B S R & Associates LLP

Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT
To the Members of Mistral Solutions Private Limited

Report on the Audit of the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Mistral Solutions Private Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Statement of Changes in Equity, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the 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 state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

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

Auditor's 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.

Independent Auditor's Report
Auditor's Responsibility (continued)

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

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 of the state of affairs of the Company as at 31 March 2018, its profit and other comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of 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;

Independent Auditor's Report
Report on Other Legal and Regulatory Requirements (continued)

(c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act;

(e) On the basis of the written representations received from the directors as on 31 March 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;

(f) With respect to the adequacy of the internal financial controls with reference to standalone Ind AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer notes 32 and 38 to the standalone Ind AS financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer note 23 to the standalone Ind AS financial statements;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The disclosures in the standalone Ind AS financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018.

for **B S R & Associates LLP**
Chartered Accountants
Firm Registration No: 116231W/W-100024

Aravind Maiya
Partner

Membership Number: 217433

Place: Bengaluru
Date: 28 May 2018

Annexure – A to the Independent Auditor's Report

With reference to the Annexure A referred to in paragraph 1 in Report on Other Legal and Regulatory Requirements of the Independent Auditor's Report to the Members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2018, we report that:

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

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

(c) The Company does not have any immovable property. Thus, the paragraph 3 (i) (c) of the Order is not applicable to the Company.

(ii) The inventory, except goods-in-transit and stocks lying with third parties, have been physically verified by the Management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stock and the book records were not material and have been appropriately dealt with in the books of accounts. For stocks lying with third parties at the year-end, written confirmations have been obtained by the Management.

(iii) According to information and explanations given to us, the Company has granted unsecured loan to a wholly owned subsidiary covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').

(a) As per the information and explanation given to us and in our opinion, the rate of interest and other terms and conditions on which the aforesaid loan has been granted to the wholly-owned subsidiary is not, prima facie, prejudicial to the interest of the Company.

(b) In respect of repayment of principal and the payment of interest, the amounts are payable on demand. The Company has not sought the repayment of the principal or the payment of interest during the year and accordingly no amounts were due.

(c) There were no overdue amounts with respect to the aforesaid loan.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, with respect to the loans given and investments made. The Company has not provided any guarantee or security that are covered under the provisions of Sections 185 and 186 of the Act.

(v) The Company has not accepted any deposits from the public. Hence, paragraph 3 (v) of the order is not applicable.

(vi) The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act, for any of the products sold and services rendered by the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees State Insurance, Income-tax, Sales-tax, Service-tax, Goods and Services tax, Duty of customs, Duty of excise, Value added tax, cess and any other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employee State Insurance, Income-tax, Sales-tax, Service tax, Goods and Services tax, Duty of customs, Duty of excise, Value added tax, cess and any other material statutory dues were in arrears, as at 31 March 2018, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Sales tax, Service-tax, value added tax, cess and any other statutory dues which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income-tax, duty of customs and duty of excise have not been deposited by the Company on account of disputes:

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Income tax and interest	1,657,860	Assessment year 2005-2006	Assessing officer, Bangalore
Income-tax Act, 1961	Income tax and interest	5,035,480	Assessment year 2006-2007	Assessing officer, Bangalore
Income-tax Act, 1961	Income tax and interest	57,660	Assessment year 2007-2008	Assessing officer, Bangalore
Income-tax Act, 1961	Income tax and interest	4,891,810	Assessment year 2010-2011	Assessing officer, Bangalore
Income-tax Act, 1961	Income tax and interest	465,700	Assessment year 2011-2012	Assessing officer, Bangalore
Income-tax Act, 1961	Income tax and interest	1,040,570	Assessment year 2012-2013	Income Tax appellate tribunal
Income-tax Act, 1961	Income tax and interest	1,130,527	Assessment year 2014-2015	Commissioner of Income Tax (Appeals), Bangalore
Customs Act, 1962	Duty of customs*	670,292	Financial year 2006-2007	Commissioner of Custom (Appeals), Bangalore
Customs Act, 1962	Duty of customs	2,440,491	Financial year 2011-2015	Commissioner of Central Excise (Appeals), Bangalore

*stay order against the recovery of dues had been obtained from CESTAT, Bangalore on 08 June 2009.

Annexure – A to the Independent Auditor's Report (continued)

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers and financial institution. The Company did not have any outstanding debentures or outstanding dues to the government during the year.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instrument) and term loans during the year. Thus, the paragraph 3 (ix) of the Order is not applicable to the Company.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us, legal opinion obtained by the Company and based on examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards. According to the information and explanations given to us, the Company is not required to constitute an Audit committee in accordance with Section 177 of the Act.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.

(xvi) According to the information and explanation given to us and in our opinion the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act,1934.

for **B S R & Associates LLP**
Chartered Accountants
Firm Registration No: 116231W/W-100024

Aravind Maiya
Partner

Membership Number: 217433

Place: Bengaluru
Date: 28 May 2018

Annexure B to the Independent Auditor's Report of even date on the standalone Ind AS financial statements of Mistral Solutions Private Limited

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 with reference to the financial statements of Mistral Solutions Private Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone Ind AS 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 with reference to the financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('Guidance Note') 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the financial statements 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 with reference to the financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to the financial statements, 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 with reference to the financial statements.

Annexure B to the Independent Auditor's Report of even date on the standalone Ind AS financial statements of Mistral Solutions Private Limited (continued)

Meaning of Internal Financial Controls with reference to the financial statements

A company's internal financial control with reference to the financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to the financial statements includes those policies and procedures that:

(i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(ii) 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

(iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to the financial statements

Because of the inherent limitations of internal financial controls with reference to the financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to the financial statements to future periods are subject to the risk that the internal financial control with reference to the financial statements 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 with reference to the financial statements and such internal financial controls with reference to the financial statements were operating effectively as at 31 March 2018, based on the internal control with reference to the financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

for **B S R & Associates LLP**
Chartered Accountants
Firm's Registration Number: 116231W/W-100024

Aravind Maiya
Partner
Membership Number: 217433

Place: Bengaluru
Date: 28 May 2018

Mistral Solutions Private Limited
Balance sheet

Rs. in lakhs

As at		Note	31 March 2018	31 March 2017	1 April 2016
I.	**ASSETS**				
(1)	**Non-current assets**				
	(a) Property, plant and equipment	4	373.51	282.63	325.15
	(b) Capital work-in-progress	4	5.48	5.48	-
	(c) Intangible assets	5	71.16	21.33	46.33
	(d) Financial assets				
	(i) Investments	6	309.42	309.42	309.42
	(ii) Loans	7	555.85	567.83	555.89
	(iii) Other financial assets	8	-	142.25	100.08
	(e) Deferred tax asset, (net)	31	223.66	229.70	254.63
	(f) Income tax assets, (net)	31	203.08	158.97	191.55
	(g) Other non-current assets	9	19.28	0.22	7.65
	Total non-current assets		**1,761.44**	**1,717.83**	**1,790.70**
(2)	**Current assets**				
	(a) Inventories	10	1,528.41	378.31	357.97
	(b) Financial assets				
	(i) Investments	11	551.21	10.02	-
	(ii) Trade receivables	12	4,497.59	3,407.54	5,741.66
	(iii) Cash and cash equivalents	13	73.82	306.02	262.23
	(iv) Bank balances other than (iii) above	13	1,560.17	1,743.88	1,896.76
	(v) Other financial assets	14	431.62	907.36	464.52
	(c) Other current assets	15	222.39	171.00	143.39
	Total current assets		**8,865.21**	**6,924.13**	**8,866.53**
	Total assets		**10,626.65**	**8,641.96**	**10,657.23**
II	**EQUITY AND LIABILITIES**				
	Equity				
	(a) Equity share capital	16	189.87	163.92	160.75
	(b) Instrument entirely equity in nature	17	1.90	-	-
	(c) Other equity	17	6,677.94	4,241.79	(1,633.36)
	Total equity		**6,869.71**	**4,405.71**	**(1,472.61)**
	Liabilities				
(1)	**Non- current liabilities**				
	(a) Provisions	18	456.73	365.41	345.45
	Total Non-current liabilities		**456.73**	**365.41**	**345.45**
(2)	**Current liabilities**				
	(a) Financial liabilities				
	(i) Borrowings	19	-	1,897.18	8,927.79
	(ii) Trade payables	20	1,732.45	337.50	1,631.27
	(iii) Other financial liabilities	21	396.04	332.51	396.80
	(b) Other current liabilities	22	880.48	703.61	461.86
	(c) Provisions	23	229.78	244.51	212.32
	(d) Current tax liabilities, (net)	31	61.46	355.53	154.35
	Total Current liabilities		**3,300.21**	**3,870.84**	**11,784.39**
	Total liabilities		**3,756.94**	**4,236.25**	**12,129.84**
	Total equity and liabilities		**10,626.65**	**8,641.96**	**10,657.23**
	Significant accounting policies	3			

See accompanying notes to standalone financial statements

As per our report of even date attached

for **B S R & Associates LLP**
Chartered Accountants
Firm registration number: 116231W/W-100024

Aravind Maiya
Partner
Membership Number: 217433

Place: Bengaluru
Date: 28 May 2018

for and on behalf of the Board of Directors of
Mistral Solutions Private Limited

Anees Ahmed
Managing Director
DIN: 00225648

Mujahid Alam
Director and Chief Executive Officer
DIN: 02651595

Anoop Agarwal
Chief Financial Officer

Place: Bengaluru
Date: 28 May 2018

Mistral Solutions Private Limited
Statement of profit and loss

Rs. in lakhs

For the year ended		Note	31 March 2018	31 March 2017
I.	Revenue from operations	24	8,336.28	8,584.31
II.	Other income	25	556.79	6,373.12
III.	**Total Income (I+II)**		**8,893.07**	**14,957.43**
IV.	**Expenses**			
	Cost of materials consumed	26	1,599.09	2,112.86
	Excise duty		49.90	284.91
	Purchase of stock-in-trade		933.34	111.42
	Changes in inventories of finished goods, stock-in-trade and work-in- progress	27	34.53	(136.42)
	Employee benefits expense	28	3,885.04	3,574.08
	Finance costs	29	15.02	1,160.80
	Depreciation and amortisation expense	4,5	164.99	172.75
	Other expenses	30	1,201.52	1,124.05
	Total expenses		**7,883.43**	**8,404.45**
V.	**Profit before tax (III-IV)**		**1,009.64**	**6,552.98**
VI.	**Tax expense**			
	(i) Current tax	31	278.35	609.37
	(ii) Deferred Tax	31	6.05	24.92
			284.40	**634.29**
VII.	**Profit for the year (V-VI)**		**725.24**	**5,918.69**
VIII.	**Other comprehensive income**			
	Items that will not to be reclassified subsequently to statement of profit or loss:			
	Remeasurements of the net defined benefit liability / asset		12.81	(6.84)
	Income tax relating to items not to be reclassified subsequently to statement of profit or loss		(4.43)	2.37
	Other comprehensive income, net of tax		**8.38**	**(4.47)**
IX.	**Total comprehensive income for the year (VII+VIII)**		**733.62**	**5,914.22**
	Earnings per share (nominal value of Rs 5 each)			
	Attributable to equity holders of the Company			
	Basic [in Rs]	35	19.16	133.14
	Diluted [in Rs]	35	17.98	123.71
	Weighted average number of equity shares used in computing earning per share			
	-Basic		3,749,569	4,030,065
	-Diluted		4,033,933	4,784,171
	Significant accounting policies	3		

See accompanying notes to standalone financial statements

As per our report of even date attached

for **BSR & Associates LLP**
Chartered Accountants
Firm registration number: 116231W/W-100024

Aravind Maiya
Partner
Membership Number: 217433

Place: Bengaluru
Date: 28 May 2018

for and on behalf of the Board of Directors of
Mistral Solutions Private Limited

Anees Ahmed
Managing Director
DIN: 00225648

Mujahid Alam
Director and Chief Executive Officer
DIN: 02651595

Anoop Agarwal
Chief Financial Officer

Place: Bengaluru
Date: 28 May 2018

Mistral Solutions Private Limited

Statement of changes in equity

Rs. in lakhs

Particulars	Equity share capital	Other equity: Preference share capital (Instrument entirely equity in nature)	Reserves and surplus: Securities premium	Reserves and surplus: Equity contribution by preference and equity share holders on relinquishment of rights	Reserves and surplus: Retained earnings	Reserves and surplus: Capital redemption reserve	Reserves and surplus: General reserve	Reserves and surplus: Share options outstanding account	Other comprehensive income: Equity instruments through OCI	Other comprehensive income: Other items of OCI	Total equity attributable to equity holders of the Company
Balance as at 1 April 2016	160.75	-	119.57	-	(2,069.27)	2.70	55.30	258.34	-	-	(1,472.61)
Changes in equity for the year ended 31 March 2017											-
Share based payment (refer note 28)	-	-	-	-	-	-	-	26.04	-	-	26.04
Transfer from share options outstanding account	-	-	47.46	-	-	-	-	-	-	-	47.46
Increase in share capital on exercise of employee stock options	3.17	-	-	-	-	-	-	-	-	-	3.17
Transfer from securities premium	-	-	-	-	-	43.03	-	-	-	-	43.03
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	-	-	-	-	-	-	-	(4.47)	(4.47)
Transfer to securities premium on issue of equity shares	-	-	-	-	-	-	-	(47.46)	-	-	(47.46)
Securities Premium utilised for buy back of shares	-	-	(54.12)	-	-	-	-	-	-	-	(54.12)
Transfer to capital redemption reserve	-	-	(43.03)	-	-	-	-	-	-	-	(43.03)
Tax on distributed income paid on buy back of shares	-	-	-	-	(10.99)	-	-	-	-	-	(10.99)
Profit for the year	-	-	-		5,918.69	-	-	-	-	-	5,918.69
Balance as at 31 March 2017	163.92	-	69.88	-	3,838.43	45.73	55.30	236.92	-	(4.47)	4,405.71

