

7. AUDITORS

M/s Shanghai Linfang Certified Public Accountants Co., Ltd. are the auditors of the Company. They will continue to be auditors of the Company for the ensuing financial year..

DIRECTORS REPORT (Contd.)

8. DIRECTORS RESPONSIBILITY STATEMENT

The Sole Director of the Company confirms that:

- a) In the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) The Director has 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 or loss of the Company for that period;
- c) The Director has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with Local Statutes for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Director has prepared the Annual Accounts on a going concern basis;
- e) The Director has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

9. ACKNOWLEDGEMENT

Your Director acknowledge the invaluable support extended by the Government authorities in China and take this opportunity to thank them as well as the customers, supply chain partners, employees, Financial Institutions, Banks and all the various stakeholders for their continued co-operation and support to the Company.

Date: April 18, 2017

Place: Singapore

For and on behalf of the Board

Sameer Satpute
Director

REPORT OF THE AUDITORS

To the Board of Directors of

L&T Information Technology Services (Shanghai) Co., Ltd.

We have audited the accompanying financial statements of L&T Information Technology Services (Shanghai) Co., Ltd. (the “Company”), which comprise the balance sheet as at 31 December 2016, 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 Small 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 L&T Information Technology Services (Shanghai) Co., Ltd. as at 31 December 2016, and its financial performance and its cash flows for the year then ended in accordance with the Accounting Standards for Small Business Enterprises.

Zhang xiaozhuan Certified Public Accountant

Guo Zhong, China Certified Public Accountant

Shanghai Linfang Certified Public Accountants Co., Ltd.
15F, Hechuang Building,
No. 450 Caoyang Road,
Shanghai China

April; 18th, 2017

BALANCE SHEET AS AT 31 DECEMBER 2016*(All amounts in RMB Yuan unless otherwise stated)*

ITEM	Notes	2016.12.31	2015.12.31
CURRENT ASSETS			
Cash at bank and in hand	5	802,792.32	1,956,093.28
Accounts receivable	6	984,514.09	374,672.63
Prepayments	7	1,025.00	13,488.00
Other receivables	8	9,132.25	9,132.25
Total current assets		1,797,463.66	2,353,386.16
Non-current asset			
Financial assets available for sale			
Held-to-maturity investments			
Long-term receivables			
Long-term equity investment			
Fixed assets - cost	9	21,530.00	-
Less: Accumulated depreciation	10	4,121.37	-
Fixed assets - net	11	17,408.63	-
Less: Provision for impairment loss on fixed assets		-	-
Net book value of fixed assets		17,408.63	-
Total non-current assets		17,408.63	-
TOTAL ASSETS		1,814,872.29	2,353,386.16
CURRENT LIABILITIES			
Accrued payroll	12	62,690.00	40,145.00
Taxes payable	13	(11,857.62)	348,722.29
Other payables	14	1,991,481.03	1,750,685.54
Total current liabilities		2,042,313.41	2,139,552.83
NON-CURRENT LIABILITIES			
Total non-current liabilities		-	-
TOTAL LIABILITIES		2,042,313.41	2,139,552.83
OWNERS' EQUITY			
Paid-in capital	15	1,074,799.00	1,074,799.00
Foreign capital		1,074,799.00	1,074,799.00
Undistributed profits	16	(1,302,240.12)	(860,965.67)
Total owner's equity		(227,441.12)	213,833.33
TOTAL LIABILITIES AND OWNERS' EQUITY		1,814,872.29	2,353,386.16

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016*(All amounts in RMB Yuan unless otherwise stated)*

ITEM	Notes	Year ended 2016.12.31	Year ended 2015.12.31
TOTAL OPERATING REVENUES		1,819,839.92	4,052,710.82
Incl.: Operating revenues		1,819,839.92	4,052,710.82
Incl.: Revenues from main operation	17	1,819,839.92	4,052,710.82
Less: Total operating costs		2,270,471.73	3,844,308.88
Incl.: Cost of operation		-	-
Incl.: Costs of main operation		-	-
Costs of other operation		-	-
Operating tax and its additions		1,749.29	16,752.74
Selling and distribution expenses		-	-
General and administrative expenses		2,322,492.59	3,830,557.55
Finance expenses		(53,770.15)	(3,001.41)
Add: Return on investment		-	-
Operating Profit		(450,631.81)	208,401.94
Add: Non-operating incomes		9,498.84	2,340.31
Less: Non-operating expenses		141.48	276.10
Total profit		(441,274.45)	210,466.15
less: Income tax expenses		-	273,540.60
Net profit		(441,274.45)	(63,074.45)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016*(All amounts in RMB Yuan unless otherwise stated)*

<u>Notes</u>	<u>Year ended 2016.12.31</u>	<u>Year ended 2015.12.31</u>
1. Cash Flows from Operating Activities:		
Cash received from sales of goods or rendering of services	12,00,772.93	42,48,008.81
Cash received relating to other operating activities	2,54,121.38	3,954.17
Sub-total of Cash Inflows	<u>14,54,894.31</u>	<u>42,51,962.98</u>
Cash paid for goods and services	22,550.00	13,996.55
Cash paid to and on behalf of employees	14,92,653.32	20,96,343.84
Payments of taxes and levies	3,93,881.29	95,962.98
Cash paid relating to other operating activities	6,77,580.66	8,74,381.30
Sub-total of Cash Outflows	<u>25,86,665.27</u>	<u>30,80,684.67</u>
Net Cash Flows from Operating Activities	<u>(11,31,770.96)</u>	<u>11,71,278.31</u>
2. Cash Flows from Investing Activities:		
Cash paid to acquire fixed assets, intangible assets and other long-term assets	21,530.00	-
Sub-total of Cash Outflows	<u>21,530.00</u>	<u>-</u>
Net Cash Flows from investing Activities	<u>(21,530.00)</u>	<u>-</u>
3. Cash Flows from Financing Activities:		
Cash received from capital contribution	-	3,66,894.00
Sub-total of Cash Inflows	<u>-</u>	<u>3,66,894.00</u>
Net Cash Flows from Financing Activities	<u>-</u>	<u>3,66,894.00</u>
4. Effect of Foreign Exchange Rate Fluctuation on Cash		
	<u>-</u>	<u>-</u>
5. Net Increase (decrease) in Cash and Cash Equivalents	<u>(11,53,300.96)</u>	<u>15,38,172.31</u>
Add: Cash and cash equivalents at the beginning of the reporting period	19,56,093.28	4,17,920.97
6. Cash and Cash Equivalents at the end of the reporting period	<u>8,02,792.32</u>	<u>19,56,093.28</u>

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016*(All amounts in RMB Yuan unless otherwise stated)*

	PAID-IN CAPITAL	CAPITAL SURPLUS	SURPLUS RESERVE	RETAINED EARNINGS	TOTAL
Closing Balance at 31 December 2014	7,07,905.00	-	-	(7,97,891.22)	(89,986.22)
Add: Changes in accounting policies	-	-	-	-	-
Corrections of prior period errors	-	-	-	-	-
Beginning Balance at 1 January 2015	<u>7,07,905.00</u>	<u>-</u>	<u>-</u>	<u>(7,97,891.22)</u>	<u>(89,986.22)</u>
Net profit	-	-	-	(63,074.45)	(63,074.45)
Other comprehensive income	-	-	-	-	-
Capital contribution or reduction by owners	3,66,894.00	-	-	-	3,66,894.00
- Capital contribution by owners	3,66,894.00	-	-	-	3,66,894.00
Profit appropriation	-	-	-	-	-
Transfer between equity components	-	-	-	-	-
Movements in year 2015	3,66,894.00	-	-	(63,074.45)	3,03,819.55
Closing Balance at 31 December 2015	<u>10,74,799.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,13,833.33</u>
Closing Balance at 31 December 2015	<u>10,74,799.00</u>	<u>-</u>	<u>-</u>	<u>(8,60,965.67)</u>	<u>2,13,833.33</u>
Add: Changes in accounting policies	-	-	-	-	-
Corrections of prior period errors	-	-	-	-	-
Beginning Balance at 1 January 2016	<u>10,74,799.00</u>	<u>-</u>	<u>-</u>	<u>(8,60,965.67)</u>	<u>2,13,833.33</u>
Net profit	-	-	-	(4,41,274.45)	(4,41,274.45)
Other comprehensive income	-	-	-	-	-
Capital contribution or reduction by owners	-	-	-	-	-
Profit appropriation	-	-	-	-	-
Transfer between equity components	-	-	-	-	-
Movements in year 2016	-	-	-	(4,41,274.45)	(4,41,274.45)
Closing Balance at 31 December 2016	<u>10,74,799.00</u>	<u>-</u>	<u>-</u>	<u>(13,02,240.12)</u>	<u>(2,27,441.12)</u>

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

NOTES TO THE 2016 FINANCIAL REPORTS

(All amounts in RMB Yuan unless otherwise stated)

1 GENERAL INFORMATION AND PRINCIPAL ACTIVITIES

L&T Information Technology Services (Shanghai) Co., Ltd. ("the Company") is a wholly owned foreign enterprise incorporated by LARSEN & TOUBRO INFOTECH LIMITED. The Company was registered at Shanghai Administration of Industry and Commerce, and obtained the Business License for Enterprise as a Legal Person No. 310000400714060 on June 28th 2013. The registered capital is USD 175000 and the residential address for the Company is No 2 XingXian Road Jiading Industry Zone Shanghai. The Company has an approved operating period of 10 years.

The Company's approved scope of business operations includes Computer software (video, publication except) design, development, production, sales of own products and provide after sale service, the commission agent products and computer hardware (excluding auction), enterprise management consulting, business information consulting, computer information engineering technical consultation and services, to undertake service outsourcing in system management and maintenance technical support, information management, software development, data processing. (not related to the management of state-run trade goods; involving quota, license management of goods, in accordance with relevant state regulations apply; involving administrative approval, permit to operate).

2 BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises and "Accounting System for Small 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 in which the transactions took place. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into RMB at the stipulated exchange rates at the balance sheet date. Exchange differences arising from these translations are expensed, except for those attributable to foreign currency borrowings that have been made specifically for the construction of fixed assets, which are capitalized as part of the fixed asset costs and those arising in the pre-operating period, which are recorded as long-term deferred expenses.

Contributions to paid-in capital made in foreign currencies are translated into the RMB denominated paid-in capital account at the stipulated exchange rates at the contribution dates. Exchange differences arising from foreign currency capital contribution should be recognized as capital surplus.

(e) Cash and cash equivalents

For the purposes of the cash flow statement, cash refers to all cash in hand and all deposits. Cash equivalents refer to short-term and highly-liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(f) Receivables and provision for bad debts

Receivables comprise accounts receivable and other receivables. The provision method is used to account for potential bad debts identified by management. Receivables are presented at actual amounts net of provision for bad debts.

(1) Accounts receivable

Accounts receivable comprises related party receivables and receivables from non-related parties.

The Company makes specific bad debts provision on an individual basis for accounts receivable that are distinctively different from any other receivable in recoverability. If there are indications that the balances cannot be recovered, the specific provision will be adjusted accordingly.

(2) Other receivable

Specific provisions are made for other receivables on an individual basis.

(f) Receivables and provision for bad debts (Continued)

NOTES TO THE 2016 FINANCIAL REPORTS (Contd.)*(All amounts in RMB Yuan unless otherwise stated)***3) Recognition criteria of bad debts loss**

Where evidence exists that balances cannot be recovered due to the debtor's de-registration, bankruptcy, insolvent and death, etc., bad debts are recognized and corresponding provision for bad debts is written off after the approval of the Company's general manager or the board pursuant to the authorization policies established in the Company.

(g) Fixed assets and depreciation

Fixed assets are tangible assets that are used in production, including sales of goods, rendering of services and leases, or held for management purposes, which have useful lives of more than one year and have relatively high unit price.

Fixed assets purchased or constructed by the Company are recorded at cost.

Fixed assets are depreciated using the straight-line method to allocate the cost of the assets to their estimated residual values over their estimated useful lives. For the fixed assets being provided for impairment loss, the related depreciation charge is prospectively determined based upon the adjusted carrying amounts over their remaining useful lives.

The estimated useful lives, estimated residual values expressed as a percentage of cost and annual depreciation rates are as follows:

	<u>Estimated Useful Lives</u>	<u>Estimated Residual Value</u>	<u>Annual Depreciation Rate</u>
Office and electronic equipment	3yrs	0%	33.33%

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) 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.

(i) 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.

(j) 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 for the small scale taxpayers of value added tax, the tax rate is 3%, the input tax shall be credited against.

(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.

