B S R & Associates LLP

Chartered Accountants

Maruthi Info-Tech Centre
11-12/1, B Block, 2nd Floor
Inner Ring Road, Koramangala
Bangalore 560 071 India

Telephone +91 80 7134 7000
Fax +91 80 7134 7999

INDEPENDENT AUDITORS' REPORT

To the Members of Mistral Solutions Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Mistral Solutions Private Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2019, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

B S R & Associates (a partnership firm with Registration No. BA69226) converted into B S R & Associates LLP (a Limited Liability Partnership with LLP Registration No. AAB-8182) with effect from October 14, 2013

Registered Office:
5th Floor, Lodha Excelus
Apollo Mills Compound
N.M. Joshi Marg, Mahalakshmi
Mumbai - 400 011

Independent Auditor's Report

Management's Responsibility for the Standalone Financial Statements (continued)

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Independent Auditor's Report

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(A) As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.

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

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

i. The Company has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its standalone financial statements - Refer Note 30 and 36 to the standalone 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 21 to standalone financials statements ;

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

Independent Auditor's Report

Report on Other Legal and Regulatory Requirements (continued)

iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Ashish Chadha
Partner
Membership Number: 500160

Place: Bengaluru
Date: 07 May 2019

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 financial statements for the year ended 31 March 2019, we report that:

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

(b) The Company has a regular 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 two wholly owned subsidiaries 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 loans had been granted to the wholly-owned subsidiaries were not, prima facie, prejudicial to the interest of the Company.

(b) In the case of the loans granted to the companies listed in the Register maintained under Section 189 of the Act, the loans granted are re-payable on demand and the borrowers have been regular in the repayment of the principal and payment of interest, wherever demanded.

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

(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, Goods and Services tax, Duty of customs, cess and any other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Sales-tax, Service-tax, Duty of excise and Value added tax during the year. Also refer note 30 to the financial statements.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employee State Insurance, Income-tax, Goods and Services tax, Duty of customs, cess and any other material statutory dues were in arrears, as at 31 March 2019, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues which have not been deposited by the Company on account of disputes, except for the following:

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	Income Tax appellate tribunal
Income-tax Act, 1961	Income tax and interest	5,035,480	Assessment year 2006-2007	Income Tax appellate tribunal
Income-tax Act, 1961	Income tax and interest	57,660	Assessment year 2007-2008	Income Tax appellate tribunal
Income-tax Act, 1961	Income tax and interest	4,891,810	Assessment year 2010-2011	Assessing officer, Bengaluru
Income-tax Act, 1961	Income tax and interest	465,700	Assessment year 2011-2012	Assessing officer, Bengaluru
Income-tax Act, 1961	Income tax and interest	1,040,570	Assessment year 2012-2013	Assessing officer, Bengaluru
Income-tax Act, 1961	Income tax and interest	1,130,527	Assessment year 2014-2015	Assessing officer, Bengaluru
Income-tax Act, 1961	Income tax and interest	10,735,052 *	Assessment year 2016-2017	Commissioner of Income Tax (Appeals), Bengaluru
Customs Act, 1962	Duty of customs	2,440,491	Financial year 2011-2015	Assistant Commissioner of Central Tax, Bengaluru

- *Amount deposited with respect to AY 2016-17 is Rs 7,963,210*

(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 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 in the process of constituting 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

Ashish Chadha

Partner

Membership Number: 500160

Place: Bengaluru
Date: 07 May 2019

Annexure B to the Independent Auditors' report on the standalone financial statements of Mistral Solutions Private Limited for the period ended 31 March 2019.

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 1(A) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Mistral Solutions Private Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Annexure B to the Independent Auditors' report on the standalone financial statements of Mistral Solutions Private Limited for the period ended 31 March 2019 (continued)

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Ashish Chadha
Partner
Membership Number: 500160