Particulars	Equity share capital	Other equity: Preference share capital (Instrument entirely equity in nature)	Reserves and surplus: Securities premium	Reserves and surplus: Equity contribution by preference and equity share holders on relinquishment of rights	Reserves and surplus: Retained earnings	Reserves and surplus: Capital redemption reserve	Reserves and surplus: General reserve	Reserves and surplus: Share options outstanding account	Other comprehensive income: Equity instruments through OCI	Other comprehensive income: Other items of OCI	Total equity attributable to equity holders of the Company
Balance as at 1 April 2017	163.92	-	69.88	-	3,838.43	45.73	55.30	236.92	-	(4.47)	4,405.71
Changes in equity for the year ended 31 March 2018											
Share based payment (refer note 28)	-	-	-	-	-	-	-	6.79	-	-	6.79
Transfer from share options outstanding account	-	-	57.75	-	-	-	-	-	-	-	57.75
Reclassified from financial liability on relinquishment of rights	22.36	1.90	754.09	941.65	-	-	-	-	-	-	1,720.00
Increase in share capital on exercise of employee stock options	3.59	-	-	-	-	-	-	-	-	-	3.59
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	-		-	-	-	-	-	8.38	8.38
Transfer to securities premium on issue of equity shares	-	-	-	-	-	-	-	(57.75)	-	-	(57.75)
Profit for the year	-	-	-	-	725.24	-	-	-	-	-	725.24
Balance as at 31 March 2018	189.87	1.90	881.72	941.65	4,563.67	45.73	55.30	185.96	-	3.91	6,869.71

See accompanying notes to standalone financial statements

As per our report of even date attached

for **B S R & Associates LLP**
Chartered Accountants
Firm registration number: 116231W/W-100024

Arvind Mayya
Partner
Membership Number: 217433

Place : Bengaluru
Date: 28 May 2018

for and on behalf of the Board of Directors
Mistral Solutions Private Limited

Anees Ahmed
Managing Director
DIN: 00225648

Mujahid Alam
Director and Chief Executive Officer
DIN: 02651595

Anoop Agarwal
Chief Financial Officer

Place : Bengaluru
Date: 28 May 2018

Mistral Solutions Private Limited
Statement of cash flow

Rs. in lakhs

For the year ended	31 March 2018	31 March 2017
Cash flow from operating activities		
Profit before tax	1,009.64	6,552.98
Adjustments for :		
Depreciation and amortisation	164.99	172.75
Share based payment expense	6.79	26.04
Net gain / (loss) on financial asset measured at fair value through statement of profit and loss	2.32	(0.02)
Gain on disposal of property, plant and equipment, net	(3.32)	(0.77)
Provision for doubtful debts	50.07	-
Provision no longer required, written back	(114.75)	(50.01)
Bad debts written off	-	50.73
Advances written off	-	1.86
Unrealised foreign exchange loss	5.43	7.75
Dividend income	(6.31)	(15.12)
Interest income	(148.61)	(196.34)
Gain on buyback / settlement of equity and preference shares classified as financial liabilities	-	(5,807.90)
Interest expense	8.52	1,133.53
	974.77	**1,875.48**
Changes in		
Inventories	(1,150.10)	(20.34)
Trade receivables	(1,134.22)	2,315.03
Loans, other financial assets and other assets	452.50	(477.39)
Liabilities and Provisions	1,806.69	(1,005.92)
Cash generated from operating activities	949.64	2,686.86
Income tax paid, net of refund	(620.96)	(373.24)
Net cash from operating activities	**328.68**	**2,313.62**
Cash flow from investing activities		
Acquisition of property,plant and equipment	(317.90)	(156.70)
Proceeds from sale of property,plant and equipment	10.25	3.43
Sale/(Purchase) of investments, net	(543.51)	(10.00)
Inter- corporate deposits placed	135.00	200.00
Inter-corporate deposits redeemed	(135.00)	(200.00)
Redemption of fixed deposits (net)	325.97	110.70
Interest received	140.11	196.34
Dividend received	6.31	15.12
Net cash provided by / (used in) investing activities	**(378.77)**	**158.89**
Cash flow from financing activities		
Interest paid	(8.52)	(50.42)
Proceeds from share allotment	3.59	3.17
Repayment of unsecured loans, net	-	(10.54)
Repayment of short term loans, net	(177.18)	(616.08)
Payment for buy back of shares (including tax on distributed income)	-	(1,754.85)
Net cash used in financing activities	**(182.11)**	**(2,428.72)**
Net change in cash and cash equivalents	**(232.20)**	**43.79**
Cash and cash equivalents at beginning of year	306.02	262.23
Cash and cash equivalents at end of year	**73.82**	**306.02**

Significant accounting policies (Refer Note 3)

See accompanying notes to standalone financial statements

As per our report of even date attached

for **B S R & Associates LLP**
Chartered Accountants
Firm registration number: 116231W/W-100024

Aravind Maiya
Partner
Membership Number: 217433

Place : Bengaluru
Date: 28 May 2018

for and on behalf of the Board of Directors of
Mistral Solutions Private Limited

Anees Ahmed
Managing Director
DIN: 00225648

Mujahid Alam
Director and Chief Executive Officer
DIN: 02651595

Anoop Agarwal
Chief Financial Officer

Place : Bengaluru
Date: 28 May 2018

1 Reporting Entity

Mistral Solutions Private Limited (the 'Company') is a company domicilied in India, with its registered office situated at Bangalore. The Company was incorporated on 20th May 1999 under the provisions of the Indian Companies Act. The Company is primarily engaged in rendering end-to-end services for product design and development in the embedded space. The Company offers design and development services covering hardware and software, customizable product designs and IPs, system integration and other solutions that improve quality and accelerate time-to-market for a broad range of embedded systems.

2 Basis of preparation

A. Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015, as amended, notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements up to and for the year ended 31 March 2017 were prepared in accordance with the Companies (Accounting Standard) Rules, 2006, notified under section 133 of the Act and other relevant provisions of the Act.

As these are the Company's first standalone financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First time adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has been affected the previously reported financial position, financial performance and cash flows is of the Company is provided in Note 45.

The standalone financial statements were authorised for issue by the Company's Board of Directors on 28 May 2018.

Details of the Company's accounting policies are included in Note 3

B. Functional and presentation currency

These standalone financial statements are presented in Indian Rupees, which is also the Company's functional currency. All amounts have been rounded off to two decimal places to the nearest lakhs, unless otherwise stated.

C. Basis of measurement

The standalone financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement Basis
Certain financial assets and liabilities	Fair Value
Share based payments	Fair Value
Net defined benefit (asset) / liability	Fair value of plan assets less present value of defined benefit obligations

D. Use of estimates and judgements

In preparing these standalone financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recgnised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the standalone financial statements is included in the following notes:
- Note 33 - leases: whether an arrangement contains a lease and lease classification

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2018 is included in the following notes:

- Note 31 - recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;

- Note 40 - measurement of defined benefit obligations: key actuarial assumptions;

- Note 32 and 38 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

- Note 3 (a) and 3 (b) - useful life of property, plant and equipment and intangible assets
- Note 6 to 8, 11, 12 and 14 - impairment of financial assets

E. Measurement of fair values

Certain accounting policies and disclosures of the Company require the measurement of fair values, for both financial and non financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into a different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirely in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in the measuring fair values is included in the following notes:
- Note 43 - share-based payment; and
- Note 44 - financial instruments.

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3 Significant accounting policies

(a) Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment, are measured at cost (which includes capitalised borrowing costs, if any) less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment includes its purchase price, duties, taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials, direct labour and any other costs directly attributable to bringing the item to its intended working condition and estimated costs of dismantling, removing and restoring the site on which it is located, wherever applicable.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

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

ii. Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

iii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iv Depreciation

Depreciation on property, plant and equipment is provided as per the written down value (WDV) method over the useful lives of assets estimated by the Management except for vehicles. Depreciation for assets purchased/sold during the year is proportionately charged. Assets acquired under finance lease are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

The range of estimated useful lives of items of property, plant and equipment are as follows:

Asset	Useful Life
Plant and equipment	15 years
Office equipment	5 years
Computer system (including testing equipment)*	6 years
Furniture and fixtures	10 years
Vehicles*	6 years

Leasehold improvement are amortized over the period of lease term or useful life, whichever is less.

* For these class of assets, based on internal assessment, the Management believes that the useful lives as given above best represent the period over which the Management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

v. Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

(b) Intangible Assets

Internally generated: Research and development

Expenditure on research activities is recognised in Statement of Profit and Loss as incurred.

Development expenditure is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses.

Others

Other intangible assets are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation:

Intangible assets are amortized on written down value method over their respective individual estimated useful lives commencing from the date the asset is available to the Company for its use.

The estimated useful lives are as follows:

Asset	Useful Life
Computer Software	6 years

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

ii. Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

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(c) Impairment

i. **Financial Assets**

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss.

ii. **Non - financial Assets**

Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognised for the asset in prior years.

(d) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.For arrangements entered into prior to 1 April 2016, the date of inception is deemed to be 1 April 2016 in accordance with Ind-AS 101 First-time Adoption of Indian Accounting Standard.

For arrangements entered into prior to 1 April 2016, the Company has determined whether the arrangement contains lease on the basis of facts and circumstances existing on the date of transition.

As a lessee

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary.

(e) Inventories

Inventories which comprise of raw materials/components, finished goods and traded goods are valued at the lower of cost or estimated net realisable value. Cost comprises purchase price and all incidental expenses incurred in bringing the inventory to its present location and condition.Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Raw materials/components held for use in production of inventories are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their net realisable value.The method of determination of cost is as follows:

Raw materials/components and traded goods are valued at first in first out method

Finished goods / work in progress - Cost of materials including costs of conversion, where cost of material is determined under first in first out method. Cost of conversion is considered at actuals.

Goods in transit are valued at actual cost

The Company periodically assesses the inventory for obsolescence and slow moving stocks

(f) Financial instruments

i ***Recognition and initial measurement***

The Company initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition.

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Financial instruments (continued)

ii Classification and subsequent measurement

Financial Assets

Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Investment in subsidiaries

Investment in subsidiaries is carried at cost in the financial statements.

Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

iii Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby the transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the Statement of Profit and Loss.

iv Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

(g) Foreign currencies

Transactions in foreign currencies are initially recorded by the Company at their functional currency spot rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rates are recognised as income or expenses in the period in which they arise. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rates at the date of transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

(h) Revenue Recognition

The Company derives its revenue primarily from professional engineering services, sale of products and system engineering and traded sales.

Revenue from professional engineering services is either on time-and-material basis or fixed price contracts. Revenue on time-and-material basis is recognised as the related services are rendered. Revenue from fixed price contracts is recognised using the proportionate completion method, which is determined by relating the actual project cost of work performed to date to the estimated total project cost for each contract.

Revenue from sale of products and system engineering and traded sales is recognised, when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably. Revenue from the sale of goods and services is measured at the fair value of the consideration received or receivable, exclusive of sales tax, Goods and Service Tax (GST) and net of sales return, trade discounts, volume rebates and gross of excise duty. Revenue from sale of products is recognised using the proportionate completion method, which is determined by relating the actual project cost of work performed to date to the estimated total project cost for each contract, where there is development involved along with production.

Provision for estimated losses, if any, on incomplete contracts are recorded in the period in which such losses become probable based on the current contract estimates.

Unbilled revenue represents cost and earnings in excess of billings while unearned revenue represents the billing in excess of cost and earnings.

Maintenance revenue is recognized ratably over the period of the maintenance contract.

Income from support services is recognized and accounted in accordance with the terms of the agreement for service.

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the Statement of Profit and Loss.

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Lease/sub-lease rental income is recognised when right to receive such income is established in accordance with the terms of the contract with the parties.