NOTES TO THE 2016 FINANCIAL REPORTS (Contd.)*(All amounts in RMB Yuan unless otherwise stated)***5 MONETARY ASSETS**

	<u>2016.12.31</u>	<u>2015.12.31</u>
Cash at bank	8,02,792.32	19,56,093.28
Total	<u>8,02,792.32</u>	<u>19,56,093.28</u>

6 ACCOUNTS RECEIVABLE

	<u>2016.12.31</u>	<u>2015.12.31</u>
	9,84,514.09	3,74,672.63

The ageing as at year end are as follows:

	<u>2015.12.31</u>		<u>2015.12.31</u>	
	Amount	%	Amount	%
Within 1 yr	9,84,514.09	100.0%	3,74,672.63	100.0%
Total	<u>9,84,514.09</u>	<u>100.0%</u>	<u>3,74,672.63</u>	<u>100.0%</u>

Debtors with large amounts:

Name of Debtors	<u>Ending Balance</u>	
LT INFORMATION TECHNOLOGY LIMITED	USD	1,37,956.00

7 PREPAYMENTS

	<u>2015.12.31</u>		<u>2015.12.31</u>	
	Amount	%	Amount	%
Within 1 yr	1,025.00	100%	13,488.00	100%
Total	<u>1,025.00</u>	<u>100%</u>	<u>13,488.00</u>	<u>100%</u>

8 OTHER RECEIVABLES

	<u>2016.12.31</u>	<u>2015.12.31</u>
	9,132.25	9,132.25

The ageing as at year end are as follows:

	<u>2015.12.31</u>		<u>2015.12.31</u>	
	Amount	%	Amount	%
Within 1 yr	-	-	9,132.25	100.0%
1~2 ys	9,132.25	100.0%	-	-
Total	<u>9,132.25</u>	<u>100.0%</u>	<u>9,132.25</u>	<u>100.0%</u>

9 FIXED ASSETS – COST

	<u>2016.1.1</u>	<u>Increase</u>	<u>Decrease</u>	<u>2016.12.31</u>
Electronic equipment	-	21,530.00	-	21,530.00
Total	<u>-</u>	<u>21,530.00</u>	<u>-</u>	<u>21,530.00</u>

NOTES TO THE 2016 FINANCIAL REPORTS (Contd.)**10 ACCUMULATED DEPRECIATION**

	<u>2016.1.1</u>	<u>Increase</u>	<u>Decrease</u>	<u>2016.12.31</u>
Electronic equipment	-	4,121.37	-	4,121.37
Total	<u>-</u>	<u>4,121.37</u>	<u>-</u>	<u>4,121.37</u>

11 FIXED ASSETS – NET

	<u>2016.12.31</u>	<u>2015.12.31</u>
Electronic equipment	17,408.63	-
Total	<u>17,408.63</u>	<u>-</u>

12 ACCRUED PAYROLL

	<u>2016.12.31</u>	<u>2015.12.31</u>
Wages payable	42,378.74	30,414.00
Social insurance	15,323.26	7,441.00
Housing Provident Fund	4,988.00	2,290.00
Total	<u>62,690.00</u>	<u>40,145.00</u>

13 TAXES PAYABLE

	<u>2016.12.31</u>	<u>2015.12.31</u>
Taxes		
Value added tax	471.55	35,099.76
City maintenance	23.57	3,536.38
Education surcharge payable	-	2,121.83
Local education surcharge payable	-	1,414.55
River maintenance fee	4.71	707.28
Individual income tax	9,588.78	32,301.89
Corporate income tax (CIT)	(21,946.23)	2,73,540.60
Total	<u>-11,857.62</u>	<u>3,48,722.29</u>

14 OTHER PAYABLES

	<u>2016.12.31</u>	<u>2015.12.31</u>
Total	<u>19,91,481.03</u>	<u>17,50,685.54</u>

Creditor with large amount

LT INFORMATION TECHNOLOGY LIMITED
LT TECHNOLOGY SERVICES LIMITED

Ending
Balance
17,57,346.52
1,61,009.11

NOTES TO THE 2016 FINANCIAL REPORTS (Contd.)**15 PAID-IN CAPITAL**

Name of Investor	2016.12.31		2015.12.31	
	Registered Capital (USD)	Registered Capital (RMB)	Registered Capital (USD)	Registered Capital (RMB)
LARSEN & TOUBRO INFOTECH LIMITED	1,75,000.00	10,74,799.00	1,75,000.00	10,74,799.00
Total	1,75,000.00	10,74,799.00	1,75,000.00	10,74,799.00

16 UNDISTRIBUTED PROFITS

	2016.12.31	2015.12.31
Undistributed profits at beginning of year	(8,60,965.67)	(7,97,891.22)
Current year net profit	(4,41,274.45)	(63,074.45)
Distributable profit	(13,02,240.12)	(8,60,965.67)
Undistributed profits at the end of year	(13,02,240.12)	(8,60,965.67)

17 REVENUES FROM MAIN OPERATION

Item	2016	2015
Consulting Service	18,19,839.92	40,52,710.82
Total	18,19,839.92	40,52,710.82

18 RELATED PARTY TRANSACTION**Related party relationships**

Name of Entity	Relationship with the Company
LT INFORMATION TECHNOLOGY LIMITED	Controlled by the same party
LT TECHNOLOGY SERVICES LIMITED	Controlled by the same party

Ending Balance of related party transaction

Name of Entity	Account Name	Description	Ending balance
LT INFORMATION TECHNOLOGY LIMITED	Accounts receivable	Services	USD 1,37,956.00
LT INFORMATION TECHNOLOGY LIMITED	Other payables	Temporary payment	CNY 17,57,346.52
LT TECHNOLOGY SERVICES LIMITED	Other payables	Temporary payment	CNY 1,61,009.11

DIRECTORS' REPORT

Dear Members,

It's a pleasure in presenting the Annual report and Audited Accounts for the year ended March 31, 2017.

1. FINANCIAL HIGHLIGHTS

Particulars	EURO	
	2016-2017	2015-16
Total Income	825,923	-
Profit / (Loss) before Tax	53,642	(6,612)
Less : Tax	11,008	750
Net Profit / (Loss) after Tax	42,634	(7,362)
Add: Balance b/f from previous year	(7,362)	-
Balance to be carried forward	35,272	(7,362)

2. STATE OF COMPANY AFFAIRS

The Company was formed in the Financial Year 2015-16, however business operations started in the Financial Year 2016-17. Gross sales and other income for the Financial Year under review were EUR 0.8 Mn. The profit after tax including extraordinary and exceptional items was EUR 0.04 Mn for the Financial Year under review.

3. DIVIDEND

In order to conserve the resources for future business growth, no dividend is recommended for the current year.

4. DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL APPOINTED/RESIGNED DURING THE YEAR

During the year under review, Mr. Sudhir Chaturvedi was appointed as a Director w.e.f. October 21, 2016. Mr. Makarand Deolalkar resigned as a Director w.e.f. October 21, 2016. The Company places on record the valuable contribution made by Mr. Makarand Deolalkar during his tenure as a Director of the Company.

5. AUDITORS

M/s GT-KMU Wirtschaftsprüfungs- und Steuerberatungs- GmbH are the Statutory Auditors of the Company. They have been re-appointed as Statutory Auditors of the Company for the ensuing Financial Year.

6. FINANCIAL STATEMENTS

The Auditors report to the Shareholders does not contain any qualification, observation or adverse comment.

7. DIRECTORS RESPONSIBILITY STATEMENT

The Sole Director of the Company confirms that:

- In the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- The Director has 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 or loss of the Company for that period;
- The Director has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with Local Statutes for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Director has prepared the Annual Accounts on a going concern basis;
- The Director has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

8. ACKNOWLEDGEMENT

Your Director acknowledge the invaluable support extended by the Government authorities in Austria and take this opportunity to thank them as well as the customers, employees, Financial Institutions, Banks and all the various stakeholders for their continued co-operation and support to the Company.

Date: April 20, 2017
Place: London.

For Larsen & Toubro Infotech Austria GmbH

Sudhir Chaturvedi
Sole Director

AUDIT REPORT

To the
Management Board of
Larsen & Toubro Infotech Austria GmbH
Vienna

We have completed the audit of the financial statements as of March 31, 2017 of

Larsen & Toubro Infotech Austria GmbH
Vienna,
(referred to as "the Company")

and provide the results of our audit in the following report:

1. AUDIT CONTRACT AND PERFORMANCE OF THE ENGAGEMENT

The Company, represented by the management board, concluded an audit contract with us to audit the financial statements as of March 31, 2017, including the accounting system pursuant to Sections 269 ff. UGB.

The Company is small sized corporation pursuant to Section 221 UGB.

The audit is a voluntary audit.

The objective of the audit was to examine compliance with legal requirements.

In performing the audit, we adhered to the legal provisions and the relevant professional standards on performing an audit applicable in Austria. We draw attention to the fact that the audit provides reasonable assurance as to whether the financial statements are free from material misstatement. Absolute assurance cannot be achieved, since the possibility of errors is inherent in each accounting and internal control system and since the audit is based on samples, there is an unavoidable risk that material misstatements in the financial statements are not detected. Areas which are generally covered in special engagements were not included in our scope of work.

We performed the audit in April 2017. The audit was concluded by the date of this report.

Responsible for the proper performance of the engagement is Mr. Dr. MMag. Sascha Berkovec, Austrian Certified Public Accountant.

Our audit is based on the audit contract concluded with the Company, an integral part of which are the General Conditions of Contract for the Public Accounting Professions issued by the Austrian Chamber of Public Accountants and Tax Advisors. These General Conditions of Contract do not only apply between the Company and the auditor, but also towards third parties. Section 275 UGB applies with regard to our responsibility and liability as auditor towards the Company and towards third parties.

2. DISCLOSURE OF AND NOTES ON SIGNIFICANT ITEMS IN THE FINANCIAL STATEMENTS

All required disclosures of significant items in the financial statements are included in the attached figures.

3. SUMMARY OF THE RESULTS OF THE AUDIT

3.1. CONCLUSION ON THE COMPLIANCE OF THE ACCOUNTING AND THE FINANCIAL STATEMENTS

In performing our audit procedures, we determined the compliance with statutory provisions and generally accepted accounting principles.

As part of our risk and control oriented audit approach, we included in the audit where we considered it necessary for our audit report the internal controls in parts of the accounting process.

With regard to the legal compliance of the financial statements, we refer to our comments in the auditor's report.

3.2. INFORMATION PROVIDED

All information required was provided by the legal representatives of the Company. A letter of representation signed by the legal representatives has been included in our working papers.

In performing our duties as auditor, we have not determined any facts that might endanger the audited Company's position as a going concern or adversely affect its future development, nor any facts that would constitute a serious breach of the law or of the Company's articles of association by the legal representatives or employees. Material weaknesses in the internal control of the accounting process have not come to our attention. The criteria for assuming a reorganization requirement (Section 22 No. 1 URG (Austrian Reorganization Act)) are not met.

4. AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements, including the accounting of Larsen & Toubro Infotech Austria GmbH Vienna, for the fiscal year from April 1, 2016 to March 31, 2017. These financial statements comprise the balance sheet as of March 31, 2017, the income statement for the fiscal year ended March 31, 2017.

Our responsibility and liability as auditor is analogously to Section 275 UGB (liability regulations for the audit of small and medium sized companies) limited with a total of 2 million Euro towards the Company and towards third parties.

Management's Responsibility for the Financial Statements and for the Accounting System

The Company's management is responsible for the accounting and for the preparation and fair presentation of the financial statements in accordance with Austrian Generally Accepted Accounting Principles. 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; making accounting estimates that are reasonable in the circumstances.

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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and Austrian Standards on Auditing. Those standards require that we comply with professional guidelines and that we 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 reasonable 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 legal requirements and give a true and fair view of the financial position of the Company as of March 31, 2017 and of its financial performance for the fiscal year from April 1, 2016 to March 31, 2017 in accordance with Austrian Generally Accepted Accounting Principles.

Vienna, April 20th, 2017

GT-KMU
Wirtschaftsprüfungs- und Steuerberatungs- GmbH

MMag. Dr. Sascha Berkovec
Chartered Auditor

COMPILATION REPORT

We have compiled the financial statements of Larsen & Toubro Infotech Austria GmbH c/o Oberhammer Rechtsanwälte GmbH as of 31.03.2017 consisting of the balance sheet, the profit and loss statement, and the notes on the basis of bookkeeping and inventory and the provisions of the applicable accounting and valuation methods.

The procedures rendered by us (the entire bookkeeping, payroll services and register of assets) and additionally the receipts, books and inventory evidence presented by you as well as other information provided by you, which we did not check regarding regularity or plausibility in accordance with the engagement, form the basis for the preparation of the financial statements. The bookkeeping and the statement of inventory as well as the financial statements prepared in accordance with the Austrian Commercial Code (UGB) and the additional regulations of the articles of association lie within your responsibility.

We have not performed any audit procedures on the financial statements nor any other kind of assurance services or agreed upon procedures and , as a consequence, we do not provide any assurance on these financial statements.

You are responsible for any exhaustiveness of the documentation and the information provided to us, also towards user of the financial statements compiled by us. In this context we refer to the letter of representation signed by you at our request.

The compilation engagement was carried out considering the Expert Opinion KFS/RL 26 "Principles for the Preparation of Financial Statements". The General Conditions of Contract for the Public Accounting Professions (AAB), issued by the Austrian Chamber of Public Accountants and Tax Advisors (KWT), as of 21 February 2011 shall apply to this compilation engagement.

The disclosure of the financial statements to third parties may only be provided by adding the full compilation report.

If the financial statements compiled by us are distributed to any third parties, the provisions stipulated in section 8. AAB for the Public Accounting Professions of KWT regarding the liability vis-à-vis third parties shall apply.

LEGAL STATUS

Company:	Larsen & Toubro Infotech Austria GmbH Location of the corporate seat: Österreich		
Address:	1010 Wien, Karlsplatz 3/1		
Incorporation:	2015-06-18		
Financial year:	April 1, 2016 - March 31, 2017		
Legal form:	Gesellschaft mit beschränkter Haftung		
Capital stock:	EUR 35,000.00		
	Thereof capital stock neither called nor paid in EUR 0.00.		
Shareholder:	Name	Share in EUR	Share in %
	Larsen & Toubro Infotech Limited	35,000.00	100
Management:	Name	From	To
	Makarand Ghanashyam Deolalkar	2015-06-18	2016-10-20
	Chaturvedi Sudhir	2016-10-21	
Representation:	The company is represented by the manager single handed.		