Place: Bengaluru
Date: 07 May 2019

Mistral Solutions Private Limited
Balance sheet

Rs. in lakhs

As at		Note	31 March 2019	31 March 2018
I.	**ASSETS**			
(1)	**Non-current assets**			
	(a) Property, plant and equipment	4	319.81	373.51
	(b) Capital work-in-progress	4	11.89	5.48
	(c) Intangible assets	5	70.51	71.16
	(d) Financial assets			
	(i) Investments	6	1,108.70	319.45
	(ii) Loans receivable	7	570.67	555.85
	(e) Deferred tax asset, (net)	29	178.38	223.66
	(f) Income tax assets, (net)	29	268.85	203.08
	(g) Other non-current assets	8	8.22	19.28
	Total non-current assets		**2,537.03**	**1,771.47**
(2)	**Current assets**			
	(a) Inventories	9	735.61	1,528.41
	(b) Financial assets			
	(i) Investments	10	1,798.19	541.18
	(ii) Trade receivables	11	2,129.99	4,497.59
	(iii) Cash and cash equivalents	12	795.17	73.82
	(iv) Bank balances other than (iii) above	12	1,601.94	1,560.17
	(v) Other financial assets	13	43.21	431.62
	(c) Other current assets	14	1,639.66	222.39
	Total current assets		**8,743.77**	**8,855.18**
	Total assets		**11,280.80**	**10,626.65**
II	**EQUITY AND LIABILITIES**			
	Equity			
	(a) Equity share capital	15	189.87	189.87
	(b) Instrument entirely equity in nature	16	1.90	1.90
	(c) Other equity	16	8,356.68	6,677.94
	Total equity		**8,548.45**	**6,869.71**
	Liabilities			
(1)	**Non- current liabilities**			
	(a) Provisions	17	442.49	456.73
	Total Non-current liabilities		**442.49**	**456.73**
(2)	**Current liabilities**			
	(a) Financial liabilities			
	(i) Trade payables	18		
	(a) total outstanding dues of micro enterprises and small enterprises		-	-
	(b) total outstanding dues of creditors other than micro enterprises and small enterprises		544.72	1,732.45
	(ii) Other financial liabilities	19	539.54	396.04
	(b) Other current liabilities	20	821.20	880.48
	(c) Provisions	21	295.44	229.78
	(d) Current tax liabilities, (net)	29	88.96	61.46
	Total Current liabilities		**2,289.86**	**3,300.21**
	Total liabilities		**2,732.35**	**3,756.94**
	Total equity and liabilities		**11,280.80**	**10,626.65**
	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

Ashish Chadha
Partner
Membership Number: 500160

Place: Bengaluru
Date: 07 May 2019

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: 07 May 2019

Mistral Solutions Private Limited
Statement of profit and loss

Rs. in lakhs

	For the year ended	Note	31 March 2019	31 March 2018
I.	Revenue from operations	22	13,399.99	8,336.28
II.	Other income	23	368.93	556.79
III.	**Total Income (I+II)**		**13,768.92**	**8,893.07**
IV.	**Expenses**			
	Cost of materials consumed	24	4,692.01	1,599.09
	Excise duty		-	49.90
	Purchase of stock-in-trade		766.46	933.34
	Changes in inventories of finished goods, stock-in-trade and work-in- progress	25	60.50	34.53
	Employee benefits expense	26	4,360.88	3,885.04
	Finance costs	27	7.57	15.02
	Depreciation and amortisation expense	4,5	173.24	164.99
	Other expenses	28	1,518.16	1,201.52
	Total expenses		**11,578.82**	**7,883.43**
V.	**Profit before tax (III-IV)**		**2,190.10**	**1,009.64**
VI.	**Tax expense**			
	(i) Current tax	29	442.05	278.35
	(ii) Deferred Tax	29	45.28	6.05
			487.33	**284.40**
VII.	**Profit for the year (V-VI)**		**1,702.77**	**725.24**
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		(37.85)	12.81
	Income tax relating to items not to be reclassified subsequently to statement of profit or loss		13.82	(4.43)
	Other comprehensive income, net of tax		**(24.03)**	**8.38**
IX.	**Total comprehensive income for the year (VII+VIII)**		**1,678.74**	**733.62**
	Earnings per share (nominal value of Rs 5 each)			
	Attributable to equity holders of the Company			
	Basic [in Rs]	33	44.40	19.16
	Diluted [in Rs]	33	41.95	17.98
	Weighted average number of equity shares used in computing earning per share			
	-Basic		37,97,370	37,49,569
	-Diluted		40,59,055	40,33,933
	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

Ashish Chadha
Partner
Membership Number: 500160

Place: Bengaluru
Date: 07 May 2019

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: 07 May 2019

Mistral Solutions Private Limited

Statement of changes in equity

Rs. in lakhs

Particulars	Equity share capital	Other equity								Total equity attributable to equity holders of the Company
		Reserves and surplus							Other comprehensive income	
		Preference share capital (Instrument entirely equity in nature)	Securities premium	Equity contribution by preference and equity share holders on relinquishment of rights	Retained earnings	Capital redemption reserve	General reserve	Share options outstanding account	Other items of OCI	
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 26)	-	-	-	-	-	-	-	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**