(i) Income Tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

i Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

ii Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on 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 at the time of transaction.
- temporary differences related to investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets recognised or unrecognized are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The Company offsets, the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

(j) Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of those property, plant and equipment, which necessarily takes a substantial period of time to get ready for their intended use are capitalised. All other borrowing costs are expensed in the period in which they incur in the Statement of Profit and Loss.

(k) Provision and contingent liabilities

i General

Provisions are recognised when the Company has a present obligation (legal or constructive) 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 amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

ii Contingent liabilities

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

iii Onerous contracts

Provision for onerous contracts. i.e. contracts where the expected unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

(l) Employee benefits

i Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Provident fund

Contribution towards provident fund for certain employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

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Employee benefits (continued)

ii Defined benefit plans

Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The Company's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined benefit plans is determined based on actuarial valuations carried out by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

iii. Compensated leave

Compensated absences are provided for based on actuarial valuation carried out by an independent actuary as at the balance sheet date using the projected unit credit method.

(m) Share-based payments

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(n) Segment reporting

Operating segments are reported in manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The managing director of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the CODM.

(o) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

(p) Earnings per share

Basic Earnings Per Share ('EPS') is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for the share splits.

(q) Research and development

Expenditures on research activities undertaken with the prospect of gaining new technical knowledge and understanding are recognised in the statement of profit and loss when incurres.

Development activities involve a plan or design for the production of new or substantially improved products and processes.

(r) Recent accounting pronouncements

Standards issued but not effective on Balance Sheet

Ind AS 115, Revenue from Contracts with Customers

Ind AS 115, establishes a comprehensive framework for determining whether, how much and when revenue should be recognised. It replaces existing revenue recognition guidance, including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and Guidance Note on Accounting for Real Estate Transactions. Ind AS 115 is effective for annual periods beginning on or after 1 April 2018 and will be applied accordingly.

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition.

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligation in contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

The Company has completed an initial assessment of the potential impact of the adoption of Ind AS 115 on accounting policies followed in its financial statements. The quantitative impact of adoption of Ind AS 115 on the financial statements in the period of initial application is not reasonably estimable as at present.

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i. Sales of goods

For the sale of goods, revenue is currently recognised when related risks and rewards of ownership are transferred. Revenue is recognised at this point provided that the revenue and costs can be measured reliably, the recovery of the consideration is probable and there is no continuing management involvement with the goods.

Under Ind AS 115, revenue will be recognised when a customer obtains control of the goods.

ii. Transition

The Company plans to apply Ind AS 115 using the cumulative effect method, with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 April 2018) in retained earnings and NCI. As a result, the Company will not present relevant individual line items appearing under comparative period presentation.

Ind AS 21, The effect of changes in Foreign Exchange rates

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the earlier of the date of initial recognition of the non-monetary prepayment asset or deferred income liability and the date that the related item is recognised in the financial statements. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Company is evaluating the impact of this amendment on its financial statements.

Ind AS 40, Investment Property

The amendment explains that the transfer to, or from, investment property is made when there is an actual change of use, that is, the asset meets or ceases to meet the definition of investment property and there is evidence of change in use. A change in management's intentions for the use of a property does not provide evidence of a change in use. The Company has evaluated the impact of this amendment and concluded that there shall be no impact on its financial statements.

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Note 4. Property Plant and Equipment and capital work in progress

Reconciliation of carrying amount

Rs. in lakhs

Description	Gross carrying amount				Accumulated depreciation				Carrying amounts (net)
	As at 1 April 2017	Additions during the year	Disposals	As at 31 March 2018	As at 1 April 2017	Depreciation for the year	Disposals	As at 31 March 2018	As at 31 March 2018
Own assets									
Plant and equipment	21.77	-	2.31	19.46	5.66	3.12	0.55	8.23	11.23
Furniture and fixtures	28.35	0.29	0.45	28.19	6.03	5.84	0.45	11.41	16.78
Vehicles	75.58	116.79	3.31	189.06	17.94	32.88	0.29	50.53	138.53
Office equipment	7.54	0.39	-	7.93	1.64	2.55	-	4.19	3.74
Computer system	58.72	110.22	2.22	166.72	21.23	41.92	0.07	63.08	103.64
Test equipment	231.13	8.44	-	239.57	88.51	51.69	-	140.20	99.37
Leasehold improvements	3.34	-	-	3.34	2.79	0.33	-	3.12	0.22
	426.43	**236.13**	**8.29**	**654.27**	**143.80**	**138.33**	**1.36**	**280.76**	**373.51**
Add: Capital work-in-progress	**5.48**								**5.48**
	431.91								**378.99**

Description	Gross carrying amount				Accumulated depreciation				Carrying amounts (net)
	As at 1 April 2016	Additions during the year	Disposals	As at 31 March 2017	As at 1 April 2016	Depreciation for the year	Disposals	As at 31 March 2017	As at 31 March 2017
Own assets									
Plant and equipment	21.77	-	-	21.77	-	5.66	-	5.66	16.11
Furniture and fixtures	10.23	18.70	0.58	28.35	-	6.19	0.16	6.03	22.32
Vehicles	48.88	27.26	0.56	75.58	-	17.94	-	17.94	57.64
Office equipment	5.27	2.27	-	7.54	-	1.64	-	1.64	5.90
Computer system	44.91	15.96	2.15	58.72	-	21.70	0.47	21.23	37.49
Test equipment	190.75	40.38	-	231.13	-	88.51	-	88.51	142.62
Leasehold improvements	3.34	-	-	3.34	-	2.79	-	2.79	0.55
	325.15	**104.57**	**3.29**	**426.43**	**-**	**144.43**	**0.63**	**143.80**	**282.63**
Add: Capital work-in-progress	**-**								**5.48**
	325.15								**288.11**

Mistral Solutions Private Limited
Notes on standalone financial statements (continued)

Note 5. Other Intangible assets

Reconciliation of carrying amount

Rs. in lakhs

Description	Gross carrying amount				Accumulated amortisation				Carrying amounts (net)
	As at 1 April 2017	Additions during the year	Disposals	As at 31 March 2018	As at 1 April 2017	Amortisation for the year	Disposals	As at 31 March 2018	As at 31 March 2018
Own assets									
Computer software	49.65	76.49	-	126.14	28.32	26.66	-	54.98	71.16
	49.65	**76.49**	**-**	**126.14**	**28.32**	**26.66**	**-**	**54.98**	**71.16**

Description	Gross carrying amount				Accumulated amortisation				Carrying amounts (net)
	As at 1 April 2016	Additions during the year	Disposals	As at 31 March 2017	As at 1 April 2016	Amortisation for the year	Disposals	As at 31 March 2017	As at 31 March 2017
Own assets									
Computer software	46.33	3.32		49.65	-	28.32	-	28.32	21.33
	46.33	**3.32**	**-**	**49.65**	**-**	**28.32**	**-**	**28.32**	**21.33**

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Rs. in lakhs

As at	31 March 2018	31 March 2017	1 April 2016
Note 6 - Non-current investments			
At cost			
Unquoted			
Investment in equity instruments (fully paid)			
Subsidiaries			
Mistral Solutions Inc., USA [1,000 (31 March 2017: 1,000), (1 April 2016: 1,000) equity shares without par value]	307.42	307.42	307.42
Aero Electronics Private Limited [20,000 (31 March 2017: 20,000), (1 April 2016: 20,000) equity shares of Rs.5 each]	1.00	1.00	1.00
Mistral Technologies Private Limited [20,000 (31 March 2017: 20,000), (1 April 2016: 20,000) equity shares of Rs.5 each]	1.00	1.00	1.00
Mistral Solutions Pte Limited [1 (31 March 2017: 1), (1 April 2016: Nil) equity shares]	-	-	-
	309.42	**309.42**	**309.42**
Aggregate amount of unquoted investments	309.42	309.42	309.42

Note 7 - Loans			
Unsecured			
Considered good:			
Security deposit	152.24	166.65	155.82
Loan to related party*	403.61	401.18	400.07
Considered doubtful			
	555.85	**567.83**	**555.89**

* Forms a part of outstanding balances as disclosed under note 39.

Note 8 - Other financial assets			
Fixed deposits with banks*	-	142.25	100.08
	-	**142.25**	**100.08**

* Includes Rs. Nil (31 March 2017: Rs.142.25 lakhs, 1 April 2016: Rs.100.08 lakhs) on lien against guarantees, cash credit, packing credit etc.

Note 9 - Other non-current assets			
Unsecured			
Considered good:			
Deferred Rent	19.28	0.22	7.65
Considered doubtful			
Other advances	-	2.84	2.84
Less: Allownace for doubtful advances	-	(2.84)	(2.84)
	19.28	**0.22**	**7.65**

Note 10 - Inventories*			
Raw material /components [including goods-in-transit of Rs.1,030.18 lakhs (31 March 2017: Rs.26.79 lakhs), 1 April 2016: Rs.96.71 lakhs)]	1,332.65	148.03	264.11
Work-in-progress	96.95	184.23	0.00
Finished goods	6.90	12.44	56.35
Traded goods [including goods-in-transit of Rs.2.78 lakhs (31 March 2017: Rs.Nil), 1 April 2016: Rs.Nil)]	91.91	33.61	37.51
	1,528.41	**378.31**	**357.97**

* Refer note 3(e) for method of valuation of inventories

Note 11 - Investments			
At fair value through profit and loss			
Quoted			
Investment in mutual funds	486.06	10.02	-
Investment in equity shares	65.15	-	-
	551.21	**10.02**	**-**
Aggregate amount of quoted investments	551.21	10.02	-
Aggregate market value of quoted investments	551.21	10.02	-

Note 12 - Trade receivables			
Unsecured			
*Considered good**	4,497.59	3,407.54	5,741.66
Considered doubtful	64.94	14.87	64.89
	4,562.53	**3,422.41**	**5,806.55**
Less: Allowance for doubtful receivables	(64.94)	(14.87)	(64.89)
	4,497.59	**3,407.54**	**5,741.66**

The Company's exposure to credit and currencies risks, and loss allowances related to trade receivables are disclosed in note 44.

* Includes receivable from related parties (refer note 39)

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Rs. in lakhs

As at	31 March 2018	31 March 2017	01 April 2016
Note 13- Cash and bank balances			
Cash and cash equivalents:			
- Cash on hand	0.03	0.05	2.08
- Cheques on hand	-	200.00	-
- Current accounts	7.85	105.97	15.16
-Cash credit account	65.94	-	-
-Deposit accounts	-	-	244.99
	73.82	**306.02**	**262.23**
Other bank balance:			
-Deposit accounts*	1,560.17	1,743.88	1,896.76
	1,560.17	**1,743.88**	**1,896.76**

*includes Rs.1,396.29 lakhs (31 March 2017: Rs. 1,743.88 lakhs, 1 April 2016: Rs. 1,625.78 lakhs) on lien against guarantees, cash credit, packing credit etc.

Note 14 - Other financial assets			
Unsecured, considered good			
Earnest money deposit	29.65	36.41	15.60
Interest accrued but not due	10.71	2.21	2.22
Unbilled revenue	388.17	853.64	416.64
Others	3.09	15.10	30.06
	431.62	**907.36**	**464.52**
Note 15 - Other current assets			
Unsecured, considered good			
Advances other than capital advances			
-Advance for supply of goods	61.27	31.54	35.18
- Advance to employees	19.04	12.72	8.19
Others			
-Balance with government authorities	77.38	66.44	37.39
-Prepayments	53.03	52.87	51.53
-Deferred rent	11.67	7.43	11.10
Considered doubtful			
Balance with government authorities	-	26.61	92.51
Less: Allowance for doubtful advances	-	(26.61)	(92.51)
	222.39	**171.00**	**143.39**

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Rs. in lakhs

As at	31 March 2018	31 March 2017	01 April 2016
Note 16 - Share capital			
Authorised			
[6,000,000 (31 March 2017: 6,000,000, (1 April 2016: 6,000,000) equity shares of Rs 5/- each.	300.00	300.00	300.00
[1,000,000 (31 March 2017: 1,000,000, (1 April 2016: 1,000,000) fully convertible cumulative participative preference shares of Rs 5/- each.	50.00	50.00	50.00
Total	**350.00**	**350.00**	**350.00**
Issued, subscribed and fully paid up			
[3,797,370 (31 March 2017: 3,725,570, (1 April 2016: 4,045,616) equity shares of Rs 5/- each.	189.87	186.28	202.28
Less: Reclassified as financial liability (refer note 19)	-	(22.36)	(41.53)
Total (A)	**189.87**	**163.92**	**160.75**
[38,000 (31 March 2017: 38,000, (1 April 2016: 515,172) Series B mandatorily convertible cumulative participative preference shares of Rs. 5/- each.	1.90	1.90	25.76
Less: Reclassified as financial liability (refer note 19)	-	(1.90)	(25.76)
Total (B)*	**1.90**	-	-
Grand Total (A + B)	**191.77**	**163.92**	**160.75**

* Included within other equity (refer note 17)

Rights, preferences and restrictions attached to each class of shares including restrictions on the distribution of dividends and the repayment of capital:

(i) Equity shares of Rs.5/- each

- The Company has only one class of shares referred to as equity shares having a par value of Rs 5/- each.
- Each holder of the equity share, as reflected in the records of the Company as of the date of the shareholder meeting, is entitled to one vote in respect of each share held for all matters submitted to vote in the shareholder meeting. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(ii) Series B preference shares of Rs. 5/- each.