TAX STATUS

Tax authority:	Finanzamt Wien 1/23
Tax number:	255/7933
VAT number:	ATU71375727
Tax representative:	Grant Thornton Unitreu GmbH Wirtschaftsprüfungs- und 1200 Wien, Handelskai 92, Gate 2, 7A
Determination of tax income:	Balancing of accounts acc. to § 5 EStG

BALANCE SHEET AS OF 2017-03-31

ASSETS	2017-03-31	2016-03-31
	EUR	EUR
A. Current Assets		
I. Receivables and other Assets		
1. Receivables due from affiliated companies	11,326.71	<i>0.00</i>
<i>there of arising from deliveries and services</i>	<i>11,326.71</i>	<i>0.00</i>
2. Other receivables and assets	43,619.55	<i>1,038.47</i>
	54,946.26	<i>1,038.47</i>
II. Bank deposits	68,460.34	<i>29,731.63</i>
	123,406.60	<i>30,770.10</i>
B. Prepaid expenses, deferred charges	0.00	<i>1,800.00</i>
Total assets	123,406.60	<i>32,570.10</i>
 LIABILITIES AND OWNER'S EQUITY	 2017-03-31	 2016-03-31
	EUR	EUR
A. Capital and Reserves		
I. Stated Capital called	35,000.00	<i>35,000.00</i>
<i>Subscribed Capital</i>	<i>35,000.00</i>	<i>35,000.00</i>
II. Balance Sheet Profit	35,272.44	<i>-7,361.90</i>
<i>thereof loss carried forward from the previous years</i>	<i>-7,361.90</i>	<i>0.00</i>
	70,272.44	<i>27,638.10</i>
B. Accruals		
1. Tax accruals	10,883.00	<i>282.00</i>
2. Other accruals	42,251.16	<i>2,850.00</i>
	53,134.16	<i>3,132.00</i>
C. Liabilities		
1. Liabilities arising from deliveries and services	0.00	<i>1,800.00</i>
Total Liabilities and Owner's Equity	123,406.60	<i>32,570.10</i>

For Larsen & Toubro Infotech Austria GmbH

Sudhir Chaturvedi
Sole Director

PROFIT AND LOSS ACCOUNT 2016-04-01 – 2017-03-31

<i>Profit and Loss Account</i>	2016 / 17 EUR	<i>2015 / 16</i> <i>EUR</i>
1. Turnover	825,922.53	<i>0.00</i>
2. Raw material expense and expenditures for services received		
Expenditures for services received	-729,172.20	<i>0.00</i>
3. Other operating expenses		
Transaction costs	-1,971.16	<i>-369.54</i>
Legal and consulting costs	-30,561.67	<i>-5,892.36</i>
Other operating expense	-9,946.39	<i>0.00</i>
	-42,479.22	<i>-6,611.90</i>
4. Operating result	54,271.11	<i>-6,261.90</i>
5. Interest and similar expenses	-628.77	<i>0.00</i>
6. Financial result	-628.77	<i>0.00</i>
7. Earnings before taxes	53,642.34	<i>-6,261.90</i>
8. Taxes on income and revenue	-11,008.00	<i>-750.00</i>
9. Earnings after taxes	42,634.34	<i>-7,011.90</i>
10. Net income	42,634.34	<i>-7,011.90</i>
11. Loss carried forward from the previous years	-7,361.90	<i>0.00</i>
12. Balance sheet profit	35,272.44	<i>-7,361.90</i>

For Larsen & Toubro Infotech Austria GmbH

Sudhir Chaturvedi
Sole Director

NOTES TO THE BALANCE SHEET

ASSETS	2017-03-31	<i>2016-03-31</i>
	EUR	<i>EUR</i>
A. Current Assets		
I. Receivables and other Assets		
1. Receivables due from affiliated companies		
Due To/From Parent Co	11,331.10	0.00
Due To/From Parent Co - Exchange Difference	-4.39	0.00
	<u>11,326.71</u>	<u>0.00</u>
There of arising from deliveries and services		
Due To/From Parent Co	11,331.10	0.00
Due To/From Parent Co - Exchange Difference	-4.39	0.00
	<u>11,326.71</u>	<u>0.00</u>
2. Other receivables and assets		
Input Tax a/c	13,035.64	1,038.47
VAT Refund receivable A/C	30,583.91	0.00
	<u>43,619.55</u>	<u>1,038.47</u>
	54,946.26	1,038.47
II. Bank deposits		
Bank Austria- EURO	68,460.34	29,731.63
	<u>123,406.60</u>	<u>30,770.10</u>
B. Prepaid expenses, deferred charges		
Deferred expense items	0.00	1,800.00
Total assets	<u><u>123,406.60</u></u>	<u><u>32,570.10</u></u>

NOTES TO THE BALANCE SHEET (Contd.)

LIABILITIES AND OWNER'S EQUITY	2017-03-31	2016-03-31
	EUR	EUR
A. Capital and Reserves		
I. Stated Capital called		
Receivables due from affiliated companies		
Share capital not added in the commercial register	0.00	30,000.00
Share Capital	<u>35,000.00</u>	<u>5,000.00</u>
	35,000.00	35,000.00
Subscribed Capital		
Share capital not added in the commercial register	0.00	30,000.00
Share Capital	<u>35,000.00</u>	<u>5,000.00</u>
	35,000.00	35,000.00
II. Balance Sheet Profit		
Loss brought forward from previous years	-7,361.90	0.00
Profit And Loss Account	<u>42,634.34</u>	<u>-7,361.90</u>
	35,272.44	-7,361.90
	70,272.44	27,638.10
B. Accruals		
1. Tax accruals		
Provision for IT 2015-16	0.00	282.00
Provision for IT 2016-17	<u>10,883.00</u>	<u>0.00</u>
	10,883.00	282.00
2. Other accruals		
Trade Tax	350.00	350.00
Provision for Expenses	41,904.84	2,500.00
Accounts Pay - exchange difference	<u>-3.68</u>	<u>0.00</u>
	42,251.16	2,850.00
	53,134.16	3,132.00
C. Liabilities		
Liabilities arising from deliveries and services		
Trade liabilities domestic	0.00	1,800.00
Total Liabilities and Owner's Equity	<u>123,406.60</u>	<u>32,570.10</u>

NOTES TO THE PROFIT AND LOSS ACCOUNT

	2016 /17 EUR	2015 /16 EUR
1. Turnover		
Net Sales - Subsidiary	825,922.53	0.00
2. Raw material expense and expenditures for services received		
Expenditures for services received		
Overheads Charged To Parent/ Group Com	-239,228.79	0.00
Service charges-Onsite	-263,294.00	0.00
SG&A O/H chgd to Parent/Subsidiary. FC	-12,458.16	0.00
Subcontracting - Onsite Hiring FC	-214,191.25	0.00
	<u>-729,172.20</u>	<u>0.00</u>
3. Other operating expenses		
Transaction costs		
Bank Charges FC	-1,971.16	-369.54
Legal and consulting costs		
Professional Fees-FC	-27,061.67	-4,392.36
Audit Fees FC	-3,500.00	-1,500.00
	<u>-30,561.67</u>	<u>-5,892.36</u>
Other operating expense		
Office Expenses FC	-9,900.00	0.00
Exch Diff - Expenses	-45.68	0.00
Exch Diff - Expenses Revaluation	-0.71	0.00
	<u>-9,946.39</u>	<u>0.00</u>
	<u>-42,479.22</u>	<u>-6,611.90</u>
4. Operating result	54,271.11	-6,261.90
5. Interest and similar expenses		
Interest received from others - FC	-628.77	0.00
6. Financial result	-628.77	0.00
7. Earnings before taxes	53,642.34	-6,261.90
8. Taxes on income and revenue		
Corporation Tax Charge	-11,008.00	-750.00
9. Earnings after taxes	42,634.34	-7,011.90
10. Net income	42,634.34	-7,011.90
11. Loss carried forward from the previous years		
Loss brought forward from previous years	-7,361.90	0.00
12. Balance sheet profit	<u>35,272.44</u>	<u>-7,361.90</u>

DIRECTORS' REPORT

Dear Members,

It's a pleasure in presenting the Annual report and Audited Accounts for the year ended March 31, 2017.

1. FINANCIAL HIGHLIGHTS

Particulars	EURO	
	2016-2017	2015-16
Total Income	8,953,565	-
Profit / (Loss) before Tax	280,030	<i>(12,812)</i>
Add : Deferred Tax Credit	(3,203)	3,203
Net Profit / (Loss) after Tax	212,425	<i>(9,609)</i>
Add: Balance b/f from previous year	(9,609)	-
Balance to be carried forward	210,023	<i>(9,609)</i>

2. STATE OF COMPANY AFFAIRS

With a view to extend its business horizon, on February 1, 2016, Larsen & Toubro Infotech Limited (the parent company) incorporated L&T INFORMATION TECHNOLOGY SPAIN SL as a wholly owned subsidiary. Till end of March 31, 2016, the Company did not commence business operations hence there was no income for the FY 2015-16.

The total income for the FY 2016-17 was EUR 8,953,565 with a profit after tax of EUR 212,425.

3. DIVIDEND

In order to conserve the resources for future business growth, no dividend is recommended for the current year.

4. DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL APPOINTED/RESIGNED DURING THE YEAR

During the year under review, Mr. Sudhir Chaturvedi was appointed as a Director w.e.f. October 13, 2016. Mr. Makarand Deolalkar resigned as a Director w.e.f. October 13, 2016. The Company places on record the valuable contribution made by Mr. Makarand Deolalkar during his tenure as a Director of the Company.

5. AUDITORS

M/s. LUQUEVELASCO Auditors S.L. are the Statutory Auditors of the Company. They have been re-appointed as Statutory Auditors of the Company for the ensuing Financial Year.

6. FINANCIAL STATEMENTS

The Auditors report to the Shareholders does not contain any qualification, observation or adverse comment.

7. DIRECTORS RESPONSIBILITY STATEMENT

The Sole Director of the Company confirms that:

- In the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- The Director has 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 or loss of the Company for that period;
- The Director has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the local statutes for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Director has prepared the Annual Accounts on a going concern basis;
- The Director has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

8. ACKNOWLEDGEMENT

Your Director acknowledge the invaluable support extended by the Government authorities in Spain and take this opportunity to thank them as well as the customers, employees, Financial Institutions, Banks and all the various stakeholders for their continued co-operation and support to the Company.

Date: April 25, 2017
Place: London.

For L&T Information Technology Spain SL

Sudhir Chaturvedi
Sole Director

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF L&T INFORMATION TECHNOLOGY SPAIN, S.L.:

Report on the Financial Statements

We have audited the accompanying financial statements of **L&T INFORMATION TECHNOLOGY SPAIN, S.L.**, which comprise the statement of financial position as at March 31, 2017, the statement of comprehensive income, statement of changes in equity and a summary of significant accounting policies and other explanatory information.

Sole administrator Responsibility for the Financial Statements

Sole administrator is responsible for the preparation and fair presentation of these financial statements in accordance with Spanish General Accounting Plan, identified on the note 2 from the summary 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 Spanish Audit Law. 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 L&T INFORMATION TECHNOLOGY SPAIN, S.L. as at March 31, 2017, and its financial performance for the year then ended in accordance with Spanish General Accounting Plan.

Madrid, April 25, 2017

LUQUEVELASCO auditores
Nº ROAC: S1144

Pablo Luque Torrecillas
Socio

BALANCE SHEET AS AT MARCH 31,2017

(Expressed in euros)

	<u>2016-2017</u>	<u>2015-2016</u>
NON CURRENT ASSETS	3,000.00	3,202.99
Long Term Financial Investments	3,000.00	
Deferred Tax Assets		3,202.99
CURRENT ASSETS	33,25,620.27	51,850.51
Trade Debtor	27,94,790.79	1,850.51
Customers	27,95,974.46	
Other Debtors	-1,183.67	1,850.51
Prepaid expenses	60,000.00	
Cash and cash equivalents	4,70,829.48	50,000.00
TOTAL ASSETS	33,28,620.27	55,053.50
NET EQUITY	2,50,413.62	40,391.05
Net Equity	2,50,413.62	40,391.05
Share Capital	50,000.00	50,000.00
Retain earnings	-9,608.95	
Income/Expenses	2,10,022.57	-9,608.95
NON CURRENT LIABILITIES	0.00	0.00
CURRENT LIABILITIES	30,78,206.65	14,662.45
Debts with group companies and associates in the short term	27,98,362.83	
Commercial debtors and other accounts payable	5,19,881.70	14,662.45
Other creditors	5,19,881.70	14,662.45
Short term accruals	-2,40,037.88	
TOTAL NET EQUITY AND LIABILITIES	33,28,620.27	55,053.50

Date: April 25, 2017

For L&T Information Technology Spain SL

Sudhir Chaturvedi
Sole Director

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2017

(Expressed in euros)

	<u>2016-2017</u>	<u>2015-2016</u>
Net Turnover	89,53,564.74	
Purchases	-77,90,203.47	
Other operations income	-3,999.98	
Personnel Expenses	-1,77,966.97	
External Services	-7,04,588.40	-12,811.94
OPERATING RESULT	<u>2,76,805.92</u>	<u>-12,811.94</u>
Financial Income	118.95	
Exchange differences	3,105.21	
FINANCIAL RESULT	<u>3,224.16</u>	<u>0.00</u>
RESULT BEFORE TAXES	2,80,030.08	-12,811.94
Corporate income tax	-70,007.51	3,202.99
Result from the period	<u>2,10,022.57</u>	<u>-9,608.95</u>

Date: April 25, 2017

For L&T Information Technology Spain SL

Sudhir Chaturvedi
Sole Director

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED ON MARCH 31, 2017

(Expressed in euros)

	Issue premium		Issue premium	Accounting reserves	Shares and equity interests	Retain earnings	Other partner contributions	Income / Expenses	Interim dividend	Grants, donations and heritages received	Total
	Share Capital	Not required									
BALANCE, END OF 2014											0.00
Adjustments due to change of criteria of 2014 and earlier											0.00
Adjustments due to errors of 2014 and earlier											0.00
ADJUSTED BALANCE, BEGINNING OF 2015	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total recognized income and expense								-9,608.95			-9,608.95
Transactions with shareholders or owners	50,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50,000.00
Increase in capital	50,000.00										50,000.00
Capital reductions											0.00
Other operations with partners or owners											0.00
Other changes in equity											0.00
BALANCE, END OF 2015	50,000.00	0.00	0.00	0.00	0.00	0.00	0.00	-9,608.95	0.00	0.00	40,391.05
Adjustments due to change of criteria of 2015 and earlier											0.00
Adjustments due to errors of 2015 and earlier											0.00
ADJUSTED BALANCE, BEGINNING OF 2016	50,000.00	0.00	0.00	0.00	0.00	0.00	0.00	-9,608.95	0.00	0.00	40,391.05
Total recognized income and expense								2,10,022.57			2,10,022.57
Transactions with shareholders or owners	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Increase in capital											0.00
Capital reductions											0.00
Other operations with partners or owners											0.00
Other changes in equity								9,608.95			0.00
BALANCE, END OF 2016	50,000.00	0.00	0.00	0.00	0.00	0.00	-9,608.95	2,10,022.57	0.00	0.00	2,50,413.62

Date: April 25, 2017

For L&T Information Technology Spain SL

Sudhir Chaturvedi
Sole Director

NOTES TO THE ACCOUNTS

Translation of a report and accounts originally issued in Spanish and prepared in accordance with Spanish generally accepted accounting principles (see note 16).

In the event of a discrepancy, the Spanish-language version prevails

Company: L&T INFORMATION TECHNOLOGY SPAIN, S.L.