- The Company issued 515,172 Fully Convertible Cumulative Participative Preference Shares (FCCPS) of Rs 5 each at a premium of Rs 225 per share to two venture capital investors as per the Shareholders Agreement dated 7 January 2008 ('the Agreement'). The Company has 38,000 (31 March 2017: 38,000, 1 April 2016: 515,172) FCCPS outstanding as at the end of the year. These 38,000 preference shares have been purchased by the director of the Company from Nexus India Ventures I Investments during the current year.
- FCCPS carry a pre-determined cumulative rate of dividend of 0.01% per annum of the nominal value of the FCCPS. In addition, FCCPS are entitled to participate in the distribution of the profits of the Company to the other shareholders of the Company as per the Agreement.
- Conversion: As per the Agreement, FCCPS shall automatically be converted into equity shares upon the first occurrence of: (a) the majority investors consenting to such conversion; (b) the closing of an underwritten public offering of the Company's equity shares at a minimum valuation specified in the Agreement; or (c) on 30 June 2027. During the current year, on purchase of shares form Nexus India Ventures I Investments, the holder of the preference shares have relinquished the conversion rights attached to the preference shares.

Liquidation preference:

To the extent the FCCPS are not converted into equity shares and in the event of any liquidation event (defined in the Agreement), the holders of the FCCPS shall have a preference over the other shareholders of the Company (including the founders and the other shareholders and any remaining equity shareholders, including the investors' equity shares) for return of capital as set out in the Agreement. No other series of shares shall be entitled to a liquidation preference.

Notes:

(a) Shares in respect of equity in the Company held by its holding Company.

	31 March 2018		31 March 2017		01 April 2016	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Holding Company						
Axiscades Engineering Technologies Limited*	1,632,718	81.64	-	-	-	-
	1,632,718	**81.64**	-	-		

* On 01 December 2017, Axiscades Engineering Technologies Limited has acquired substantial stake in the equity share capital of the Company.

(b) Reconciliation of the number of equity and preference shares outstanding at the beginning and at the end of the reporting year:

	31 March 2018		31 March 2017		01 April 2016	
Equity shares of Rs.5/- each.	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Opening balance at the beginning of the reporting year	3,725,570	186.28	4,045,616	202.28	4,014,641	200.73
Add: Shares issued on exercise of Employee Stock Option Plan	71,800	3.59	63,300	3.17	30,975	1.55
Less: Shares bought back during the year	-	-	383,346	19.17	-	-
Closing balance at the end of the reporting year	**3,797,370**	**189.87**	**3,725,570**	**186.28**	**4,045,616**	**202.28**
Less: Reclassified as financial liability (refer note 19)	-	-	(447,238)	(22.36)	(830,584)	(41.53)
	3,797,370	**189.87**	**3,278,332**	**163.92**	**3,215,032**	**160.75**

	31 March 2018		31 March 2017		01 April 2016	
Series B preference shares of Rs.5/- each.	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Opening balance at the beginning of the reporting year	38,000	1.90	515,172	25.76	515,172	25.76
Add: Shares issued during the year	-	-	-	-	-	-
Less: Shares bought back during the year	-	-	477,172	(23.86)	-	-
Closing balance at the end of the reporting year	**38,000**	**1.90**	**38,000**	**1.90**	**515,172**	**25.76**
Less: Reclassified as financial liability (refer note 19)	-	-	(38,000)	(1.90)	(515,172)	(25.76)
	38,000	**1.90**	-	-	-	-

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Rs. in lakhs

(c) Details of shareholders' holding more than 5% of the total number of equity shares and preference shares.

Name of the shareholders	31 March 2018		31 March 2017		01 April 2016	
	Number of shares	% holding	Number of shares	% holding	Number of shares	% holding
Equity shares of Rs.5/- each.						
Axiscades Engineering Technologies Limited	1,632,718	43.00%	-	-	-	-
Anees Ahmed**	290,945	7.66%	-	-	727,902	17.99%
Rajeev Ramachandra**	142,796	3.76%	200,000	5.37%	721,588	17.84%
Nexus India Ventures I Investments	-	-	447,238	12.00%	447,238	11.05%
JAFCO Asia Technology Investments III (Mauritius) Ltd	-	-	-	-	383,346	9.48%
Narayanan B.K.P	-	-	259,344	6.96%	259,344	6.41%
Rakhi Chari**	-	-	-	-	223,687	5.53%
Splendid Minerals Private Limited	-	-	200,000	5.37%	200,000	4.94%
Explore India Leisure & Hospitality Private Limited**	1,679,359	44.22%	1,679,359	45.08%	-	-
Total number of shares holding more than 5%	**3,745,818**	**98.64%**	**2,785,941**	**74.78%**	**2,963,105**	**73.24%**
Add: Others (individually holding less than 5%)	51,552	1.36%	939,629	25.22%	1,082,511	26.76%
Total equity shares	**3,797,370**	**100%**	**3,725,570**	**100%**	**4,045,616**	**100%**
Less: Shares classified as financial liability (refer note 19)	-	-	(447,238)	-	(830,584)	-
Number of equity shares classifed as share capital	**3,797,370**		**3,278,332**		**3,215,032**	
Series B preference shares of Rs.5/- each.						
Nexus India Ventures I Investments	-	-	38,000	100%	277,400	53.85%
Rajeev Ramachandra	13,400	35%				
Anees Ahmed	24,600	65%				
JAFCO Asia Technology Investments III (Mauritius) Ltd	-	-	-	-	237,772	46.15%
Less: Shares classified as financial liability (refer note 19)	-	-	(38,000)		(515,172)	
Number of preference shares classifed as other equity	**38,000**		-		-	

** During the previous year, there has been a restructuring in the shareholding of the Company wherein 1,679,359 equity shares held by promoters and certain employees of the Company ('transferors') had been transferred to Explore India Leisure & Hospitality Private Limited and in turn the transferors are in the process of acquiring the shares of Explore India Leisure & Hospitality Private Limited in the same proportion of shares thus transferred. The aforesaid transfer of shares was approved by the Board of Directors in their meeting held on 7 March 2017. The Board of Directors were of the view that the restrictions on transfer of shares as per the articles of association of the Company do not apply on these shares transfers as there is no effective change in the ownership structure.

(d) Securities convertible into equity in the descending order

Particulars	Manner of conversion	Convertible into	Earliest date of conversion
Series B preference shares of Rs 5 each	Mandatory	Equity	Refer note below

Note: As per the Agreement, FCCPS shall automatically be converted into equity shares upon the first occurrence of:
(a) the majority investors consenting to such conversion;
(b) the closing of an underwritten public offering of the Company's equity shares at a minimum valuation specified in the Agreement; or
(c) on 30 June 2027.

During the current year, on purchase of shares form Nexus India Ventures I Investments, the holder of the preference shares have relinquished the conversion rights attached to the preference shares.

For employee stock options convertible into equity refer note 43.

(e) Other details of equity shares for a period of five years immediately preceding 31 March 2018.

Particulars	For the year ended				
	31 March 2018	31 March 2017	31 March 2016	31 March 2015	31 March 2014
Aggregate number of shares bought back					
Fully paid up equity shares	-	383,346	-	-	-
Fully paid Series B preference shares	-	477,172	-	-	-

The Company has not allotted any fully paid up equity shares by of bonus shares during the period of five years immediately preceding the balance sheet date nor has issued shares for consideration other than cash.

Details of buy back :

Pursuant to the shareholders resolution passed at the Extra Ordinary General meeting held on 13 January 2017, the Company completed buyback of 383,346 equity shares of Rs 5 each fully paid up from Jafco Asia Technology Investments III (Mauritius) Ltd and total of 477,172 Series B mandatorily convertible cumulative participative preference shares of Rs. 5 each fully paid up, from Jafco Asia Technology Investments III (Mauritius) Ltd and Nexus India Ventures I Investments. This had resulted in a total cash outflow of Rs 1,743.86 lakhs. In line with the requirement of the Companies Act 2013, an amount of Rs 1,700.83 had been utilized from the securities premium account. As per the statement of changes in equity Rs. 54.12 lakhs is appearing as utilisation from securities premium, since remaining balance was transferred to financial liability as an Ind AS transition impact (refer note 19). Further, a capital redemption reserves of Rs 43.03 (representing the nominal value of the shares bought back) had been created as an apportionment from securities premium account.

Note 17 - Other equity

Rs. in lakhs

Particulars	Preference share capital(Instrument entirely equity in nature)	Capital redemption reserve	Securities premium	Share options outstanding account	General reserve	Retained earnings	Equity contribution by preference and equity share holders on relinquishment of rights	Other items of OCI	Total
Balance as at 1 April 2016	-	2.70	119.57	258.34	55.30	(2,069.27)	-	-	(1,633.36)
Additions:									
Share based payment expense	-	-	-	26.04	-	-	-	-	26.04
Transfer from share options outstanding account	-	-	47.46	-	-	-	-	-	47.46
Transfer from securities premium [refer note 16 (e)]	-	43.03	-	-	-	-	-	-	43.03
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	-	-	-	-	-	(4.47)	(4.47)
Net profit after tax transferred from the statement of profit or loss	-	-	-	-	-	5,918.69	-	-	5,918.69
	-	**45.73**	**167.03**	**284.38**	**55.30**	**3,849.42**	**-**	**(4.47)**	**4,397.39**
Deductions:									
Utilised for buy back of shares [refer note 16 (e)]	-	-	54.12	-	-	-	-	-	54.12
Transfer to securities premium	-	-	-	47.46	-	-	-	-	47.46
Transfer to capital redemption reserve	-	-	43.03	-	-	-	-	-	43.03
Tax on distributed income paid on buy back of shares	-	-	-	-	-	10.99	-	-	10.99
Balance as at 31 March 2017	**-**	**45.73**	**69.88**	**236.92**	**55.30**	**3,838.43**	**-**	**(4.47)**	**4,241.79**

Particulars	Preference share capital(Instrument entirely equity in nature)	Capital redemption reserve	Securities premium	Share options outstanding account	General reserve	Retained earnings	Equity contribution by preference and equity share holders on relinquishment of rights	Other items of OCI	Total
Balance as at 01 April 2017	-	45.73	69.88	236.92	55.30	3,838.43	-	(4.47)	4,241.79
Additions:									
Share based payment expense	-	-	-	6.79	-	-	-	-	6.79
Transfer from share options outstanding account	-	-	57.75	-	-	-	-	-	57.75
Reclassified from financial liability on relinquishment of rights	1.90	-	754.09	-	-	-	941.65	-	1,697.64
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	-	-	-	-	-	8.38	8.38
Net profit after tax transferred from the statement of profit or loss	-	-	-	-	-	725.24	-	-	725.24
	1.90	**45.73**	**881.73**	**243.71**	**55.30**	**4,563.67**	**941.65**	**3.91**	**6,737.59**
Deductions									
Transfer to securities premium	-	-	-	57.75	-	-	-		57.75
Balance as at 31 March 2018	**1.90**	**45.73**	**881.73**	**185.96**	**55.30**	**4,563.67**	**941.65**	**3.91**	**6,679.84**

Nature and purpose of other reserves

Shares options outstanding account

The share options outstanding account is used to recognise the grant date fair value of options issued under Mistral Solutions Private Limited Employee Stock Option Plan.

Securities premium reserve

Securitius premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

Capital redemption reserve

The Company had purchased its own shares and as per the provisions of the applicable laws, a sum equal to the nominal value of the shares so purchased is required to be transferred to the capital redemption reserve.

Equity contribution by preference and equity share holders on relinquishment of rights

Represents the liability foregone by certain equity and preference share holders on relinquishment of conversion and buyback rights.

Rs. in lakhs

As at	31 March 2018	31 March 2017	01 April 2016
Note 18 - Provisions			
Provision for employee benefits			
- Gratuity (refer note 40)	384.82	293.67	278.44
- Compensated absences	71.91	71.74	67.01
	456.73	365.41	345.45
Note 19 - Borrowings			
Loan repayable on demand from banks			
-Cash credit (secured) [Refer note (1) below]	-	177.18	793.26
Equity shares classified as financial liabilities [Refer note (2) below]	-	1,585.30	4,394.45
Preference shares classified as financial liabilities [Refer note (2) below]	-	134.70	3,740.07
	-	1,897.18	8,927.79

Note 1:

(i) Cash credit of Rs.Nil (31 March 2017: 177.18 lakhs, 1 April 2016: Rs 113.52 lakhs) secured against stocks, book debts and collateral security of fixed deposit. The above loan carried interest of the respective bank's rate + 1.35%.

(ii) Cash credit of Rs Nil (31 March 2017: Nil, 1 April 2016: Rs 679.74 lakhs) secured against stocks, book debts and collateral security of fixed deposit. The above loan carried interest of the respective bank's rate + 1.50%. The entire loan has been repaid during the year.

Note 2:

Nexus India Ventures I Investments and Jafco Asia Technology Investments III (Mauritius) Limited (collectively referred to as 'Investors') had purchased 830,584 equity shares from eTEC Ventures LLC (the ersthwhile shareholders of the Company) with a par value of Rs 5/- per share and the Company had also issued 515,172 preference shares (FCCPS) to its investors with a par value of Rs. 5/- per share. As per the agreement, the investors are entitled to, at its option, cause the Company to buyback the investor's shares (including the equity shares held by such an investor) on and after June 30, 2012, if the Company has not realised a Qualified IPO or a liquidation event.

The above financial instruments contain put option with the investors which are exercisable at any time after June 2012 to cause the Company to buy back all the shares held by the investors at the following price, in accordance with the terms of the agreement:

a) Preference Shares: issue Price of such FCCPS plus interest thereon at an IRR of 15% compounded annually

b) Equity Shares: Rs.167/- per share plus interest thereon at an IRR of 15% compounded annually

The above put option with the investor results in the equity shares and preference shares being classified as a financial liability in accordance with Ind AS 32: Financial Instruments.

The impact on transition date is as follows:

Particulars	**As at 1 April 2016**
Reclassification of equity share capital to financial liability	41.53
Reclassification of preference share capital to financial liability	25.76
Reclassification of securities premium to financial liability	2,400.80
Impact on retained earnings (including interest on the financial liability amounting to Rs. 5,562.55 lakhs)	5,666.44
Financial liability recognized	(8,134.53)
Total	-

During the year 2016 -17, the Company had completed the buy back of 383,346 equity shares and 477,172 FCCPS from the investors. This has resulted in a total cash outflow of Rs. 1,743.86 lakhs. Furthermore, the Company has negotiated a total buy back consideration of Rs. 1,720.00 lakhs for the remaining equity shares and FCCPS with the investors. Accordingly, the amount of financial liability as at 31 March 2017 has been revised at Rs. 1,720 lakhs. The difference between the carrying value of the liability, buy back consideration paid and the revised value has been recognized as other income.

The impact of the aforesaid transaction on the comparative information for the year ended 31 March 2017 is as follows:

Particulars	**For the year ended 31 March 2017**
Interest expense on the aforesaid financial liability for the year ended 31 March 2017	(1,083.11)
Gain on settlement of equity and preference shares classified as financial liabilities	4,509.16
Gain on settlement of remaining equity and preference shares at Rs. 1,720 lakhs	1,298.74
Total impact on statement of profit and loss (Profit)	**4,724.79**

In November 2017, a director of the Company has purchased the remaining equity and preference shares from the investors. On purchase of the shares, the holder has relinquished the buy back rights attached to the equity and preference shares.

Accordingly, the preference and equity shares issued were reclassified as equity based on the guidance provided in Ind AS 109: Financial Instruments

The impact of the aforesaid transaction on the financial statements for the year ended 31 March 2018 is as follows:

Particulars	**For the year ended 31 March 2018**
Financial liabilities reclassified to equity share capital	22.36
Financial liabilities reclassified to preference share capital	1.90
Financial liabilities reclassified to securities premium account	754.09
Financial liabilities reclassified to retained earnings	941.65
Total impact on statement of profit and loss (Profit)	**1,720.00**

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Rs. in lakhs

As at	31 March 2018	31 March 2017	01 April 2016
Note 20 - Trade payables			
Total outstanding dues of micro and small enterprises (refer note below)	-		
Total outstanding dues of other than micro and small enterprises*	1,732.45	337.50	1,631.27
	1,732.45	**337.50**	**1,631.27**

*Includes dues to related party (refer note 39)

Note:

There are no material dues owed by the Company to Micro and Small enterprises, which are outstanding for more than 45 days during the year and as at 31-March 2018. This information as required under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the auditors.

	31 March 2018	31 March 2017	01 April 2016
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year:			
- Principal	-	-	-
- Interest	-	-	-
The amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006 alongwith the amount of the payment made to the supplier beyond the appointed date during the year.	-	-	-
The amount of the payments made to micro and small suppliers beyond the appointed day during each accounting year.	-	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purposes of disallowance as a deductable expenditure under the MSMED Act, 2006	-	-	-

The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 44

	31 March 2018	31 March 2017	01 April 2016
Note 21 - Other financial liabilities			
Current maturities of long-term debt from bank*	-	-	10.54
Payable to employees	262.38	268.94	254.16
Accrued expenses	97.79	58.29	82.98
Creditors for capital goods	-	5.28	48.61
Security deposits	-	-	0.51
Other payables	35.87	-	-
	396.04	**332.51**	**396.80**

* The details of interest rate, repayment terms and nature of securities furnished are disclosed below -
(i) Term loan from bank is secured by the hypothecation of vehicle purchased out of the term loan.
(ii) The applicable interest rate and the repayment terms are as follows:-

Name of the Bank	Repayment terms	Interest rate
HDFC Bank	60 equated monthly installments of Rs 1.10 lakhs each	10.21%

(iii) The entire loan has been repaid during previous year.

	31 March 2018	31 March 2017	01 April 2016
Note 22 - Other current liabilities			
Advance from customers	473.36	485.42	148.00
Statutory liabilities (TDS, PF, GST etc.)	230.07	184.86	236.79
Unearned revenue	177.05	33.33	77.07
	880.48	**703.61**	**461.86**
Note 23 - Provisions			
Provision for employee benefits			
- Gratuity (refer note 40)	1.44	-	2.21
- Compensated absences	11.03	10.67	10.34
Provision for foreseeable loss on contract*	-	53.10	1.60
Provision for warranty**	74.65	71.44	63.65
Provision for disputed tax dues	6.70	6.78	33.30
Provision for liquidated damages***	135.96	102.52	101.22
	229.78	**244.51**	**212.32**

* The provision for foreseeable losses on contracts are expected to be utilized over a period of one year.

** Provision for warranty costs are estimated on the basis of a technical evaluation and past experience. Provision is made for estimated liability in respect of warranty costs in the year of sale of goods. These provisions are expected to be utilized over the period of warranty.

*** Provision for liquidated damages relates to estimated outflow in respect of products sold by the Company and estimated to be incurred due to delay in delivery of products to customers. These provisions are expected to be utilized over a period of one year.

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Rs. in lakhs

For the year ended	31 March 2018	31 March 2017
Note 24 - Revenue from operations		
Product sales		
Sale of products	3,324.31	4,807.34
System engineering and traded sales	1,207.23	297.72
Sale of services		
Professional engineering services	3,804.74	3,479.25
	8,336.28	**8,584.31**
Note 25 - Other income		
Interest income from financial assets carried at amortised cost	148.61	196.34
Dividend income	6.31	15.12
Profit on sale of property, plant and equipment	3.32	0.77
Gain on buyback / settlement of equity and preference shares classified as financial liabilities	-	5,807.90
Net gain on financial asset measured at fair value through profit and loss	-	0.02
Bad debts recovered	4.55	42.44
Income from support services	255.44	219.38
Provision no longer required, written back	114.75	50.01
Foreign exchange gain (net)	-	7.25
Rental income	1.20	-
Miscellaneous income	22.61	33.89
	556.79	**6,373.12**
Note 26 - Cost of materials consumed		
Inventory of materials at the beginning of the year	148.03	264.11
Add: Purchases	2,783.71	1,996.78
Less: Inventory of materials at the end of the year	(1,332.65)	(148.03)
	1,599.09	**2,112.86**
Note 27 - Changes in inventories of finished goods, stock-in-trade and work-in-progress		
Opening inventory		
Finished Goods	12.44	56.35
Stock-in-trade	33.61	37.51
Work-in-progress	184.23	-
Closing inventory		-
Finished Goods	(6.90)	(12.44)
Stock-in-trade	(91.91)	(33.61)
Work-in-progress	(96.95)	(184.23)
	34.53	**(136.42)**
Note 28 - Employee benefits expense		
Salaries, wages and bonus	3,299.94	3,234.03
Contribution to provident and other funds	332.90	231.80
Share based payment expense	6.79	26.04
Staff welfare expense	245.41	82.21
	3,885.04	**3,574.08**
Note 29 - Finance costs		
Interest expense on financial liability measured at amortised cost	8.52	1,133.53
Interest on income tax	-	15.20
Others	6.50	12.07
	15.02	**1,160.80**
Note 30 - Other expenses		
Travelling and conveyance	164.64	204.16
Rent (refer note 33)	283.77	282.27
Legal and professional fees	344.01	209.84
Repairs and maintenance	-	-
- Plant and machinery	2.33	13.26
- Others	90.15	93.72
Power and fuel	55.84	51.91
Bank charges	34.21	34.66
Communication expenses	20.75	23.39
Advertisement and business promotion	21.98	16.27
Rates and taxes	17.50	6.13
Insurance expenses	20.75	21.26
Warranty Cost	3.21	7.79
Advances written off	-	1.86
Bad debts written off	-	50.73
Provision for foreseeable loss on contracts	-	51.50
Provision for doubtful debts	50.07	-
Corporate social responsibility expenses (refer note 37)	2.15	3.91
Net loss on financial asset measured at fair value through profit and loss	2.32	-
Net loss on foreign currency transaction and translation	19.58	-
Miscellaneous expenses	68.26	51.39
	1,201.52	**1,124.05**

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Note 31- Income-tax Rs. in lakhs

(a) Amounts recognised in Statement of Profit and Loss

For the period ended	31 March 2018	31 March 2017
Current tax	278.35	609.37
Deferred tax		
Attributable to origination and reversal of temporary differences	6.05	24.92
Tax expense for the year	**284.40**	**634.29**

(b) Amounts recognised in other comprehensive income

For the period ended	31 March 2018			31 March 2017		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to statement of profit and loss						
Remeasurements of the defined benefit plans	12.81	(4.43)	8.38	(6.84)	2.37	(4.47)
	12.81	**(4.43)**	**8.38**	**(6.84)**	**2.37**	**(4.47)**

(c) Reconciliation of effective tax rate

For the period ended	31-Mar-18		31 March 2017	
Profit before tax		**1,009.64**		**6,552.98**
Tax using the Company's domestic tax rate:	33.06%	333.79	34.61%	2,267.99
Tax effect of:				
Weighted deduction on research and development expenditure	-9.92%	(100.12)	-	-
Impact of interest expense on equity and preference shares classified as financial liability	-	-	5.72%	374.86
Impact of gain recognised on buyback / settlement of equity and preference shares classified as financial liability	-	-	-30.67%	(2,010.11)
Impact on account of change in rates	5.32%	53.70	0.00%	-
Others	-0.29%	(2.97)	0.02%	1.55
	28.17%	**284.40**	**9.68%**	**634.29**

(d) Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Deferred tax assets		Deferred tax liabilities		Deferred tax (liabilities) / asset, net	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Property, plant and equipment	74.52	84.42	-	-	74.52	84.42
Employee benefits	130.53	130.15	-	-	130.53	130.15
Other items	18.60	15.12	-	-	18.60	15.12
	223.66	**229.70**	-	-	**223.66**	**229.70**

(e) Movement in temporary differences

	As at 1 April 2017	Recognised in statement of profit and loss	Recognised in OCI	Recognised directly in equity	Others	As at 31 March 2018
Property, plant and equipment	84.42	(9.90)	-	-	-	74.52
Employee benefits	130.15	0.38	-	-	-	130.53
Other items	15.12	3.48	-	-	-	18.60
	229.70	**(6.05)**	-	-	-	**223.66**

	As at 1 April 2016	Recognised in statement of profit and loss	Recognised in OCI	Recognised directly in equity	Others	As at 31 March 2017
Property, plant and equipment	70.67	13.76	-	-	-	84.42
Employee benefits	118.37	11.79	-	-	-	130.15
Other items	65.59	(50.47)	-	-	-	15.12
	254.63	**(24.92)**	-	-	-	**229.70**

The following table provides the details of income tax assets and income tax liabilities as of 31 March 2018, 31 March 2017, 1 April 2016

As at	31 March 2018	31 March 2017	01 April 2016
Income tax assets (net)	203.08	158.97	191.55
Current tax liabilities (net)	61.46	355.53	154.35
Net current income tax asset / (liability) as at 31 March 2018	**141.62**	**(196.56)**	**37.20**

The gross movement in the current income tax asset / (liability) for the year ended 31 March 2018 and 31 March 2017 is as follows.