Period: 2016-2017

1. Activity of the Company

1.1. The details of the Company are as follows:

VAT number: B87472072

Company Name: L&T INFORMATION TECHNOLOGY SPAIN, S.L.

Address: CL JOSE ABASCAL 56, 2

Post Code: 28003

City: MADRID

Region: MADRID

1.2. The company's social object and main activities are defined as follows:

Corporate Purpose

The corporate purpose of the company is the provision of services for information technology and outsourcing service delivery on everything related to new technologies.

All those activities for which the law requires special requirements that does not meet the Company are excluded. If the laws demand it for the exercise of any of the activities a professional qualification, authorization or registration in special registers, shall be exercised by the person holding that title or may not be initiated until have been met administrative requirements.

2. Basis of presentation of the annual accounts

2.1. True and fair view:

- a) The annual accounts, show a true and fair view of the shareholders' funds, of the financial situation, of the results and the changes in net equity during the year. They will be subject to the approval of the Shareholders' Meeting which will most probably approve them without any amendment.
- b) There are no reasons why the Company would have not fulfilled all legal accounting requirements so to show the true and fair view.
- c) The application of the legal requirements is enough to show the true and fair view so no additional disclosures are necessary to be included in the Notes to the Accounts.
- d) These Annual Accounts have been prepared under the going concern principle.

2.2. Non obligatory accounting principles applied:

No Spanish non-obligatory accounting standards have been applied. The annual accounts have been prepared in accordance with Spanish obligatory accounting standards. No Spanish accounting standard, which could have a significant impact, has been omitted.

2.3. Critical aspects for valuations and estimates of uncertainty:

- a) There are no changes in any accounting estimate that are significant and could affect the current year or future years.
- b) The company is not aware of uncertainties that may bring doubts about the possibility of the company to continue operating normally.

2.4. Comparison of information:

The period closed on 31st March 2017 is comparable to the previous period which was the first year of operations of the company.

2.5. Items reflected in two or more classifications

No items have been observed as being registered in two or more balance sheet classifications.

2.6. Changes in accounting policies

There has not been any change in accounting policies.

2.7. Correction of errors

When the attached annual accounts were prepared no significant errors were detected.

2.8. Going concern

There are no uncertainties with respect to the normal activity of the Company which could imply a breach of the going concern principle.

NOTES TO THE ACCOUNTS (Contd.)

3. Distribution of the result

3.1. The proposed distribution of the result is as follows:

DISTRIBUTION BASE	Current period	Previous period
Result from P&L account	210.022,57	-9.608,95
Remnant	0,00	0,00
Voluntary Reserves	0,00	0,00
Other reserves	0,00	0,00
TOTAL DISTRIBUTION BASE	210.022,57	-9.608,95

APPLICATION	Current period	Previous period
Legal reserve	10.000,00	0,00
Especial reserve	0,00	0,00
Voluntary reserve	190.413,62	0,00
Dividends	0,00	0,00
Carried forward losses	0,00	-9.608,95
Remnant and other applications	9.608,95	0,00
TOTAL DISTRIBUTION BASE	210.022,57	-9.608,95

3.2. Distribution of dividends on account

No dividends on account can be distributed as the result for the period has been a loss. No dividend is proposed to be distributed.

4. Accounting and valuation policies

The main accounting and valuation policies used to prepare the annual accounts are as follows:

4.1. Financial instruments

- a) The company has acknowledged a financial instrument on its balance sheet when it has become a part of the contract or legal business in accordance with the provisions of the same. Instruments of equity of other companies or contractual rights to receive cash or another financial asset have been considered as financial assets consisting of cash. Contractual rights to exchange assets or financial liabilities with others in potentially favourable conditions have also been considered.

For valuation purposes, the financial assets of the Company are classified as follows:

- Financial assets at amortized cost: this category of financial assets includes on the one hand, trade receivables, arising from the sale of goods and provision of services for trade operations of the company, and on the other hand, other financial assets not being equity instruments or derivatives, they have no commercial origin and their charges are fixed or determinable amount. Financial assets included in this category are initially valued at cost, which equals the fair value of the consideration paid plus transaction costs.

- b) The financial instruments are classified as financial liabilities, when they have been for the company an obligation contractual, direct or indirect, to deliver cash or another financial asset, or of exchanging assets or financial liabilities with others in potentially unfavourable conditions, or that gives the holder the right to demand from the issuer their rescue on a date and for a specified amount.

The financial liabilities, for the purposes of its assessment, been classified in the following categories:

-Financial liabilities at amortized cost: they have been included as such, the amounts owed by commercial operations, which originated in the purchase of goods and services by the company trafficking operations, and debits by non-commercial operations, which not being derivative instruments, do not have sales origin. These financial liabilities have been valued initially at value reasonable, and subsequently, at their amortized cost.

NOTES TO THE ACCOUNTS (Contd.)

4.2. Corporation Tax

In general, it recognized a deferred tax liability for all taxable temporary differences, unless these have arisen from the initial recognition of goodwill, the initial recognition of an asset or liability in a transaction that is not a combination of business and also affects neither the accounting profit nor taxable income or investments in subsidiaries, associates and joint always business and when the investor has been able to control the timing of the reversal of the difference and also have been likely that such difference will not reverse in the foreseeable future.

Deferred tax assets, in accordance with the principle of prudence, have been recognized as such in so far as it has been likely that the company has disposed off future taxable profits that allow the application of these assets. If the above condition is met, generally it has been considered a deferred tax asset if: there have been deductible temporary differences, rights to offset in subsequent years, tax losses and deductions and other tax benefits not used that have been pending fiscally apply.

Assets and deferred tax liabilities are valued at the expected rates of tax at the time of reversal, as the legislation has been in force or approved and pending publication at the close of the year, and according to the form that is planned rationally recover or settle the asset or liability.

4.3. Income and expenses

Revenue is recognized as a result of an increase in the resources of the company, and where the amount has been reliably determined. Expenses have been recognized as a result of dwindling resources of the company, and where the amount has also been able to assess or estimate reliably.

Revenues from services are recognized when the outcome of the transaction can be estimated reliably, considering the percentage of completion at the year-end date. Only being posted income from the provision of services with the following conditions: when the amount of revenue has been reliably measured, provided the company receives profits or income from the transaction, and this transaction has been valued at close exercise reliably, and finally when the costs incurred in the transaction and the remaining to be incurred have been measured reliably.

4.4. Provisions and contingencies

The company has recognized as provisions liabilities that fulfil the definition and criteria for accounting records contained in the conceptual framework of accounting, have been indeterminate with respect to their amount or the date they will be cancelled. Provisions have been determined by a legal, contractual provision or for an obligation implied or tacit.

Provisions have been valued at the date of closure of the exercise by the present value of the best possible estimate of the amount needed to cancel or transfer to a third party the obligation, registering settings that have emerged for the update of the provision as a financial expense as they have been earning. In the case of provisions with maturity exceeding the year not carried out any type of discount.

5. Tangible and Intangible Assets and Real Estate investments

5.1. Changes in tangible, intangible Assets and Real Estate investments

No tangible or intangible assets have been registered by the Company during the financial year 2016-2017 nor in the previous period.

6. Financial Assets

6.1. Changes in Financial assets

The movements in each category of financial assets following the accounting and valuation policies established in point 4 above (except for investments in group companies) can be summarized in the following table:

- a) Long Term financial assets except for investment in equity of group and associated entities: no long term financial assets were registered in 2015-2016. For 2016-2017 the detail is as follows:

	Current Period			TOTAL
	Equity instruments	Debt Based instruments	Credits, derivatives and other	
Financial investments- Deposits	0,00	0,00	3.000,00	3.000,00
TOTAL	0,00	0,00	3.000,00	3.000,00

NOTES TO THE ACCOUNTS (Contd.)

b) Short Term financial assets except for investment in equity of group and associated entities:

	Current Period			
	Equity instruments	Debt Based instruments	Credits, derivatives and other	TOTAL
Deferred expenses	0,00	0,00	60.000,00	60.000,00
Receivable accounts	0,00	0,00	2.795.974,46	2.795.974,46
Tax authorities	0,00	0,00	-1.183,67	-1.183,67
TOTAL	0,00	0,00	2.854.790,79	2.854.790,79

	Ejercicio Anterior			
	Equity instruments	Debt Based instruments	Credits, derivatives and other	TOTAL
Receivable accounts	0,00	0,00	0,00	0,00
Tax authorities	0,00	0,00	1.850,51	1.850,51
TOTAL	0,00	0,00	1.850,51	1.850,51

7. Financial Liabilities**7.1. Changes in Financial Liabilities.**

The movements in each of the financial liabilities categories following the accounting and valuation policies described in point 4 of these Notes to the Annual Accounts are summarized as follows:

- a) Long Term financial liabilities: no long term financial liabilities have been registered.
 b) Short Term financial liabilities

	Current Period			
	Debts with credit entities	Bonds and others	Derivatives and others	TOTAL
Suppliers	0,00	0,00	21.919,66	21.919,66
Accruals	0,00	0,00	180.444,09	180.444,09
Personnel	0,00	0,00	21.725,35	21.725,35
Tax Authorities	0,00	0,00	295.784,44	295.784,44
TOTAL	0,00	0,00	519.873,54	519.873,54

	Previous period			
	Debts with credit entities	Bonds and others	Derivatives and others	TOTAL
Suppliers	0,00	0,00	14.662,45	14.662,45
TOTAL	0,00	0,00	14.662,45	14.662,45

8. Cash and Cash equivalents.

At the closing of period 2016-2017 the balance of cash and cash equivalents amounts to 470.829,48 € from which 10.904,74 € correspond to the bank account with which the company operates and the rest (459.924,74 €) correspond to funds in transit.

NOTES TO THE ACCOUNTS (Contd.)

9. Net Equity and Shareholders' Funds

9.1 Share Capital

At the closing of period 2016-2017 the share capital of the Company amounts to 50.000€ divided in 50.000 shares of 1 Euro face value each. They are correlative numbered from 1 to 50.000 both included; all the shares are fully subscribed and paid.

The sole shareholder at the closing of the period is the Company Larsen and Toubro Infotech Limited.

9.2 Legal Reserve

According to the Companies Act Capital, a figure must be equal to 10% of annual profits to the legal reserve until it reaches at least 20% of the share capital. The legal reserve can be used to increase capital in the part of the balance exceeding 10% of the increased capital. Except as mentioned above, while not exceeding 20% of capital, it can only be used to offset losses, provided that sufficient other reserves are available for this purpose.

10. Tax situation

9.1 Corporation Tax:

- a) No adjustments have been registered in the calculation of Corporation tax for the period 2015-2016, so the taxable base correspond to the books result. The full amount of the negative taxable bases from the previous period has been applied.

Concept	Amount
Book Result before taxes	280.030,08
Compensation of negative bases	12.812
Taxable Base	267.218,08
CIT Quota	66.804,52

9.2 Other balances with Public Administrations

The information related to the balances with Public Administrations at the closing dates are as follows:

Tax	Debit Balance	Credit Balance
VAT	1.183,67	216.234,82
Withholdings on rentals		190,00
Withholdings on salaries		1.831,71
Social Security		9.262,75
CIT		66.786,96
Other taxes		1.478,20
TOTAL	1.183,67	295.784,44

11. Income and expenses

The movements during the current and previous periods in the income and expenses accounts are summarised below:

Detail of the profit and loss account	Current period	Previous period
Turnover for the period	8.953.564,74	0,00
1. Services rendered by other companies	7.790.203,47	0,00
2. Raw materials consumption	0,00	0,00
a) Purchases	0,00	0,00
b) Stock variation	0,00	0,00
3. Other operative expenses	704.588,40	12.811,94
a) Losses and impairments corresponding to trade	0,00	0,00
b) Other expenses	704.588,40	12.811,94
4. Personnel expenses	177.966,97	0,00
5. Other results	3.999,98	0,00

NOTES TO THE ACCOUNTS (Contd.)

12. Operations with related parties

The detail of the transactions with related parties during the period is as follows:

Entity	Services rendered	Amount
Larsen and Toubro Infotech South Africa	Professional services	245.378,81
Larsen and Toubro Limited (India)	Professional services	5.670.532,78
Larsen and Toubro Limited (France)	Professional services	1.392.917,26
TOTAL		7.308.828,85

The balances as at 31st March 2107 with related parties is the following:

Entity	Debt Balance	Credit Balance
Larsen and Toubro Infotech South Africa		153.833,94
Larsen and Toubro Limited (India)		2.463.962,91
Larsen and Toubro Limited (France)		184.399,53
TOTAL		2.802.196,38

During the period the Sole Director of the company has received a remuneration amounting to 24.223,92 €. No other obligations towards the Sole Director have been accrued.

In compliance with articles 229 of Spanish Corporate Law, passed and approved under Royal Legislative Decree1/2010 on 2 July, 2010, the Company makes full disclosure of the information it has received regarding the direct or indirect holdings of members of the Board of Directors of the controlling company in other companies whose stated activities are related or similar to those of the stated purpose of the Controlling Company or Group. The following list includes names, positions held and name of company.

Passport	Director	Entity	%	Position
801582393	Sudhir Chaturvedi	Larsen & Toubro Infotech Limited, India (Parent Company)	0.0012%	Executive Director

13. Other Information

The average number of employees during the period and divided by category is as follows:

Personnel	Current Period	Previous Period
Qualified personnel	2,64	0
Average	2,64	0,00

13.1 Environmental and Green House Gas Emissions Rights Information

The Company does not have any responsibilities, expenses, assets nor provisions of environmental nature which could be significant in relation to equity, financial situation and results of the Company. The Board of Directors consider that there are no contingencies related to the protection and improvement of the environment.

NOTES TO THE ACCOUNTS (Contd.)**14. Information related to the deferral of payments to suppliers. Third additional provision of Act 15/2010 of July 5th “Duty of Disclosure of information”**

In compliance with the provisions of Law 15/2010 of combating late payment to suppliers, developed by the ICAC, it is reported for commercial operations, the legal maximum payment period is, in each case corresponding to depending on the nature of the good or service received by the company in accordance with the provisions of the law 3/2004 of 29 December, establishing measures to combat late payment in commercial transactions, and amended by law 15/2010 of 6 July.