For the year ended	31 March 2018	31 March 2017
Net current income tax asset / (liability) at the beginning	(196.56)	37.20
Income tax paid	620.96	373.24
Current income tax expense	(278.35)	(609.37)
Income tax on other comprehensive income and others	(4.43)	2.37
Net current income tax asset / (liability) at the end	**141.62**	**(196.56)**

Rs. in lakhs

Note 32 - Contingent liabilities and commitments

(i) Contingent liabilities

(a) Claims against the Company not acknowledged as debt in respect to income tax, sales tax and other matters amounted to Rs. 183.60 lakhs; (31 March 2017: Rs 72.17 lakhs and 1 April 2016 Rs 89.26 lakhs)

(b) Bank guarantees outstanding as at 31 March 2018: Rs. 654.53 lakhs(31 March 2017: Rs 499.40 lakhs and 1 April 2016: Rs 300.82 lakhs)

(c) Cumulative preference dividend not proposed by the Board of Directors amounted to Rs 0.01 lakhs (31 March 2017: Rs. 0.01 lakhs, 1 April 2016: Rs. 0.02 lakhs). Dividend distribution tax is payable at 20.36% (31 March 2017: 20.36%, 1 April 2016: 20.47%) of the dividend at the time of declaration.

(ii) Commitments:

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 97.96 lakhs (31 March 2017: Rs Nil and 1 April 2016: Rs Nil)

Note 33 - Operating leases

(i) Lease rental expense under non-cancellable operating lease during the year ended 31 March 2018 amounted to Rs 282.78 lakhs(31 March 2017: Rs 231.88 lakhs). Future minimum lease payments under non- cancellable operating lease are as below:

Particulars	31 March 2018	31 March 2017
Payable within 1 year	282.34	172.55
Payable between 2-5 years	506.27	6.97
Payable after 5 years	-	-
	788.62	179.52

The Company leases primarily office premises and residential facilities under cancellable operating lease agreements. Total rental expense under cancellable operating leases was Rs. 0.99 lakhs for the year ended 31 March 2018 (31 March 2017: 50.39 lakhs).

Note 34 - i) Details of Current investments purchased and sold during the current year:

a) Current investments purchased and sold during the current year

	As at 1 April 2017	Purchased during the period	Sold during the period	As at 31 March 2018
Investments in equity shares	-	65.15	-	65.15

b) Current investments purchased and sold during the previous year

	As at 1 April 2016	Purchased during the period	Sold during the period	As at 31 March 2017
Investments in equity shares	-	-	-	-

ii) Details of inter corporate deposit during the year:

a) Terms and conditions on which inter-corporate loans have been given

Name of the borrower	Nature of relationship	Secured / Unsecured	Rate of Interest	Term	Purpose
Aero Electronics Private Limited	Subsidiary	Unsecured	9%	On demand	Purchase of land
Valdel Infratech Private Limited	Corporate	Unsecured	10%	1 year	Inter-corporate deposits
Valdel Management Services Pvt Ltd	Corporate	Unsecured	10%	1 year	Inter-corporate deposits

b) Details of loan given and repaid during the year

	As at 1 April 2017	Amount given during the year (including accrued interest)	Repaid during the year	As at 31 March 2018
Aero Electronics Private Limited	401.18	2.43	-	403.61
Valdel Management Services Pvt Ltd	-	135.00	135.00	-

c) Details of loan given and repaid during the previous year

	As at 1 April 2016	Amount given during the year (including accrued interest)	Repaid during the year	As at 31 March 2017
Aero Electronics Private Limited	400.07	1.10	-	401.18
Valdel Infratech Private Limited	-	200.00	200.00	-

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Note 35 - Earnings per share

A. Computation of earnings per share is as follows:

For the period	31 March 2018	31 March 2017
Net profit attributable to the equity shareholders	725.24	5,918.69
Less: Dividend on fully convertible cumulative participative preference shares (including tax attributable thereto)	0.01	0.01
Less: Profit attributable to fully convertible cumulative participative preference shares	6.79	553.24
Net profit for basic earnings per share	**718.44**	**5,365.44**
Add: Adjustment for the purpose of diluted earnings per share	6.80	553.25
Net profit for diluted earnings per share	**725.24**	**5,918.69**

B. Reconciliation of basic and diluted shares used in computing earnings per share

For the period	31 March 2018	31 March 2017
Number of weighted average shares considered for calculation of basic earnings per share	3,749,569	4,030,065
Add: Effect of fully convertible cumulative participative preference shares	38,000	447,191
Add: Effect of potential equity shares on employee stock option outstanding	246,364	306,915
Number of weighted average shares considered for calculation of diluted earnings per share	4,033,933	4,784,171

For the period	31 March 2018	31 March 2017
Earnings per share:		
-Basic	19.16	133.14
-Diluted	17.98	123.71

Note 36 - Auditor's remuneration (included in legal and professional fees, excluding applicable taxes)

For the period	31 March 2018	31 March 2017
Audit fees	20.00	13.00
Other services	26.00	2.00
Out of pocket expenses	1.91	0.87
	47.91	**15.87**

Note 37 - Corporate Social Responsibilty

During the year, the amount required to be spent by the Company on corporate social responsibility activities amounts to Rs. 20.86 lakhs (31 March 2017: Rs. 12.69 lakhs in accordance with Section 135 of the Companies Act, 2013. However, the Company had incurred expenditure amounting to Rs. 2.15 lakhs(31 March 2017: Rs.3.91 lakhs) during the year.

Note 38 - Disclosure of provisions movement as required under the provisions of Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets:

For the year ended 31 March 2018

Particulars	Provision for foreseeable losses on contracts	Provision for warranty	Provision for disputed tax dues	Provision for liquidated damages
Balance as at beginning of the year	53.10	71.44	6.78	102.52
Provisions made during the year	-	47.67	-	85.17
Utilizations/reversals during the year	(53.10)	(44.46)	(0.07)	(51.73)
Provision at the end of the year	-	74.65	6.70	135.96

For the year ended 31 March 2017

Particulars	Provision for foreseeable losses on contracts	Provision for warranty	Provision for disputed tax dues	Provision for liquidated damages
Balance as at beginning of the year	1.60	63.65	33.30	101.22
Provisions made during the year	53.10	57.42	-	64.50
Utilizations/reversals during the year	(1.60)	(49.63)	(26.52)	(63.20)
Provision at the end of the year	53.10	71.44	6.78	102.52

Rs. in lakhs

Note 39 - Related parties

Relationships

1. Ultimate holding company#	Jupiter Capital Private Limited
Holding Company#	Axiscades Engineering Technologies Limited
Fellow subsidiary#	Axiscades, Inc. (formerly known as Axis Inc.)
	AXISCADES UK Limited (formerly known an as Axis EU Europe Limited)
	Cades Studec Technologies (India) Private Limited
	AXISCADES Technology Canada Inc. (formerly known an as Cades Technology Canada Inc.)
	AXIS Mechanical Engineering Design (Wuxi) Co., Ltd.
	AXISCADES GmbH
	AXISCADES Aerospace & Technologies Private Limited
	Enertec Controls Limited, a step down subsidiary
	AXISCADES Aerospace Infrastructure Private Limited (formerly known as Jupiter Aviation Services Pvt Ltd)
Subsidiary companies	Mistral Solutions, Inc.
	Mistral Technologies Private Limited
	Aero Electronics Private Limited
	Mistral Solutions Pte Ltd

2. Key Management Personnel (KMP):

Managing Director	Anees Ahmed
Director	Rajeev Ramachandra*
Director	Mujahid Alam*
Director	Kaushik Sarkar**
Director	A. Srinivas***
Chief Financial Officer	Anoop Agarwal

* Resigned as a director on 1 December 2017 and re appointed on 22 February 2018.
** Appointed as a director on 1 December 2017.
*** Appointed as a director on 1 December 2017 and resigned on 20 February 2018.
# With effect from 1 December 2017.

3. The following are significant transactions with related parties by the Company.

Particulars		31 March 2018	31 March 2017
Revenue from operations			
Sale of products			
Mistral Solutions Inc., USA	Subsidiary	13.73	13.80
Professional Engineering Services			
Mistral Solutions Inc; USA	Subsidiary	586.96	689.70
Mistral Technologies Private Limited	Subsidiary	25.00	-
System engineering and traded sales			
Mistral Solutions Inc; USA	Subsidiary	105.24	2.27
Mistral Technologies Private Limited	Subsidiary	7.35	-
Other Income			
Income from support services			
Mistral Solutions Inc; USA	Subsidiary	255.44	219.38
Miscellaneous Income			
Mistral Solutions Inc; USA	Subsidiary	-	0.05
Interest Income			
Aero Electronics Private Limited	Subsidiary	0.90	1.12
Purchase of goods			
Mistral Solutions Inc	Subsidiary	190.51	293.10
Mistral Technologies Private Limited	Subsidiary	26.43	-
Communication expenses			
Mistral Solutions Inc; USA	Subsidiary	0.14	-
Purchase of property, plant and equipment			
Mistral Solutions Inc; USA	Subsidiary	-	1.37
Inter corporate advances given			
Aero Electronics Private Limited	Subsidiary	1.62	0.10
Key management personnel compensation			
Short-term employee benefits	KMP	326.50	341.25
Post-employment defined benefit*	KMP	14.55	15.88
Share-based payments	KMP	-	11.55

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Note 39 - Related parties (continued)

Rs. in lakhs

4. The balance receivable from and payable to related parties are as follows:

Particulars		31 March 2018	31 March 2017	1 April 2016
Trade receivables				
Mistral Solutions Inc; USA	Subsidiary	78.67	372.24	821.49
Mistral Technologies Private Limited	Subsidiary	-	-	1.57
Trade Payables				
Mistral Solutions Inc; USA	Subsidiary	81.05	84.15	882.88
Mistral Technologies Private Limited	Subsidiary	-	-	110.15
Accrued expenses				
Mistral Technologies Private Limited	Subsidiary	11.06	-	-
Loans and advances				
Aero Electronics Private Limited	Subsidiary	403.61	401.18	400.07

*Does not include gratuity and compensated absences as these are provided in the books of accounts on the basis of acturial valuation for the Company as a whole and hence invidual cannot be determined.

Note 40 - Employee benefits

(a) Defined contribution plans

The Company has recognised an amount of Rs.166.78 lakhs (31 March 2017: Rs.160.04 lakhs) as expenses under the defined contribution plans in the statement of profit and loss for the year:

(b) Defined benefit plans	31 March 2018	31 March 2017
1. Reconciliation of net defined benefit asset / (liability)		
(i) Reconciliation of present value of defined benefit obligation		
Obligations as at 1 April 2017	320.21	303.98
Current Service cost	35.00	36.70
Past Service Cost*	97.78	-
Interest Cost	23.03	23.15
Benefits settled	(36.66)	(51.05)
Acturial (gain) / loss due to financial assumptions	(16.14)	14.48
Acturial (gain) / loss due to experience adjustments	2.36	(7.07)
Liability assumes/Transfer	(11.06)	-
Obligations at the year end 31 March	**414.52**	**320.21**
(ii) Reconciliation of present value of plan asset:		
Plan assets as at 1 April 2017	26.54	23.33
Expected return on plan assets	2.69	2.63
Return on assets excluding interest income	(0.97)	0.58
Contributions	36.66	51.05
Benefits settled	(36.66)	(51.05)
Plan assets at 31 March at fair value	**28.26**	**26.54**
(iii) Reconciliation of net defined benefit asset/(liability)		
Present value of obligation as at 31 March	414.52	320.21
Plan assets at 31 March at fair value	28.26	26.54
Amount recognised in balance sheet asset / (liability)	**(386.26)**	**(293.67)**
Non-Current	384.82	293.67
Current	1.44	-
2. Expenses recognised in the statement of profit and loss under Employee benefit expense:		
Current service cost	35.00	36.70
Past service cost*	97.78	-
Interest cost	20.34	20.52
Net cost	**153.12**	**57.23**
3. Remeasurements recognised in statement of Other comprehensive income		
Changes in financial assumptions	(16.14)	14.48
Experience adjustments	2.36	(7.07)
Actual returns on plan assets less interest on plan assets	0.97	(0.58)
Net Loss / (Gain) recognised in statement of other comprehensive income	**(12.81)**	**6.84**
4. Experience adjustment:		
On plan liabilities (gain) / loss	2.36	(7.07)
On plan assets gain / (loss)	(0.97)	0.58
5. Investment details:	**% Invested**	**% Invested**
Insurer managed funds	98.12%	98.07%
Others	1.88%	1.93%

Notes:

* During the intervaluation period, the monetary ceiling under the Payment of Gratuity Act, 1972 was enhanced from Rs. 10.00 lakhs to Rs. 20.00 lakhs. The revised benefit is described in the summary of gratutiy benefit set-out in the above notes. This change resulted in a past service cost for the Company which has been recognised in the statement of profit or loss account for the year.

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Rs. in lakhs

Note 40 - Employee benefits (continued)

	31 Macrh 2018	31 Macrh 2017
6. Principal acturial assumptions		
Discount factor [Refer note (i) below]	7.85%	7.50%
Estimated rate of return on plan assets [Refer note (ii) below]	7.85%	7.50%
Attrition rate:		
Age related (Service related):		
21-30 Years	15.00%	15.00%
31-34 Years	10.00%	10.00%
35-44 Years	5.00%	5.00%
45-50 Years	3.00%	3.00%
51-54 Years	2.00%	2.00%
55-59 Years	1.00%	1.00%
Salary escalation rate [Refer note (iii) below]	7.00%	7.00%
Retirement age (in years)	60	60
7. Maturity profile of defined benefit obligation:		
Within 1 year	2,970,001	2,629,964
1-2 year	2,898,990	2,617,866
2-3 year	3,727,216	2,473,117
3-4 year	2,693,819	3,208,360
4-5 year	2,598,723	2,194,328
5- 10 year and above	104,826,885	74,116,435

Notes:

(i) The discount rate is based on the prevailing market yield on Government Securities as at the balance sheet date for the estimated term of obligations.

(ii) The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Company's policy for plan asset management.

(iii) The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Sensitivity analysis

The sensitivity analysis of significant actuarial assumption as of end of reporting period is shown below.

	31 March 2018	31 March 2017
A. Discount rate		
Discount rate -50 basis points	5.63%	5.45%
Discount rate +50 basis points	-5.19%	-5.01%
B. Salary escalation rate		
Salary rate -50 basis points	-3.14%	-2.54%
Salary rate +50 basis points	3.15%	2.56%

Note 41 - Research and development expenditure

Research and development expenses comprise of the following

Particulars	31 March 2018	31 March 2017
Capital expenditure	64.28	38.00
Revenue expenditure	646.41	637.79
Total	710.69	675.79

Note 42 - Capital management

The Company's policy is to maintain a stable capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors capital on the basis of return on capital employed as well as the debt to total equity ratio.

The Company monitors capital on the basis of the following gearing ratio.

Particulars	31 March 2018	31 March 2017	1 April 2016
Total debt	-	1,897.18	8,938.33
Total equity	6,869.71	4,405.71	(1,472.61)
Debt to equity ratio	-	43.06%	-606.97%

The change in debt to equity ratio is primarily on account of reclassification of certain equity and preference shares from borrowings to equity as a result of change in the terms with the shareholders. Also refer note 19 for details.

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Note 43- Share based payments

Employee Stock Option Plan 2004

Mistral Solutions Private Limited Employee Stock Option Plan 2004 was approved by the Board of Directors on 1 April 2004. The options granted have vesting period ranging from 6 months to 2 years.

The movement in the options under the plan is set out below:

Particulars	31 March 2018	31 March 2017
Options outstanding as at beginning of the year	-	30,000
Options granted during the year	-	-
Options vested during the year	-	-
Options exercised during the year	-	30,000
Shares allotted against options exercised during the year	-	30,000
Options expired during the year	-	-
Options outstanding at the end of the year	-	-
Options exercisable as at end of the year	-	-
Weighted average price per option (Rs.)	-	5

Employee Stock Option Plan 2006

The Board of Directors of the Company approved the 'Mistral Solutions Private Limited Employee Stock Option Plan 2006' on 9 December 2005. The options granted have vesting period ranging from 6 months to 2 years.

The movement in the options under the plan is set out below:

Particulars	31 March 2018	31 March 2017
Options outstanding as at beginning of the year	-	9,250
Options granted during the year	-	-
Options vested during the year	-	-
Options exercised during the year	-	9,250
Shares allotted against options exercised during the year	-	9,250
Options expired during the year	-	-
Options outstanding at the end of the year	-	-
Options exercisable as at the end of the year	-	-
Weighted average price per option (Rs.)	-	5

Employee Stock Option Plan 2010

The Board of Directors of the Company approved the 'Mistral Solutions Private Limited Employee Stock Option Plan 2010' on 15 July 2010 and it is effective from 1 April 2010. The options granted have vesting period in the range of 1 to 4 years.

The movement in the options under the plan is set out below:

Particulars	31 March 2018	31 March 2017
Options outstanding as at beginning of the year	308,800	332,850
Options granted during the year	-	-
Options vested during the year	-	-
Options exercised during the year	71,800	24,050
Shares allotted against options exercised during the year	71,800	24,050
Options expired during the year	-	-
Options outstanding at the end of the year	237,000	308,800
Options exercisable as at the end of the year	237,000	284,800
Weighted average price per option (Rs.)	5	5

Fair Value Measurement:

The fair value at grant date is determined using the Black Scholes valuation option-pricing model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. The Company has granted Nil option (31 March 2017: Nil option) during the year.

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Note 44 - Financial instruments - fair values and risk management Rs. in lakhs

Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at 31 March 2018, including their levels in the fair value hierarchy.

Particulars	Note	Carrying amount					Fair value			
		FVTPL	FVOCI	Other financial assets - amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Investment in mutual funds	11	486.06	-	-	-	486.06	486.06	-	-	486.06
Investment in equity shares	11	65.15	-	-	-	65.15	65.15	-	-	65.15
		551.21	-	-	-	**551.21**				
Financial assets not measured at fair value										
Loans	7	-	-	555.85	-	555.85				
Other financial assets	14	-	-	431.62	-	431.62				
Trade receivables	12	-	-	4,497.59	-	4,497.59				
Cash and cash equivalents	13	-	-	73.82	-	73.82				
Other bank balances	13	-	-	1,560.17	-	1,560.17				
		-	-	**7,119.05**	-	**7,119.05**				
Financial liabilities not measured at fair value										
Trade payables	20	-	-	-	1,732.45	1,732.45				
Other financial liabilities	21	-	-	-	396.04	396.04				
		-	-	-	**2,128.49**	**2,128.49**				

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at 31 March 2017, including their levels in the fair value hierarchy.

Particulars	Note	Carrying amount					Fair value			
		FVTPL	FVOCI	Other financial assets - amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Investment in mutual funds	11	10.02	-	-	-	10.02	10.02	-	-	10.02
Investment in equity shares	11	-	-	-	-	-	-	-	-	-
		10.02	-	-	-	**10.02**				
Financial assets not measured at fair value										
Loans	7	-	-	567.83	-	567.83				
Other financial assets	14	-	-	1,049.61	-	1,049.61				
Trade receivables	12	-	-	3,407.54	-	3,407.54				
Cash and cash equivalents	13	-	-	306.02	-	306.02				
Other bank balances	13	-	-	1,743.88	-	1,743.88				
		-	-	**7,074.88**	-	**7,074.88**				
Financial liabilities not measured at fair value										
Borrowings	19	-	-	-	1,897.18	1,897.18				
Trade payables	20	-	-	-	337.50	337.50				
Other financial liabilities	21	-	-	-	332.51	332.51				
		-	-	-	**2,567.19**	**2,567.19**				

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at 1 April 2016, including their levels in the fair value hierarchy.

Particulars	Note	Carrying amount					Fair value			
		FVTPL	FVOCI	Other financial assets - amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Investment in mutual funds	11	-	-	-	-	-	-	-	-	-
Investment in equity shares	11	-	-	-	-	-	-	-	-	-
		-	-	-	-	-				
Financial assets not measured at fair value										
Loans	7	-	-	555.89	-	555.89				
Other financial assets	14	-	-	564.60	-	564.60				
Trade receivables	12	-	-	5,741.66	-	5,741.66				
Cash and cash equivalents	13	-	-	262.23	-	262.23				
Other bank balances	13	-	-	1,896.76	-	1,896.76				
		-	-	**9,021.14**	-	**9,021.14**				
Financial liabilities not measured at fair value										
Borrowings	19	-	-	-	8,927.79	8,927.79				
Trade payables	20	-	-	-	1,631.27	1,631.27				
Other financial liabilities	21	-	-	-	396.80	396.80				
		-	-	-	**10,955.86**	**10,955.86**				

The fair value of cash and cash equivalents, bank balances, trade receivables, loans, trade payables and other financial assets and liabilities approximate their carrying amount largely due to the short-term nature of these instruments. The Company's loans have been contracted at market rates of interest. Accordingly, the carrying value of such loans approximate fair value. Investments in equity shares in subsidiary is not appearing as financial asset in the table above being investment in subsidiaries accounted under Ind AS 27, Seperate Financial Statements is scoped out under Ind AS 109, Financial Instruments.

Investments in liquid and short- term mutual funds which are classified as FVTPL are measured using net assets value at the reporting date multiplied by the quantity held.

Investments in equity shares which are classified as FVTPL are measured using market price of share at the reporting date multiplied by the quantity held.

Financial risk management

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's management risk policy is set by the Board. The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. A summary of the risks have been given below.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

Financial assets that are not credit impaired

The Company has financial assets which are in the nature of cash and cash equivalents, other bank balances, loans, security deposits, interest accrued on fixed deposits and other receivables which are not credit impaired. These are contractually agreed where the probability of default is negligible.

Financial assets that are credit impaired

Trade receivables

The Company's exposure to credit risk is influenced mainly by the type of each customer. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are into defence sector or non defence sector, industry, trading history with the Company and existence of previous financial difficulties.

The Company's exposure to credit risk for trade receivables by the type of counterparty is as follows:

Carrying amount	31 March 2018	31 March 2017	1 April 2016
Defence sector	3,923.50	2,568.68	4,215.96
Non defence sector	560.37	481.50	767.53
Related parties	78.67	372.24	823.06
	4,562.53	3,422.41	5,806.55

The Company has calculated the impairment loss arising on account of past trends in the default rate for time bucket.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information. Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Out of the total trade receivables of Rs.4,562.53 lakhs (31 March 2017: Rs 3,422.41 lakhs; 1 April 2016: Rs 5,806.54 lakhs) , the exposure considered for expected credit loss is Rs. 560.37 lakhs(31 March 2017: Rs. 481.50 lakhs; 1 April 2016: Rs 767.53 lakhs) The balance which is not considered for impairment pertains to defence customers and related parties where default in collection as a percentage to total receivable is low.

The following table provides information about the exposure to credit risk and expected credit loss for trade and other receivables:

Rs. in lakhs

	Gross carrying amount	Weighted average loss rate	Loss allowance
31 March 2018			
Current (not past due)	381.29	2.02%	7.70
0-90 days	127.39	10.19%	12.98
91-180 days	8.46	12.23%	1.03
181-270 days	10.75	100.00%	10.75
271-360 days	7.17	100.00%	7.17
> 360 days	25.30	100.00%	25.30
	560.37		**64.94**

	Gross carrying amount	Weighted average loss rate	Loss allowance
31 March 2017			
Current (not past due)	339.25	2.67%	9.06
0-90 days	136.53	3.42%	4.66
91-180 days	5.72	20.11%	1.15
181-270 days	-	-	-
271-360 days	-	-	-
> 360 days	-	-	-
	481.50		**14.87**

	Gross carrying amount	Weighted average loss rate	Loss allowance
1 April 2016			
Current (not past due)	513.28	4.05%	20.80
0-90 days	191.81	5.26%	10.09
91-180 days	38.99	30.94%	12.07
181-270 days	0.66	61.01%	0.40
271-360 days	8.81	85.71%	7.55
> 360 days	13.98	100.00%	13.98
	767.53		**64.89**

Movement in the allowance for impairment in trade receivables	**31 March 2018**	**31 March 2017**
Opening balance	14.87	64.89
Amount provided for / (reversal)	50.07	(50.01)
Net remeasurement of loss allowance	64.94	14.87

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Rs. in lakhs

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2018.

Particulars	As at 31 March 2018		
	Less than 1 year	1-2 years	2 years and above
Non-derivative financial liabilities			
Trade payables	1,732.45	-	-
Other financial liabilities	396.04	-	-
	2,128.49	-	-

Particulars	As at 31 March 2017		
	Less than 1 year	1-2 years	2 years and above
Non-derivative financial liabilities			
Trade payables	337.50	-	-
Other financial liabilities	332.51	-	-
Borrowings	1,897.18		
	2,567.19	-	-

Particulars	As at 1 April 2016		
	Less than 1 year	1-2 years	2 years and above
Non-derivative financial liabilities			
Trade payables	1,631.27	-	-
Other financial liabilities	396.80	-	-
Borrowings	8,927.79		
	10,955.86	-	-

Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. The Company is exposed to market risk primarily related to foreign exchange rate risk. Thus, the exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management is as follows.