Average payment period to suppliers:

	2016-2017	2015-2016
Days	30	0

15. Post Balance Sheet Events

The Board of Directors do not consider that any events have taken place in the period comprising between the drawing up of these Annual Accounts and their approval, which could affect them significantly.

16. Additional explanation regarding the English translation

These annual accounts are presented in accordance with accounting principles generally accepted in Spain, which may not conform to generally accepted accounting principles in other countries.

17. Signatures

In Madrid, as at 25/04/2017,

Mr. SUDHIR CHATURVEDI

Id number: Y3650220L

Signing as: Sole Director

DIRECTORS' REPORT

Dear Members,

The Directors have pleasure in presenting their 5th Annual Report and Financial Statements for the year ended March 31, 2017.

1. FINANCIAL HIGHLIGHTS

Particulars	2016-2017 ₹	2015-16 ₹
Total Income	4,91,39,760	2,40,48,698
Profit / (Loss) before Tax	(27,82,968)	26,97,674
Less : Provision for Tax	(8,94,506)	12,90,168
Net Profit / (Loss) after Tax	(18,88,462)	14,07,506
Add: Balance brought forward from previous year	97,97,077	81,97,449
Less: Used for issuing bonus shares before November 30, 2016	(80,00,000)	-
Add: Effect of change in Depreciation for previous years	-	1,92,122
Balance to be carried forward	(91,385)	97,97,077

2. Acquisition by Larsen & Toubro Infotech Limited

On November 30, 2016, Larsen & Toubro Infotech Limited acquired 11,02,419 equity shares of face value of ₹ 10 each of the Company making the Company a wholly owned subsidiary of Larsen & Toubro Infotech Limited.

3. Proposed Amalgamation with Larsen & Toubro Infotech Limited

The Board of your Company in its meeting held on May 3, 2017, approved the Scheme of Amalgamation of the Company with Larsen & Toubro Infotech Limited ('Holding Company') under Sections 230-232 of the Companies Act, 2013. The appointed date for the proposed Scheme of Amalgamation is April 1, 2017.

4. Capital & Finance

During the year under review, the following allotments took place:

- The Board of Directors of your Company, in their meeting held on April 22, 2016, allotted shares pursuant to Bonus Issue in the proportion of 80 equity shares for every 1 existing equity share held. As a result of which, the Issued, Subscribed and Paid-up Share Capital increased to 8,10,000 equity shares of ₹ 10/- each.
- Further, the Board of Directors of your Company, in their meeting held on August 5, 2016, offered 3,00,000 equity shares of ₹ 10/- each to the existing shareholders on right basis in the ratio 30 equity shares for every 81 existing equity share held. Out of 3,00,000 equity shares offered 2,92,419 equity shares were allotted on August 27, 2016. Thereafter, the Issued, Subscribed and Paid-up Share Capital increased to 11,02,419 equity shares of ₹ 10/- each.

5. Capital Expenditure

As at March 31, 2017, the gross fixed and intangible assets, stood at ₹ 12,86,315 (previous year ₹ 23,91,571) and the net fixed and intangible assets, at ₹ 6,90,094 (previous year ₹ 19,43,083). Capital Expenditure during the year amounted to ₹ 2,49,119.

6. Deposits

The Company has not accepted deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Rules framed thereunder.

7. Subsidiary Companies

The Company does not have any subsidiary companies under its purview

8. Particulars of Loans given, Investments made, Guarantees given or Security provided by the Company

The Company has not given any loan, guarantees, security or made any investment for the Financial Year 2016-17 as specified under Section 186 of Companies Act, 2013.

DIRECTORS' REPORT (Contd.)

9. Particulars of Contracts or Arrangements with Related Parties

All the related party transactions for the Financial Year 2016-17 were in the ordinary course of business and at arm's length.

Statement containing details of all material transactions/contracts/arrangements is annexed as Annexure 1 to this report.

There are no materially significant related party transactions that may have conflict with the interest of the company.

10. State of Company Affairs

The gross sales and other income for the Financial Year under review were ₹ 4,91,39,760 as against ₹ 2,40,48,698 for the previous Financial Year registering an increase of 104%. The loss after tax including extraordinary and exceptional items was ₹ 18,88,462 for the Financial Year under review as against profit of ₹ 14,07,506 for the previous Financial Year.

11. Dividend

The Directors have not recommended dividend for the Financial Year 2016-17.

12. Material changes and commitments affecting the financial position of the Company, between the end of the Financial Year and the date of the report

There are no material changes that have taken place from the date of the Balance Sheet and the date of Directors Report other than mentioned in clause 3 of this Report.

13. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

- a. The operations of the Company are not energy intensive as the Company is not engaged in any manufacturing activity.
- b. There was no technology absorption during the Financial Year 2016-17.
- c. During the year, the Company had no foreign exchange earnings and outgo.

14. Details of Directors and Key Managerial Personnel appointed / resigned during the year

Ms. Shweta Mohan resigned as a Director w.e.f. November 30, 2016. The Board places on record the valuable contribution made by Ms. Shweta Mohan during her tenure as Director of the Company.

Mr. Aftab Zaid Ullah and Mr. Ashok Kumar Sonthalia were appointed as Non-Executive Directors of the Company, subject to the approval of the shareholders w.e.f. November 30, 2016.

Mr. Aftab Zaid Ullah and Mr. Ashok Kumar Sonthalia, appointed as Additional Directors, will hold office till the ensuing Annual General Meeting (AGM) and are eligible for appointment.

15. Number of Meetings of the Board Of Directors

The Meetings of the Board are held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings.

During the year under review 8 meetings were held on April 5, 2016, April 22, 2016, August 5, 2016, August 13, 2016, August 27, 2016, September 20, 2016, November 30, 2016 and January 20, 2017.

The Agenda of the Meeting is circulated to the Directors in advance. Minutes of the Meetings of the Board of Directors are circulated amongst the Members of the Board for their perusal.

16. Adequacy of Internal Financial Controls

The Company has designed and implemented a process driven framework for Internal Financial Controls ('IFC') within the meaning of the explanation to Section 134(5)(e) of the Companies Act, 2013. For the year ended March 31, 2017, the Board is of the opinion that the Company has sound IFC commensurate with the nature and size of its business operations and operating effectively and no material weaknesses exist. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and / or improved controls wherever the effect of such gaps would have a material effect on the Company's operations.

DIRECTORS' REPORT (Contd.)

17. Directors Responsibility Statement

The Board of Directors of the Company confirms:

- a) In the preparation of Annual Accounts, the applicable accounting standards have been followed and there have been no material departures;
- b) 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 or loss of the Company for that period;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors have prepared the Annual Accounts on a going concern basis;
- e) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

18. Auditors

During the year, Mr. Bhushan Murudkar, proprietor of M/s Bhushan P. Murudkar & Co. resigned from the office of Statutory Auditors.

The Board places on record its appreciation for the services rendered by Mr. Bhushan Murudkar, proprietor of M/s Bhushan P. Murudkar & Co. (ICAI Registration No. 131872W) as the Statutory Auditors of the Company.

The Auditors, M/s. Sharp & Tannan, (ICAI Registration No. 109982W) who were appointed in casual vacancy, hold office until the conclusion of the ensuing Annual General Meeting.

It is proposed to appoint M/s B.K. Khare & Co., (ICAI Registration No. 105102W) as Statutory Auditors for a period of five continuous years i.e. from the conclusion of the 5th Annual General Meeting till the conclusion of the 10th Annual General Meeting of the Company. Their appointment shall be ratified at every Annual General Meeting of the Company.

Certificate from the Auditors has been received to the effect that they are eligible to act as auditors of the Company under Section 141 of the Companies Act, 2013.

19. Extract of Annual Return

As per the provisions of Section 92(3) of the Companies Act, 2013, an extract of the Annual Return is attached as Annexure 2.

20. Details of Significant and Material Orders passed by the Regulators or Courts or Tribunals:

During the year under review, there were no material and significant orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

21. Statutory Disclosure

The Directors wish to state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

22. Acknowledgement

Your Directors take this opportunity to thank the customers, vendors, management of the Holding Company, Financial Institutions, Banks, Central and State Government authorities and all the various other stakeholders for their continued co-operation and support to the Company.

For and on behalf of the Board

Sachin Vyas
Director
(DIN: 06373215)

Ashok Kumar Sonthalia
Director
(DIN: 03259683)

Date: May 3, 2017

ANNEXURE- 1

Form AOC-2

Related Party Transaction Statement

Details of material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2017 are as follows:

S.N.	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	Amount (₹)
1	Larsen & Toubro Infotech Limited (Holding Company)	Purchase of Services	December 1, 2016- March 31, 2017	As per commercial terms in line with business practices and comparable with unrelated parties	2,21,97,750

For and on behalf of the Board

Sachin Vyas
Director
(DIN: 06373215)

Ashok Kumar Sonthalia
Director
(DIN: 03259683)

Date: May 3, 2017

ANNEXURE 2**Form No. MGT-9****EXTRACT OF ANNUAL RETURN**

as on the Financial Year ended on March 31, 2017

[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**

S.N.	Particulars	
1	CIN	U72200PN2012PTC145539
2	Registration Date	27 th November, 2012
3	Name of the Company	AugmentIQ Data Sciences Private Limited
4	Category/Sub-Category of the Company	Company limited by shares Indian Non-Government Company
5	Address of the Registered office and contact details	Godrej Eternia A, 5 th Floor, Mumbai Pune Road, Shivajinagar, Pune - 411 005. Tel. no: +9120 6641 6552
6	Whether listed Company	No
7	Name, Address and Contact details of Registrar and Transfer Agent, if any	N.A.

II) PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

S. N.	Name and Description of main products / services	NIC Code of the product/ service	% to total turnover of the Company
1	Software consultancy and related activities	620	100.00

III) PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. N.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Larsen & Toubro Infotech Limited Add: L&T House, N. M. Marg, Ballard Estate, Mumbai-400001	U72900MH1996PLC104693	Holding Company	100.00	2(46)

MGT-9**(iv) Share Holding Pattern (Equity Share Capital breakup as percentage to Total Equity)****i) Category wise shareholding**

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	-	10,000	10,000	100	-	-	-	-	(100)
b) Central Govt									
c) State Govt (s)									
d) Bodies Corp.	-	-	-	-	-	11,02,419	11,02,419	100	100
e) Banks / FI									
f) Any Other									
Sub-total (A)(1):-	-	10,000	10,000	100	-	11,02,419	11,02,419	100	-
(2) Foreign									
a) NRIs -Individuals									
b) Other – Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other									
Sub-total (A)(2):-									
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	-	10,000	10,000	100	-	11,02,419	11,02,419	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) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-

MGT-9

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 up to ₹ 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)	-	10,000	10,000	100	-	11,02,419	11,02,419	100	-

Notes:

- The total number of shares has increased due to issue of bonus shares in ratio of 80:1 in April 2016 and issue of shares on rights basis in August 2016.
- On November 30, 2016, Larsen & Toubro Infotech Limited acquired 11,02,419 equity shares of the Company, making the Company a wholly owned subsidiary of Larsen & Toubro Infotech Limited.

ii) Shareholding of Promoters

S. N.	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 ⁽¹⁾	% of Total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1	Shweta Mohan	5,000	50.00	-	-	-	-	(50)
2	Sachin Ramadhar Vyas	5,000	50.00	-	-	-	-	(50)
3	Larsen & Toubro Infotech Limited	-	-	-	11,02,419	100.00	0.00	100
	Total	10,000	100	0.00	11,02,419	100.00	0.00	-

Notes:

- The total number of shares has increased due to issue of bonus shares in ratio of 80:1 in April 2016 and issue of shares on rights basis in August 2016.
- On November 30, 2016, Larsen & Toubro Infotech Limited acquired 11,02,419 equity shares of the Company, making the Company a wholly owned subsidiary of Larsen & Toubro Infotech Limited.

MGT-9**iii) Change in Promoters' Shareholding:**

S. N.	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
1	Sachin Ramadhar Vyas				
	At the beginning of the year	5,000	50.00	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	April 5, 2016 - 4,999 (transfer of shares)	49.99	9,999	99.99
		April 22, 2016 - 7,99,920 (bonus shares allotted)	98.75	8,09,919	99.99
		November 30, 2016 (8,09,919) (sale of shares)	(73.47)	-	-
	At the end of the year	-	-	-	-
2	Shweta Mohan				
	At the beginning of the year	5,000	50.00	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	April 5, 2016 - (4,999) (transfer of shares)	50.00	1	0.00
		April 22, 2016 - 80 (bonus shares allotted)	0.01	81	0.01
		August 27, 2016 - 94,919 (rights shares allotted)	8.61	95,000	8.62
		November 30, 2016- (95,000) (sale of shares)	(8.62)	-	-
	At the end of the year	-	-	-	-
3	Larsen & Toubro Infotech Limited				
	At the beginning of the year	0	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	November 30, 2016 -11,02,419 (purchase of shares)	100.00	11,02,419	100.00
	At the end of the year	-	-	11,02,419	100.00

Note: On November 30, 2016, Larsen & Toubro Infotech Limited acquired 11,02,419 equity shares of the Company, making the Company a wholly owned subsidiary of Larsen & Toubro Infotech Limited.

MGT-9**iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

S. N.	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	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
	At the end of the year (or on the date of separation, if separated during the year)	NIL	NIL	NIL	NIL

v) Shareholding of Directors and Key Managerial Personnel:

S. N.	For each of the Directors and KMP	Date of Transaction	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Sachin Ramadhar Vyas	At the beginning of the year	5,000	50.00	-	-
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	April 5, 2016 (transfer of shares)	4,999	49.99	9,999	99.99
		April 22, 2016 (bonus shares allotted)	7,99,920	98.75	8,09,919	99.99
		November 30, 2016 (sale of shares)	(8,09,919)	73.47	-	-
		At the End of the year	0	-	-	-

Note: On November 30, 2016, Larsen & Toubro Infotech Limited acquired 11,02,419 equity shares of the Company, making the Company a wholly owned subsidiary of Larsen & Toubro Infotech Limited.

V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(Amount in ₹)

Particulars	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year:				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year:				
• Addition				
• Reduction				
Net Change	-	-	-	-
Indebtedness at the end of the financial year:				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	-	-	-	-

MGT-9**VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (DURING THE FINANCIAL YEAR 2016-17)****A. Remuneration to Managing Director (MD), Whole-time Directors (WTD) and/or Manager: Not Applicable**

S.N.	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) of the Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission: - as % of profit -others,	-	-
5	Others (please specify):	-	-
	1. Portion of Advisory fees charged by Holding Company	-	-
	2. Contribution to Provident Fund & Superannuation Fund	-	-
	Total (A)	-	-
	Overall Ceiling as per the Act	NIL	

B. Remuneration to other Directors:

(Amount in ₹)

S. N.	Particulars of Remuneration	Fee for attending board / committee Meetings	Commission	Others, please specify	Total Amount
1	Independent Directors				
	N.A.	-	-	-	-
	Total (1)				
2	Other Non-Executive Directors				
	Mr. Aftab Zaid Ullah ¹	-	-	-	-
	Mr. Ashok Kumar Sonthalia ¹	-	-	-	-
	Mr. Sachin Ramadhar Vyas ²	-	-	17,29,167	17,29,167
	Total (2)	-	-	17,29,167	17,29,167
	Total Managerial Remuneration	-	-	17,29,167	17,29,167
	Overall Ceiling as per the Act	NIL			

Notes:

- Mr. Ashok Kumar Sonthalia & Mr. Aftab Zaid Ullah were appointed as Directors w.e.f. November 30, 2016.
- Mr. Sachin Ramadhar Vyas was Key Managerial Personnel till November 30, 2016.

MGT-9**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD: Not Applicable**

S. N.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	CFO	CS	
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) of the Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the 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:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2017.

INDEPENDENT AUDITOR'S REPORT

To the Members of AugmentIQ Data Sciences Private Limited

Report on the standalone Indian Accounting Standards (Ind AS) financial statements

We have audited the accompanying standalone Ind AS financial statements of AugmentIQ Data Sciences Private Ltd ('the Company'), which comprise the balance sheet as at 31 March 2017, the statement of profit and loss (including other comprehensive income), the cash flow statement and the statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as 'standalone Ind AS financial statements').

Management's responsibility for the standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS prescribed under section 133 of the Act read with relevant rules issued thereunder.

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 standalone 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 standalone 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 provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone 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 standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 including the Ind AS, of the financial position of the Company as at 31 March 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matters

The comparative financial information of the Company for the year ended 31 March 2016 and the transition date opening balance sheet as at 1 April 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies Accounting Standards' Rules, 2006 audited by the predecessor auditor whose report for the year ended 31 March 2016 and 31 March 2015 dated 13 August 2016 and 25 September 2015 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of these matters.

INDEPENDENT AUDITOR'S REPORT (Contd.)

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 in terms of section 143(11) of the Act, we give in 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 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, 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 Indian Accounting Standards prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Indian Accounting Standards) Rules, 2015 (as amended);
 - e) On the basis of the written representations received from the directors as on 31 March 2017 taken on record by the board of directors, none of the directors is disqualified as on 31 March 2017 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 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- refer note 31 to the standalone Ind AS financial statements;
 - ii. The Company did not have any long term contracts including derivative contracts, for which there were any material foreseeable losses - refer note 30 to the standalone Ind AS financial statements;
 - iii. There were no amount which were required to be transferred to the Investor Education and Protection Fund by the Company - refer note 34 to the standalone Ind AS financial statements; and
 - iv. The Company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 and are in accordance with the books of accounts maintained by the Company - refer note 25 to the standalone Ind AS financial statements.

For Sharp & Tannan
Chartered Accountants
Firm's registration No.109982W

Firdosh D. Buchia
Partner
Membership no. 38332

Mumbai, 3 May 2017

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on other legal and regulatory requirements' section of our report of even date)

- (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; and
- (c) The Company has no immovable properties.
- (ii) The Company is a service company, primarily rendering software services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraphs 3(iii) (a), (b) and (c) 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 neither given loan to directors or investment made by the company. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.
- (v) In our opinion and according to information and explanation given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India under the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) According to the information and explanations given to us, the central government has not prescribed the maintenance of cost records under section 148(1) of the Act for any of the services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us the Company did not have any dues on account of sales tax, duty of customs, duty of excise, employees's state insurance and value added tax.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, service tax, cess and other material statutory and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no dues of income tax, value added tax, sales tax, service tax, duty of excise and duty of custom that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company does 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 to the Company.
- (ix) The Company has neither raised money by sale of initial public offer or further public offer (including debt instruments) nor by way of term loans and, accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
- (x) According to the information and explanations given to us, there were no material frauds by the Company or on the Company by its officers or employees that have been noticed or reported during the year.
- (xi) According to the records of the Company examined by us and the information and explanations given to us, the Company has not paid any managerial remuneration during the year and accordingly paragraph 3(xi) of the Order is not applicable.
- (xii) In our opinion and according to the information and explanation given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

- (xiii) According to the information and explanation given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 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 explanation given 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 partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanation 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 to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Sharp & Tannan
Chartered Accountants
Firm's registration No.109982W

Firdosh D. Buchia
Partner
Membership no. 38332

Mumbai, 3 May 2017

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) of our report of even date)

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 AugmentIQ Data Sciences Private Ltd ('the Company') as of 31 March 2017 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 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 ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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, 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 2017, 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 Sharp & Tannan
Chartered Accountants
Firm's registration No.109982W

Firdosh D. Buchia
Partner
Membership no. 38332

Mumbai, 3 May 2017

BALANCE SHEET AS AT MARCH 31, 2017

(All amounts in Indian Rupees, unless otherwise stated)

	Note No.	As at 31-03-2017 INR	As at 31-03-2016 INR	As at 01-04-2015 INR
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	3	6,13,093	18,54,895	16,73,525
(b) Capital work-in-progress	3	-	-	-
(c) Goodwill				
(d) Other Intangible assets	3	77,001	88,188	25,515
(e) Intangible assets under development	3	-	-	-
(f) Financial Assets				
(i) Other Financial Assets	4	-	4,50,000	50,000
(ii) Trade Receivable		-	-	-
(g) Deferred Tax Assets(Net)	5	8,02,425	-	-
(h) Tax Assets	6	41,32,240	-	8,257
(i) Other non-current assets	7	-	72,44,555	20,34,848
Total Non-Current Assets		56,24,759	96,37,638	37,92,145
Current assets				
(a) Financial Assets				
(i) Trade receivable	8	1,56,79,648	1,74,60,309	51,42,539
(ii) Unbilled Revenue		70,44,573	12,50,000	-
(iii) Cash and Cash Equivalents	9	2,17,34,354	41,68,536	79,40,876
(c) Other current assets	10	1,27,967	6,80,229	82,109
Total Current Assets		4,45,86,542	2,35,59,074	1,31,65,524
TOTAL ASSETS		5,02,11,301	3,31,96,712	1,69,57,669
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	11	1,10,24,190	1,00,000	1,00,000
(b) Other Equity				
(i) Retained Earnings	12	(91,385)	97,97,077	81,97,449
Total Equity		1,09,32,805	98,97,077	82,97,449
Liabilities				
Non-current liabilities				
(a) Financial Liabilities				
(b) Other non current liabilities		-	-	-
(c) Deferred tax liabilities (net)	13	-	92,081	-
(d) Provisions		-	-	-
Total Non-Current Liabilities		-	92,081	-
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	14	-	5,73,196	7,01,380
(ii) Trade Payables	15	3,67,84,555	1,35,29,808	38,11,478
(b) Other Current Liabilities				
(c) Provisions				
(d) Current Tax Liabilities (Net)	16	24,93,941	91,04,550	41,47,362
Total Current Liabilities		3,92,78,496	2,32,07,554	86,60,220
TOTAL EQUITY AND LIABILITIES		5,02,11,301	3,31,96,712	1,69,57,669

As per our report attached
SHARP & TANNAN
Chartered Accountants
Firm's Registration No. 109982W
by the hand of

Firdosh D. Buchia
Partner
Membership No: 38332
Mumbai
May 03, 2017

Sachin Vyas
Director
DIN : 06373215

Ashok Kumar Sonthalia
Director
DIN : 03259683

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2017

(All amounts in Indian Rupees, unless otherwise stated)

	Note No.	April 16 - March 17 INR	April 15 - March 16 INR
Total Income:			
Revenue from Operations	17	4,91,39,760	2,40,48,698
		4,91,39,760	2,40,48,698
Expenses:			
Employee Benefit Expense	18	2,18,89,609	1,30,49,617
Operating expenses	19	2,15,47,343	14,02,025
Sales, administration and other expenses	20	81,25,863	62,85,667
Finance costs	21	9,216	65,376
Depreciation on tangible assets	3	3,39,510	5,37,149
Amortisation of intangible assets	3	11,187	11,190
Total Expenses		5,19,22,728	2,13,51,024
Profit before exceptional items & tax		(27,82,968)	26,97,674
Exceptional items		-	-
Profit after extraordinary items and before tax		(27,82,968)	26,97,674
Tax expense			
Current tax (net)	22		11,98,087
Deferred tax	23	(8,94,506)	92,081
		(8,94,506)	12,90,168
Profit from continuing operations after tax		(18,88,462)	14,07,506
Profit from discontinued operations before tax			
Tax expense for discontinuing operations		-	-
Current tax		-	-
Profit from discontinued operations after tax		-	-
NET PROFIT FOR THE YEAR		(18,88,462)	14,07,506
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(18,88,462)	14,07,506
Basic EPS	32	(1.96)	140.75
Diluted EPS	32	(1.96)	140.75

As per our report attached
SHARP & TANNAN
Chartered Accountants
Firm's Registration No. 109982W
by the hand of

Firdosh D. Buchia
Partner
Membership No: 38332
Mumbai
May 03, 2017

Sachin Vyas
Director
DIN : 06373215

Ashok Kumar Sonthalia
Director
DIN : 03259683

CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2017*(All amounts in Indian Rupees, unless otherwise stated)*

	April 16 - March 17	April 15 - March 16
	INR	INR
Cash flow from operating activities		
Profit after tax	(18,88,462)	14,07,506
Adjustments for:		
Depreciation and amortisation	3,50,697	5,48,339
Interest received	(7,282)	
Interest Paid	9,216	65,376
Taxes paid	-	12,90,168
Operating profit before working capital changes	(15,35,831)	33,11,389
Changes in working capital		
(Increase)/decrease in trade receivables and unbilled revenue	(40,13,912)	(1,35,67,770)
(Increase)/decrease in other receivables & assets	33,12,152	(9,90,563)
Increase/(decrease) in trade & other payables	1,65,52,057	1,37,02,573
(Increase)/decrease in working capital	1,58,50,297	(8,55,760)
Cash generated from operations	1,43,14,466	24,55,629
Advance taxes	-	(51,78,179)
Net cash from operating activities	1,43,14,466	(27,22,550)
Cash flow from investing activities		
Purchase of fixed assets	(2,73,475)	(5,14,347)
Sale of fixed assets	11,75,767	
(Purchase)/sale of current investments	-	
Interest received	7,282	-
Net cash used in investing activities	9,09,574	(5,14,347)
Cash flow from financing activities		
Share capital issued (including premium)	29,24,190	
Proceeds from issue of share capital		
Proceeds from/(repayment) of borrowings	(5,73,196)	(4,70,067)
Interest paid	(9,216)	(65,376)
Net cash from financing activities	23,41,778	(5,35,443)
Net increase in cash and cash equivalents	1,75,65,818	(37,72,340)
Cash and cash equivalents at 31 March 2016	41,68,536	79,40,876
Cash and cash equivalents at 31 March 2017	2,17,34,354	41,68,536

Notes: There were no significant reconciliation items between cash flows prepared under iGAAP and those prepared under IndAS

As per our report attached
SHARP & TANNAN
Chartered Accountants
Firm's Registration No. 109982W
by the hand of

Firdosh D. Buchia
Partner
Membership No: 38332
Mumbai
May 03, 2017

Sachin Vyas
Director
DIN : 06373215

Ashok Kumar Sonthalia
Director
DIN : 03259683

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED ON MARCH 31, 2016

Particulars	Share Capital	General Reserve	Retained Earnings	Capital Reserve	Total Equity
Balance as on April 1, 2015	1,00,000		81,97,449		82,97,449
Changes in equity for the year ended on March 31,2016					
Net Profit for the year			14,07,506		14,07,506
Other Comprehensive Income					-
Dividends (Including DDT)					-
Other changes			1,92,122		1,92,122
Balance as on March 31, 2016	1,00,000	-	97,97,077	-	98,97,077

As per our report attached
SHARP & TANNAN
Chartered Accountants
Firm's Registration No. 109982W
by the hand of

Firdosh D. Buchia
Partner
Membership No: 38332
Mumbai
May 03, 2017

Sachin Vyas
Director
DIN : 06373215

Ashok Kumar Sonthalia
Director
DIN : 03259683

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED ON MARCH 31, 2016

Particulars	Share Capital	General Reserve	Retained Earnings	Capital Reserve	Total Equity
Balance as on April 1, 2016	100,000		97,97,077		98,97,077
Changes in equity for the period ended on March 31,2017	1,09,24,190				1,09,24,190
Employee Stock Compensation Expense					(0)
On account of amalgamation					-
Net Profit for the year			(18,88,462)		(18,88,462)
Other Comprehensive Income					(0)
Dividends (Including DDT)					(0)
Other changes/ Trf to general reserve.			(80,00,000)		(80,00,000)
Balance as on March 31, 2017	1,10,24,190	-	(91,385)	-	1,09,32,805

As per our report attached
SHARP & TANNAN
Chartered Accountants
Firm's Registration No. 109982W
by the hand of

Firdosh D. Buchia
Partner
Membership No: 38332
Mumbai
May 03, 2017

Sachin Vyas
Director
DIN : 06373215

Ashok Kumar Sonthalia
Director
DIN : 03259683

NOTES FORMING PART OF ACCOUNTS

1. Company Overview

AugmentIQ Data Sciences Private Limited is a software development company, wholly owned by Larsen & Toubro Infotech Limited having its registered office at Godrej Eternia A, 5th Floor, Mumbai Pune road, Shivajinagar, Pune – 411 005.