Rs. in lakhs

Particulars	31 March 2018		
	USD	EURO	GBP
Trade and other payables	1,415.61	-	256.64
Trade and other receivables	610.58	20.83	0.81
Net exposure in respect of recognised assets and liabilities	**805.03**	**(20.83)**	**255.83**

Particulars	31 March 2017		
	USD	EURO	GBP
Trade and other payables	297.34	-	-
Trade and other receivables	818.44	15.93	-
Net exposure in respect of recognised assets and liabilities	**(521.10)**	**(15.93)**	-

Particulars	1 April 2016		
	USD	EURO	GBP
Trade and other payables	1,499.91	26.42	-
Trade and other receivables	1,529.59	122.66	1.36
Net exposure in respect of recognised assets and liabilities	**(29.67)**	**(96.25)**	**(1.36)**

Sensitivity analysis

A reasonably possible strengthening (weakening) of the US Dollar, Euro or GBP against all other currencies as at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or loss		Equity, net of tax	
31 March 2018	Strengthening	Weakening	Strengthening	Weakening
USD (for 1% movement)	8.05	(8.05)	5.39	(5.39)
EURO (for 1% movement)	(0.21)	0.21	(0.14)	0.14
GBP (for 1% movement)	2.56	(2.56)	1.71	(1.71)
	10.40	**(10.40)**	**6.96**	**(6.96)**

	Profit or loss		Equity, net of tax	
31 March 2017	Strengthening	Weakening	Strengthening	Weakening
USD (for 1% movement)	(5.21)	5.21	(3.41)	3.41
EURO (for 1% movement)	(0.16)	0.16	(0.10)	0.10
GBP (for 1% movement)	-	-	-	-
	(5.37)	**5.37**	**(3.51)**	**3.51**

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Note 45 - Explanation of transition to Ind AS Rs. in lakhs

As stated in Note 2A, the Company has prepared its first financial statements in accordance with Ind AS. For the year ended 31 March 2017 the Company had prepared its financial statements in accordance with the Companies (Accounting Standard) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

The accounting policies set out in Note 3 have been applied in preparing the financial statements for the year ended 31 March 2018 including the comparative information for the year ended 31 March 2017 and the opening Ind AS balance sheet on the date of transition i.e. 1 April 2016.

In preparing its Ind AS balance sheet as at 1 April 2016 and in presenting the comparative information for the year ended 31 March 2017, the Company has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS

Optional exemptions availed and mandatory exceptions

In preparing the financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

A. Optional exemptions availed

1. Property, plant and equipment and intangible assets

As per Ind AS 101 an entity may elect to:

(i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date

(ii) use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of revaluation, provided the revaluation was, at the date of revaluation, broadly comparable to:

- fair value
- or cost or depreciated cost under Ind AS adjusted to reflect.

The elections under (i) and (ii) above are also available for intangible assets that meet the recognition criteria in Ind AS 38, Intangible Assets, (including reliable measurement of original cost); and criteria in Ind AS 38 for revaluation (including the existence of an active market).

(iii) use carrying values of property, plant and equipment and intangible assets as on the date of transition to Ind AS (which are measured in accordance with previous GAAP and after making adjustments relating to decommissioning liabilities prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition.

As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment. The same election has been made in respect of intangible assets also.

2. Investment in subsidiaries

As permitted by Ind AS 101, the Company has elected to carry all invesmtments in subsidiaries at cost as determined in accordance with Ind AS 27.

B. Mandatory exceptions

1. Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the consolidated financial statements that were not required under the previous GAAP are listed below:

- Fair valuation of financial instruments carried at FVTPL / FVOCI.
- Impairment of financial assets based on the expected credit loss model.
- Determination of the discounted value for financial instruments carried at amortised cost.
- Discounted value of liability for decommissioning cost.

2. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

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Reconciliation of equity

Rs. in lakhs

	Note	As at date of transition 1 April 2016			As at 31 March 2017		
		Previous GAAP*	Adjustment on transition to Ind AS	Ind AS	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
I Assets							
(1) Non-current assets							
(a) Property palnt and equipment		325.15	-	325.15	282.63	-	282.63
(b) Capital work-in-progress		-	-	-	5.48	-	5.48
(c) Intangible assets		46.33	-	46.33	21.33	-	21.33
(d) Financial assets							
(i) Investments		309.42	-	309.42	309.42	-	309.42
(ii) Loans	a	575.48	(19.59)	555.89	576.08	(8.25)	567.83
(iii) Other financial assets		100.08	-	100.08	142.25	-	142.25
(e) Deferred tax asset, (net)	b	236.05	18.58	254.63	229.40	0.30	229.70
(f) Income tax assets, (net)		191.55	-	191.55	158.97	-	158.97
(g) Other non-current assets	a	-	7.65	7.65	-	0.22	0.22
Total non-current assets		**1,784.06**	**6.64**	**1,790.70**	**1,725.56**	**(7.73)**	**1,717.83**
(2) Current assets							
(a) Inventories		357.97	-	357.97	378.31	-	378.31
(b) Financial assets							
(i) Investments	c	-	-	-	10.00	0.02	10.02
(ii) Trade receivables	d	5,804.90	(63.24)	5,741.66	3,415.80	(8.26)	3,407.54
(iii) Cash and cash equivalents		262.23	-	262.23	306.02	-	306.02
(iv) Bank balances other than (iii) above		1,896.76	-	1,896.76	1,743.88	-	1,743.88
(v) Other financial assets		464.52	-	464.52	907.36	-	907.36
(c) Other current assets	a	132.29	11.10	143.39	163.57	7.43	171.00
Total current assets		**8,918.67**	**(52.14)**	**8,866.53**	**6,924.94**	**(0.81)**	**6,924.13**
Total assets		**10,702.73**	**(45.50)**	**10,657.23**	**8,650.50**	**(8.54)**	**8,641.96**
II Equity and liabilities							
Equity							
(a) Equity share capital	e, g	202.28	(41.53)	160.75	186.28	(22.36)	163.92
(b) Other equity	e, g	6,494.19	(8,127.55)	(1,633.36)	5,938.92	(1,697.13)	4,241.79
Total equity		**6,696.47**	**(8,169.08)**	**(1,472.61)**	**6,125.20**	**(1,719.49)**	**4,405.71**
Liabilities							
(1) Non- current liabilities							
(a) Provisions		345.45	-	345.45	365.41	-	365.41
Total Non-current liabilities		**345.45**	**-**	**345.45**	**365.41**	**-**	**365.41**
(2) Current liabilities							
(a) Financial liabilities							
(i) Borrowings	g	793.26	8,134.53	8,927.79	177.18	1,720.00	1,897.18
(ii) Trade payables		1,631.27	-	1,631.27	337.50	-	337.50
(iii) Other financial liabilities		396.80	-	396.80	332.51	-	332.51
(b) Other current liabilities	h	472.81	(10.95)	461.86	712.65	(9.04)	703.61
(c) Provisions		212.32	-	212.32	244.51	-	244.51
(d) Current tax liabilities, (net)		154.35	-	154.35	355.53	-	355.53
Total Current liabilities		**3,660.81**	**8,123.58**	**11,784.39**	**2,159.88**	**1,710.96**	**3,870.84**
Total liabilities		**4,006.26**	**8,123.58**	**12,129.84**	**2,525.29**	**1,710.96**	**4,236.25**
Total equity and liabilities		**10,702.73**	**(45.50)**	**10,657.23**	**8,650.50**	**(8.54)**	**8,641.96**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

B S R & Associates LLP
BANGALORE
560 071
CHARTERED ACCOUNTANTS

MISTRAL SOLUTIONS PVT. LTD.
Bangalore

Note 45 - Explanation of transition to Ind AS (continued)

Rs. in lakhs

Reconciliation of total comprehensive income for the year ended 31 March 2017

		Note	Year ended 31 March 2017 Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
I.	Revenue from operations	i	8,299.40	284.91	8,584.31
II.	Other income	a,c,d,g	498.88	5,874.24	6,373.12
III.	**Total Income (I+II)**		**8,798.28**	**6,159.15**	**14,957.43**
IV.	**Expenses**				
	Cost of materials consumed		2,112.86	-	2,112.86
	Excise duty	i	-	284.91	284.91
	Purchase of stock-in-trade		111.42	-	111.42
	Changes in inventories of finished goods, stock-in-trade and work-in- progress		(136.42)	-	(136.42)
	Employee benefits expense	j,k	3,580.39	(6.31)	3,574.08
	Finance costs	g	77.69	1,083.11	1,160.80
	Depreciation and amortisation expense		172.75	-	172.75
	Other expenses	a,h,d	1,111.05	13.00	1,124.05
	Total expenses		**7,029.74**	**1,374.71**	**8,404.45**
V.	**Profit before tax (III-IV)**		**1,768.54**	**4,784.44**	**6,552.98**
VI.	**Tax expense**				
	(i) Current tax	k	607.00	2.37	609.37
	(ii) Deferred Tax	b	6.65	18.27	24.92
			613.65	**20.64**	**634.29**
VII.	**Profit for the year (V-VI)**		**1,154.89**	**4,763.80**	**5,918.69**
VIII.	**Other comprehensive income**				
	Items that will not to be reclassified subsequently to statement of profit or loss:				
	Remeasurements of the net defined benefit liability / asset	k	-	(6.84)	(6.84)
	Income tax relating to items not to be reclassified subsequently to statement of profit or loss	k	-	2.37	2.37
	Other comprehensive income, net of tax		-	**(4.47)**	**(4.47)**
IX.	**Total comprehensive income for the year (VII+VIII)**		**1,154.89**	**4,759.32**	**5,914.22**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Notes to the reconciliation

a. **Loans:**
Under the previous GAAP, interest free security deposits are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent.

b. **Deferred tax assets (net):**
The (decreased) / increased in the deferred tax assets are on account of adjustments made on transition to Ind AS.

c. **Investments:**
Under the previous GAAP, investments in mutual funds were classified as current investments based on the intended holding period and realisability. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in the profit or loss for the year ended 31 March 2017.

d. **Trade receivables:**
On transition to Ind AS, the Company has recognised impairment loss on trade receivables based on expected credit loss model as required by 'Ind AS 109 "Financial Instruments". The Company measures the loss allowance at an amount equal to lifetime expected credit losses for trade receivables. Consequently trade receivables have been reduced with a corresponding decrease in the statement of profit and loss for the year ended 31 March 2017.

e. **Reconciliation of total equity as at 31 March 2017 and 01 April 2016**

	Note	1 April 2016	31 March 2017
Total equity as per previous GAAP		6,696.47	6,125.20
Incremental provision on expected credit loss	d	(63.24)	(8.26)
Effect of unwinding of interest on security deposits, net	a	(0.84)	(0.60)
Tax effects on Ind AS adjustments	b	18.58	0.30
Reversal of rent equalisation reserve	h	10.95	9.05
Impact of fair value of investments	c	-	0.02
Impact of equity and preference shares classified as financial liability including (interest thereon and gain on buyback / settlement)	g	(8,134.53)	(1,720.00)
Total equity		**(1,472.61)**	**4,405.71**

B S R & Associates LLP Chartered Accountants BANGALORE 560 071

Mistral Solutions Pvt. Ltd. Bangalore

Rs. in lakhs

f. **Reconciliation of total comprehensive income for the year ended 31 March 2017**

	Note	31 March 2017
Profit after tax as per previous GAAP		1,154.89
Impact of fair value of investments	c	0.02
Share based payment expense	j	(0.53)
Effect of unwinding of interest on security deposits, net	a	0.24
Reversal of provision on expected credit loss	d	54.98
Tax effects on Ind AS adjustments	b	(18.27)
Impact of reversal of rent equalisation reserve	h	(1.90)
Impact of equity and preference shares classified as financial liability including (interest thereon and gain on buyback / settlement)	g	4,724.79
Total comprehensive income		**5,914.22**

g. **Equity and preference shares classified as financial liability.**
(Refer note 19)

h. **Other current liabilities**
As per Ind AS 17 "Leases", if the Company has a rent escalation clause which is in line with inflationary conditions, there is no requirement for rent equalisation. Since the rate of inflation is in line with the rent escalation, hence the adjustments towards rent equalisation is reversed.

i. **Excise duty**
Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses.This change has resulted in an increase in the revenue from operation and expenses for the year ended 31 March 2017. There is no impact on the total equity and profit.

j. **Share based payment**
Under the previous GAAP, the cost of equity-settled employee share-based plan were recognised using the intrinsic value method. Under Ind AS, the cost of equity settled share-based plan is recognised based on the fair value of the options as at the grant date. There is no impact on total equity.

k. **Other comprehensive income**
Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

Note 46 -In accordance with Ind AS 108, Operating segments, segment information has been provided in the consolidated financial statements of the Company and no separate disclosure on segment information is given in these standalone financial statements.

Note 47 The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income-tax Act, 1961. Since the law required existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the international as well as domestic transactions entered into with the associated enterprise during the financial year and expects such records to be in existence as required by law. The Management is of the opinion that its international as well as domestic transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for tax.

As per our report of even date attached

for **B S R & Associates LLP**
Chartered Accountants
Firm registration number: 116231W/W-100024

Aravind Maiya
Partner
Membership Number: 217433

Place: Bengaluru
Date: 28 May 2018

for and on behalf of the Board of Directors of
Mistral Solutions Private Limited

Anees Ahmed
Managing Director
DIN: 00225648

Mujahid Alam
Director and Chief Executive Officer
DIN: 02651595

Anoop Agarwal
Chief Financial Officer

Place: Bengaluru
Date: 28 May 2018