2. Significant accounting policies

a. Basis of Preparation

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. Further the guidance notes or announcements issued by the Institute of Chartered Accountants of India (ICAI) are also considered wherever applicable.

Preparation of financial statements in conformity with Accounting Standards requires management of the Company to make estimates and assumptions that affect the income and expense reported for the period and assets, liabilities and disclosures reported as of the date of the financial statements. Examples of such estimates include useful lives of tangible and intangible assets, provision for doubtful debts, future obligations in respect of retirement benefit plans, etc. Actual results could vary from these estimates.

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies Act, 2013, read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards Amendment) Rules 2016.

The Company has prepared its first Ind AS compliant financial statements as on 1 April 2015 (the date of transition). Refer note 3 “First-time adoption of Ind AS” for an explanation of impact of transition from Generally Accepted Accounting Principles in India (iGAAP) to Ind AS on the Company’s financial statements.

b. Presentation of financial statements

The statement of financial position and the statement of Profit and Loss are prepared and presented in the format prescribed in Schedule III to the Companies Act, 2013. The cash flow statement has been prepared and presented as per the requirements of Ind AS 7 “Cash Flow Statements”. The disclosure requirements with respect to items in the balance sheet and statement of profit and loss, as prescribed in Schedule III to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Accounting Standards.

c. Property, plant and equipment

Property plant and equipment are stated at cost, less accumulated depreciation. The cost comprises the purchase price and any attributable costs of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Capital work-in-progress includes cost of fixed assets that are not ready to be put to use.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

Gains or losses arising from disposal of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is disposed.

d. Intangible assets

Assets like customer relationship, computer software, and internally developed software are stated at cost less accumulated depreciation, amortisation and impairment.

e. Depreciation

Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets. Accordingly, depreciation on tangible and intangible fixed assets is provided on straight line method at estimated useful life.

f. Impairment of assets

As at each balance sheet date, assets are tested for impairment so as to determine, the provision for impairment loss, if any, and the reversal of impairment loss recognised in previous periods, if any.

An impairment loss, if any, 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 of disposal and value in use.

NOTES FORMING PART OF ACCOUNTS (Contd.)

g. Investments

Investments which are readily realizable 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.

Current investments are carried at lower of cost and fair value, determined on category of investment basis. Long-term investments presented as non-current investments are carried at cost.

h. Current and Non-current classification

An asset or a liability is classified as current when it satisfies any of the following criteria:

- i. it is expected to be realized/settled, or is intended for sale or consumption, in the Company's normal operating cycle; or
- ii. it is held primarily for the purpose of being traded; or
- iii. it is expected to be realized/due to be settled within twelve months after the reporting date; or
- iv. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date; or
- v. the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

i. Income tax

1) Current tax

The current income tax charge is calculated on the basis of taxable income and tax credits computed in accordance with the provisions of the Income-tax Act 1961, any amendments / rules that have been enacted by the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2) Deferred tax

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. Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is computed in accordance with the provisions of the Income-tax Act 1961, and any amendments / rules that have been enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

3) Current and deferred tax for the year

Current and deferred tax is recognised in profit or loss, 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.

j. Leases

Operating Lease:

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

NOTES FORMING PART OF ACCOUNTS (Contd.)

k. Financial instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial assets

Initial recognition and measurement

The Company classifies its investments and financial assets in the following measurement categories:

- those to be measured at cost (investment in subsidiaries)
- those to be measured subsequently at fair value through other comprehensive income, and
- those to be measured subsequently at fair value through profit and loss

In the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset are added to the fair value of those financial assets.

Subsequent measurement

- Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.
- Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

b) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities on the basis of the operating cycle of the Company.

Subsequent measurement

Fair value through profit or loss (FVTPL): Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. All changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

l. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, balances with banks and fixed deposits having maturity less than one year.

m. Revenue Recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Revenue from time and material engagements is recognized on time basis in accordance with the terms of the contracts with customers.

Revenue from services performed on fixed-price basis is recognized over the life of contract using the proportionate completion method.

Revenue from sale of products and licenses is recognized upon delivery when all risks and rewards are transferred.

Unbilled revenue represents value of services performed in accordance with the contract terms but not billed.

NOTES FORMING PART OF ACCOUNTS (Contd.)**n. Other income**

- I) Interest income is accrued at applicable interest rate.
- II) Dividend income is accounted in the period in which the right to receive the same is established.
- III) Other items of income are accounted as and when the right to receive arises.

o. Employee benefits**Short term employee benefits**

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits. The benefits like salaries, wages, and short term compensated absences and performance incentives are recognized in the period in which the employee renders the related service.

After Acquisition, all employees are transferred to Larsen & Toubro Infotech Limited, and no further costs are booked in company's books of accounts.

p. Provisions, contingent liabilities and contingent assets

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if

- I) the Company has a present obligation as a result of a past event;
- II) a probable outflow of resources is expected to settle the obligation; and
- III) the amount of the obligation can be reliably estimated

Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of,

- I) a present obligation arising from a past event when it is not probable that an outflow of resources will be required to settle the obligation; or
- II) a possible obligation unless the probability of outflow of resources is remote.

Contingent assets are neither recognised nor disclosed.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

q. Segment accounting

Operating segments are defined as components of an enterprise for which discrete financial information is used regularly by the Company's Chief Operating Decision Maker in deciding how to allocate resources and assessing performance.

- I) Segment revenue is the revenue directly identifiable with or allocable to the segment.
- II) Expenses that are directly identifiable with or allocable to segments are considered for determining the segment result. Expenses which relate to the Company as a whole and not identifiable with or allocable to segments are included under "unallocable expenses".
- III) Other income which relates to the Company as a whole and not identifiable with or allocable to segments is included in "unallocable income".
- IV) Assets and liabilities used in the Company's business are not identified to any of the reportable segment as these are used interchangeably.

r. Cash flow statement

Cash flow statement is prepared segregating the cash flows from operating, investing and financing activities. Cash flow is reported using indirect method as per the requirements of Ind AS 7 ("Cash flow statements").

NOTES FORMING PART OF ACCOUNTS (Contd.)**SCHEDULE 3 - FIXED ASSETS - AS OF 01 APRIL 2015**

Fixed and intangible assets	Gross block	Depreciation / Amortisation	Net Block
	As at 1-Apr-15	As at 1-Apr-15	As at 1-Apr-15
Tangible assets			
Leasehold Land			
Buildings			
Leasehold Improvements			
Plant and machinery			
Computers			
a. Owned	1,22,245	-	1,22,245
b. Leased			
Office Equipments	1,02,283		1,02,283
Furniture and fixtures	94,622		94,622
Vehicles	13,54,375		13,54,375
Capital Work in Progress			
Total Of Tangible Assets	16,73,525	-	16,73,525
Schedule E2 - Intangible Assets			
Goodwill on acquisition			
Goodwill on consolidation			
Software	1,17,787	92,272	25,515
Customer contracts			
Business Rights			
Capital Work in Progress - Internally Captitalised Softwares			
Total of intangible Assets	1,17,787	92,272	25,515

NOTES FORMING PART OF ACCOUNTS (Contd.)**SCHEDULE 3 - FIXED ASSETS - AS OF 31 MARCH 2016**

Fixed and Intangible Assets	Gross Block			Depreciation/Amortisation						Net Block	
	As at 1-Apr-15	Additions	Deductions	As at 31-Mar-16	As at 31-Mar-16	For the year	On Deductions	Adjustment to retained earnings	As at 31-Mar-16	As at 31-Mar-16	
Schedule E1 - Tangible Assets - Own											
Leasehold Land											
Buildings											
Leasehold Improvements											
Plant and machinery											
Computers											
a. Owned	1,22,245	5,93,277		7,15,522		3,44,442		1,08,021	2,36,421	4,79,101	
b. Leased											
Office Equipments	1,02,283	6,982		1,09,265		8,039		8,039	-	1,09,265	
Furniture and fixtures	94,622			94,622		10,699		2,200	8,499	86,123	
Vehicles	13,54,375			13,54,375		1,73,969		-	1,73,969	11,80,406	
Capital Work in Progress											
Total Of Tangible Assets	16,73,525	6,00,259	-	22,73,784	-	5,37,149	-	1,18,260	4,18,889	18,54,895	
Schedule E2 - Intangible Assets											
Goodwill on acquisition											
Goodwill on consolidation											
Software	1,17,787	-	-	1,17,787	92,272	11,190		73,863	29,599	88,188	
Customer contracts											
Business Rights											
Capital Work in Progress - Internally Capitalised Softwares											
Total of intangible Assets	1,17,787	-	-	1,17,787	92,272	11,190	-	73,863	29,599	88,188	
Total Of Intangible Assets (Previous Year)											
TOTAL	17,91,312	6,00,259	-	23,91,571	92,272	5,48,339	-	1,92,123	4,48,488	19,43,083	

NOTES FORMING PART OF ACCOUNTS (Contd.)**SCHEDULE 3 - FIXED ASSETS - AS OF 31 MARCH 2017**

Fixed and Intangible Assets	Gross Block			Depreciation/Amortisation					Net Block	
	As at 1-Apr-16	Additions	Deductions	As at 31-Mar-17	As at 1-Apr-16	For the year	On Deductions	As at 31-Mar-17	As at 31-Mar-17	
Schedule E1 - Tangible Assets - Own										
Leasehold Land										
Buildings										
Leasehold Improvements										
Plant and machinery										
Computers										
a. Owned	7,15,522	2,36,519		9,52,041	2,36,421	2,91,774		5,28,195	4,23,846	
b. Leased										
Office Equipments	1,09,265	12,600		1,21,865	-	8,040		8,040	1,13,825	
Furniture and fixtures	94,622			94,622	8,499	10,701		19,200	75,422	
Vehicles	13,54,375		13,54,375	-	1,73,969	28,995	2,02,964	-	-	
Capital Work in Progress									-	
Total Of Tangible Assets	22,73,784	2,49,119	13,54,375	11,68,528	4,18,889	3,39,510	2,02,964	5,55,435	6,13,093	
Schedule E2 - Intangible Assets										
Goodwill on acquisition										
Goodwill on consolidation										
Software	1,17,787	-	-	1,17,787	29,599	11,187	-	40,786	77,001	
Customer contracts										
Business Rights										
Capital Work in Progress - Internally Capitalised Softwares										
Total of intangible Assets	1,17,787	-	-	1,17,787	29,599	11,187	-	40,786	77,001	
Total Of Intangible Assets (Previous Year)										
TOTAL	23,91,571	2,49,119	13,54,375	12,86,315	4,48,488	3,50,697	2,02,964	5,96,221	6,90,094	

NOTES FORMING PART OF ACCOUNTS (Contd.)**4 Other Financial Assets**

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Forward Contract Receivable (NC)	-	-	-
Security Deposits	-	4,50,000	50,000
	<u>-</u>	<u>4,50,000</u>	<u>50,000</u>

5 Deferred tax Asset

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Deferred tax Asset	8,02,425	-	-
	<u>8,02,425</u>	<u>-</u>	<u>-</u>

6 Tax Assets

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Advance tax (net off provision)	41,32,240	-	8,257
MVAT Payable			
	<u>41,32,240</u>	<u>-</u>	<u>8,257</u>

7 Other Non Current assets

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Considered good			
MAT Credit	-		
Advances towards equity commitment			
Capital advances			
Prepaid Rent	-		
Other Prepaid Expenses			
Advance recoverable in cash or kind including Indirect tax recoverable	-	72,44,555	20,34,848
Total	<u>-</u>	<u>72,44,555</u>	<u>20,34,848</u>

NOTES FORMING PART OF ACCOUNTS (Contd.)**8 Trade receivables**

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Considered Doubtful			
Less : Allowance for bad & doubtful debts			
Unsecured Considered good			
-Due from holding company	-		
- Due from subsidiaries	-		
- Due from fellow subsidiaries	-		
- Others	1,56,79,648	1,74,60,309	51,42,539
(-) Provision for doubtful debts			
	1,56,79,648	1,74,60,309	51,42,539
Debts which are not Due			
	1,56,79,648	1,74,60,309	51,42,539

9 Cash & Cash Equivalent

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Cash on hand	-	905	
Balances with Bank			
- in current accounts			
Overseas	-		
Domestic			
- in Deposit accounts	2,17,34,354	41,67,631	79,40,876
Remittances in transit	-		
Total	2,17,34,354	41,68,536	79,40,876

10 Other Current Assets

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Advances recoverable in cash or in kind	1,27,967	6,80,229	82,109
-Considered Doubtful			
Less : Allowance for bad & doubtful debts			
Advances to vendors	-		
Prepaid Expenses	-		
Total	1,27,967	6,80,229	82,109

NOTES FORMING PART OF ACCOUNTS (Contd.)**11 Equity****a Equity Share Capital**

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Authorised :			
20,00,000 Equity shares at ₹ 10 each	2,00,00,000		
10,000 Equity shares at ₹ 10 each		1,00,000	1,00,000
	2,00,00,000	1,00,000	1,00,000
Issued, paid up and subscribed			
11,02,419 Equity shares at ₹ 10 each	1,10,24,190		
10,000 Equity shares at ₹ 10 each		1,00,000	1,00,000
	1,10,24,190	1,00,000	1,00,000

b Terms/Rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

c Shareholders holding more than 5% of equity shares as at the end of the year:

Name of shareholder	Number of shares	Shareholding %
	As at 31-03-2017	
Larsen & Toubro Infotech Limited	11,02,419	100
	As at 31-03-2016	
Sachin Vyas	5,000	50
Shweta Mohan	5,000	50
	As at 01-04-2015	
Sachin Vyas	5,000	50
Shweta Mohan	5,000	50

d Reconciliation of the number of equity shares and share capital

Due to issue of Bonus shares and equity shares there was a movement in the share capital for the year ended 31 March 2017 as given below:

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Issued, subscribed and fully paid up equity shares outstanding at the beginning	10,000	10,000	10,000
Add: Shares Bonus shares issued	8,00,000	-	-
Add: Equity shares issued	2,92,419	-	-
	11,02,419	10,000	10,000

NOTES FORMING PART OF ACCOUNTS (Contd.)**12 Other Equity**

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Retained Earnings			
Profit and loss account			
Opening balance	97,97,077	81,97,449	2,98,346
Add: profit and (loss) Before amalgamation	(34,64,849)	14,07,506	78,99,103
Add: transfer due to amalgamation			
Add: Profit after amalgamation	15,76,387	-	
Add: Other Comprehensive Income	-	-	
Less: Used for issuing bonus shares before 30 November 2016	80,00,000		
Add: Effect of change in Depreciation for Previous years			
Add : Deferred tax charged against retained earnings	-	1,92,122	
	<u>(91,385)</u>	<u>97,97,077</u>	<u>81,97,449</u>
Less: Appropriation			
(a) General reserve	-		
(b) Interim dividend	-		
(c) Tax on dividend	-		
Balance to be carried forward	<u><u>(91,385)</u></u>	<u><u>97,97,077</u></u>	<u><u>81,97,449</u></u>

13 Deferred tax liabilities

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Deferred Tax Liability	-	92,081	-
Total	<u>-</u>	<u>92,081</u>	<u>-</u>

14 Current Borrowings

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Financial Liabilities			
Secured loans			
Car loan	-	5,73,196	7,01,380
Unsecured Loans			
Other loans			
Total	<u>-</u>	<u>5,73,196</u>	<u>7,01,380</u>

NOTES FORMING PART OF ACCOUNTS (Contd.)**15 Trade Payable**

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Due to holding	2,23,25,418		
Due to subsidiaries			
Due to fellow subsidiaries			
Due to others	39,79,499	63,59,094	20,92,631
Accrued Expenses	1,04,79,638	71,70,714	17,18,847
Total	3,67,84,555	1,35,29,808	38,11,478

16 Tax Liabilities

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Current Tax liabilities	24,93,941	91,04,550	41,47,362
	24,93,941	91,04,550	41,47,362

17 Revenue from Operations

	April 2016 - March 2017	April 2015 - March 2016
Sale of products		
Sale of Services	4,91,39,760	2,40,48,698
Total	4,91,39,760	2,40,48,698

18 Employee Benefit Expense

	April 2016- March 2017 INR	April 2015- March 2016 INR
Salaries including overseas staff expenses	2,11,12,626	1,29,35,113
Share based payments to employees		
Staff welfare	7,76,983	1,14,504
Contribution to provident and other funds		
Contribution to superannuation fund		-
Contribution to gratuity fund		-
Contribution to SSA & other funds		-
Total	2,18,89,609	1,30,49,617

19 Operating expenses

	April 2016- March 2017	April 2015- March 2016
Communication expenses	-	-
Consultancy charges	2,23,08,740	-
Cost of equipment, hardware and software packages	-	-
Warranty expenses	(7,61,397)	14,02,025
Total	2,15,47,343	14,02,025

NOTES FORMING PART OF ACCOUNTS (Contd.)**20 Sales, administration and other expenses**

	April 2016 - March 2017	April 2015 - March 2016
Travelling and conveyance	2,64,839	5,74,328
Rent and establishment expenses	7,34,090	7,73,286
Telephone charges and postage	11,87,603	9,51,094
Legal and professional charges *	48,50,351	32,17,039
Printing and stationery		
Advertisement		1,58,660
Entertainment		
Recruitment expenses		
Repairs to building		
Repairs to computers		
General repairs and maintenance	1,86,154	1,37,646
Power and fuel	2,36,366	1,28,090
Equipment hire charges		
Insurance charges	42,096	
Rates and taxes	4,98,080	1,86,075
Advances written off		62,022
Bad debts		
Less : Provision written back		
Commission paid		
Office Expenses	1,16,396	93,467
Directors fees		
Commission to director		
Loss on sale of fixed assets		
Miscellaneous expenses	9,889	3,960
Total	81,25,863	62,85,667
* Includes Auditor's remuneration		
Audit fees	1,10,000	25,000
Tax audit fees	30,000	20,000
Other services	25,000	
	1,65,000	45,000

NOTES FORMING PART OF ACCOUNTS (Contd.)**21 Finance cost**

	April 2016 - March 2017	April 2015 - March 2016
Fixed loans		
On others	9,216	65,376
Lease finance charges		
	9,216	65,376

22 Provision for Taxation

Current Tax	-	11,98,087
MAT credit entitlement for current year	-	-
Provision for earlier year/excess provision for earlier year written back	-	-
	-	-
Total	-	11,98,087

23 Deferred tax expense

Deferred tax expense	(8,94,506)	92,081
	(8,94,506)	92,081

NOTES FORMING PART OF ACCOUNTS (Contd.)**24. First time adoption of Ind AS**

Reconciliation between iGAAP and Ind As is as follows:

Balance sheet as at April 1, 2015:

Particulars	As per IGAAP As at 01-4-2015	Ind AS adjustments	As per Ind AS As at 01-4-2015
ASSETS:			
Non-current Assets			
Property, Plant and Equipment	16,76,525	-	16,76,525
Other Intangible assets	25,515	-	25,515
Financial Assets			
Investments			
Loans			
Other Financial assets	50,000	-	50,000
Tax Assets	8,257	-	8,257
Other Non-current assets	20,34,848	-	20,34,848
TOTAL NON-CURRENT ASSETS	37,92,145	-	37,92,145
Current Assets			
Financial Assets			
Current Investments			
Trade Receivables	51,42,539	-	51,42,539
Cash and cash equivalents	79,40,876	-	79,40,876
Short-term Loans			
Other Current assets	82,109	-	82,109
TOTAL CURRENT ASSETS	1,31,65,524	-	1,31,65,524
TOTAL ASSETS	1,69,57,669	-	1,69,57,669
EQUITY AND LIABILITIES			
Total Equity			
Equity Share Capital	100,000	-	1,00,000
Retained earnings	81,97,449	-	81,97,449
TOTAL EQUITY	82,97,449	-	82,97,449
Borrowings	701,380	-	7,01,380
Trade payables	38,11,478	-	38,11,478
Current tax liabilities	41,47,362	-	41,47,362
TOTAL CURRENT LIABILITIES	86,60,220	-	86,60,220
TOTAL EQUITY AND LIABILITIES	1,69,57,669	-	1,69,57,669

NOTES FORMING PART OF ACCOUNTS (Contd.)

Balance sheet as at March 31, 2016:

Particulars	As per IGAAP As at 01-4-2015	Ind AS adjustments	As per Ind AS As at 01-4-2015
ASSETS:			
Non-current Assets			
Property, Plant and Equipment	18,54,895	-	18,54,895
Other Intangible assets	88,188	-	88,188
Financial Assets			
Investments			
Loans			
Other Financial assets	450,000	-	4,50,000
Tax Assets	-	-	-
Other Non-current assets	72,44,555	-	72,44,555
TOTAL NON-CURRENT ASSETS	96,37,638	-	96,37,638
Current Assets			
Financial Assets			
Current Investments	-	-	-
Trade Receivables	1,74,60,309	-	1,74,60,309
Unbilled revenue	12,50,000		12,50,000
Cash and cash equivalents	41,68,536	-	41,68,536
Other Current assets	680,229	-	6,80,229
TOTAL CURRENT ASSETS	2,35,59,074	-	2,35,59,074
TOTAL ASSETS	3,31,96,712	-	3,31,96,712
EQUITY AND LIABILITIES			
Total Equity			
Equity Share Capital	1,00,000	-	1,00,000
Retained earnings	97,97,077	-	97,97,077
TOTAL EQUITY	98,97,077	-	98,97,077
Deferred tax liabilities (net)	92,081	-	92,081
Borrowings	573,196	-	5,73,196
Trade payables	1,35,29,808	-	1,35,29,808
Current tax liabilities	91,04,550	-	91,04,550
TOTAL CURRENT LIABILITIES	2,32,07,554	-	2,32,07,554
TOTAL EQUITY AND LIABILITIES	3,31,96,712	-	3,31,96,712

NOTES FORMING PART OF ACCOUNTS (Contd.)**Statement of Profit and loss for the year ended March 31, 2016:**

Particulars	As per IGAAP 2015-16	Ind AS adjustments	As per Ind AS 2015-16
REVENUE:			
Revenue from operations	2,40,48,698	-	2,40,48,698
Other income	-	-	-
TOTAL REVENUE	2,40,48,698	-	2,40,48,698
EXPENSES:			
Employee Benefit Expense	1,30,49,617	-	1,30,49,617
Operating expenses	14,02,025	-	14,02,025
Sales, administration and other expenses	62,85,667	-	62,85,667
Finance costs	65,376	-	65,376
Depreciation on tangible assets	5,37,149	-	5,37,149
Amortisation of intangible assets	11,190	-	11,190
TOTAL EXPENSES	2,13,51,024	-	2,13,51,024
Profit before tax	26,97,674	-	26,97,674
Current tax	11,98,087	-	11,98,087
Deferred tax	92,081	-	92,081
PROFIT AFTER TAX	12,90,168	-	12,90,168

Total comprehensive income reconciliation

Particulars	2015-16
Net Profit under iGAAP	14,07,506
Net Profit for the period under Ind AS	14,07,506
Other comprehensive Income	-
Total comprehensive income for the period under Ind AS	14,07,506

25. Disclosure of Specified bank notes (SBN)

Particulars	SBN	Other denomination notes	Amount
Closing balance as on 8 November 2016	-	-	-
Add: permitted receipts from 9 November 2016 to 30 December 2016	-	-	-
Less: permitted payments from 9 November 2016 to 30 December 2016	-	-	-
Less: Amounts deposited in banks	-	-	-
Closing balance as on 30 December 2016	-	-	-

NOTES FORMING PART OF ACCOUNTS (Contd.)**26. Dues to micro enterprises and small enterprises:**

	As at 31-03-2017	As at 31-03-2016
i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	-	-
ii) the amount of interest paid by the Company in terms of section 16 of MSMED Act, 2006, along with the amounts of the payment made to the suppliers beyond the appointed day during the year	-	-
iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-
# The management has identified micro and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) on the basis of information made available by the supplier or vendors of the Company. Based on the information available with the Company, as at the year end, there are- no dues to micro and small Enterprises that are reportable under the MSMED Act, 2006.	-	-

27. Related party transactions

Related party disclosures as required by IndAS 24 'Related Party Disclosures'.

a) List of related parties

a) Related Parties are classified as:		
1	Holding Company	Larsen & Toubro Infotech Limited
2	Key Management Personnel	Mr. Sachin Vyas

b) There are no provisions for doubtful debts or no amounts have been written off in respect of the debts due to or from the related parties.**c) Following transactions were carried out with the related parties**

Particulars	Transaction	Amount ₹ (2016-17)	Amount ₹ (2015-16)
Larsen & Toubro Infotech Limited	Purchases of Services	2,21,97,750	-
Larsen & Toubro Infotech Limited	Overheads Charged to holding	9,82,220	-
Mr. Sachin Vyas	Expense incurred on behalf of Company	7,76,173	5,95,282
Mr. Sachin Vyas	Salary	17,29,167	14,54,170

d) Balance outstanding

Larsen & Toubro Infotech Limited	Trade payable	2,23,25,418	-
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NOTES FORMING PART OF ACCOUNTS (Contd.)**28. Deferred Tax Asset/Liability**

Income Taxes are accrued at the same period in which the related revenue and expense arise. A provision is made for income tax annually based on the tax liability after considering tax allowances and exemptions. The differences that result between the profit offered for income tax and the profit as per the financial statement are identified and thereafter a deferred tax asset or deferred tax liability is recorded for the timing differences.

Particulars	As at 31st March, 2017	As at 31st March, 2016
Deferred Tax Liability		
On difference in WDV of assets	11,689	92,081
Deferred Tax Asset		
On current year losses	8,86,189	-

29. Financial instruments by category

Carrying value of financial instruments by categories are as follows. The carrying value of financial assets and liabilities classified at amortised cost is considered to be same as their fair value due to short term nature of these assets and liabilities. Hence disclosure of fair value of these assets and liabilities have not been provided.

	As at 31 March 2017			As at 31 March 2016			As at 1 April 2015		
	Fair value through P&L ('FVTPL')	Fair value through OCI ('FVTOCI')	Amortised cost	Fair value through P&L ('FVTPL')	Fair value through OCI ('FVTOCI')	Amortised cost	Fair value through P&L ('FVTPL')	Fair value through OCI ('FVTOCI')	Amortised cost
Financial assets									
Trade receivables	-	-	1,56,79,648	-	-	1,74,60,309	-	-	51,42,539
Other Financial assets	-	-	-	-	-	4,50,000	-	-	50,000
Unbilled revenue	-	-	70,44,573	-	-	12,50,000	-	-	-
Cash and cash equivalents	-	-	2,17,34,354	-	-	41,68,536	-	-	79,40,876
Total			4,44,58,575			2,33,28,845			1,31,33,415
Financial liability									
Borrowings	-	-	-	-	-	573,196	-	-	7,01,380
Trade payables	-	-	3,67,84,555	-	-	1,35,29,808	-	-	38,11,478
Total	-	-	3,67,84,555	-	-	1,41,03,004	-	-	45,12,858

NOTES FORMING PART OF ACCOUNTS (Contd.)

30. There has no mentioned foreseeable losses on long term contracts including derivative contracts for which provision is required under the applicable law or accounting standard.

31. Contingent liability / Asset:

As at 31 March 2017	As at 31 March 2016
Nil	Nil

32 . Basic earnings per share (EPS) at face value of Re. 10

	2016-17	2015-16
Profit / (Loss) after tax	(18,88,462)	14,07,506
Weighted average number of shares outstanding	9,61,341	10,000
Basic EPS (₹)	(1.96)	140.75
Weighted average number of shares outstanding	9,61,341	10,000
Add : weighted average number of potential equity shares on account of employee options	-	-
Weighted average number of shares outstanding	9,61,341	10,000
Diluted EPS (₹)	(1.96)	140.75

33. Events occurring after the reporting period:

The financial statements were approved by the Board of Directors on 03 May 2017 and there are no significant events occurring after Balance sheet date.

34. The Company is not required to transfer any amount to Investor Education and Protection Fund.

As per our report attached

For and on behalf of the Board

SHARP & TANNAN

Chartered Accountants
Firm's Registration No.109982W
By the hand of

Sachin Vyas

Ashok Kumar Sonthalia

Firdosh D. Buchia

Partner
Membership No: 38332
Mumbai
May 03, 2017

Director
DIN : 06373215

Director
DIN : 03259683



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