Particulars	Equity share capital	Other equity								Total equity attributable to equity holders of the Company
		Reserves and surplus							Other comprehensive income	
		Preference share capital (Instrument entirely equity in nature)	Securities premium	Equity contribution by preference and equity share holders on relinquishment of rights	Retained earnings	Capital redemption reserve	General reserve	Share options outstanding account	Other items of OCI	
Balance as at 1 April 2018	**189.87**	**1.90**	**881.72**	**941.65**	**4,563.67**	**45.73**	**55.30**	**185.96**	**3.91**	**6,869.71**
Changes in equity for the year ended 31 March 2019										
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	-		-	-	-	-	(24.03)	**(24.03)**
Profit for the year	-	-	-	-	1,702.77	-	-	-	-	**1,702.77**
Balance as at 31 March 2019	**189.87**	**1.90**	**881.72**	**941.65**	**6,266.44**	**45.73**	**55.30**	**185.96**	**(20.12)**	**8,548.45**

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

Ashish Chadha
Partner
Membership Number: 500160

Place : Bengaluru
Date: 07 May 2019

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 Office

Place : Bengaluru
Date: 07 May 2019

Mistral Solutions Private Limited
Statement of cash flow

Rs. in lakhs

For the year ended	31 March 2019	31 March 2018
Cash flow from operating activities		
Profit before tax	2,190.10	1,009.64
Adjustments for :		
Depreciation and amortisation expense	173.24	164.99
Share based payment expense	-	6.79
Net gain / (loss) on financial asset measured at fair value through statement of profit and loss	(88.10)	2.32
Profit on sale of property, plant and equipment	(13.30)	(3.32)
Provision for doubtful debts	-	50.07
Provision no longer required, written back	(27.24)	(114.75)
Bad debts written off	24.62	-
Provision for foreseeable loss on contracts	7.41	-
Advances written off	0.24	-
Unrealised foreign exchange loss	6.14	5.43
Dividend income	(9.38)	(6.31)
Interest income	(116.06)	(148.61)
Interest expense	7.57	8.52
	2,155.24	**974.77**
Changes in		
Inventories	792.80	(1,150.10)
Trade receivables	2,343.02	(1,134.22)
Loans, other financial assets and other assets	(1,033.66)	452.50
Liabilities and Provisions	(1,075.20)	1,806.69
Cash generated from operating activities	**3,182.20**	**949.64**
Income tax paid, net of refund	(466.50)	(620.96)
Net cash from operating activities	**2,715.70**	**328.68**
Cash flow from investing activities		
Acquisition of property,plant and equipment	(128.77)	(317.90)
Proceeds from sale of property,plant and equipment	16.77	10.25
Sale/(Purchase) of investments, net	(1,958.16)	(543.51)
Inter- corporate deposits placed	-	135.00
Inter-corporate deposits redeemed	-	(135.00)
Redemption/(Investment) in fixed deposits (net)	(41.77)	325.97
Interest received	115.77	140.11
Dividend received	9.38	6.31
Net cash provided by / (used in) investing activities	**(1,986.78)**	**(378.77)**
Cash flow from financing activities		
Interest paid	(7.57)	(8.52)
Proceeds from share allotment	-	3.59
Repayment of short term loans, net	-	(177.18)
Net cash used in financing activities	**(7.57)**	**(182.11)**
Net change in cash and cash equivalents	**721.35**	**(232.20)**
Cash and cash equivalents at beginning of year	73.82	306.02
Cash and cash equivalents at end of year	**795.17**	**73.82**

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

Ashish Chadha
Partner
Membership Number: 500160

Place : Bengaluru
Date: 07 May 2019

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: 07 May 2019

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 standalone financial statements were authorised for issue by the Company's Board of Directors on 07 May 2019.

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 (Rs), 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) / liablity	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 31 - leases: whether an arrangement contains a lease and lease classification

Assumptions and estimation uncertainities

Information about assumptions and estimation uncertainities that have a significant risk of resulting in a material adjustment in the year ending 31 March 2019 is included in the following notes:

- Note 29 - recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;

- Note 38 - measurement of defined benefit obligations: key acturial assumptions;

- Note 30 and 36 - 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, 7, 10, 11 and 13 - 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 41 - share-based payment; and
- Note 42 - financial instruments

B S R & Associates LLP
BANGALORE
560 071
CHARTERED ACCOUNTANTS

MISTRAL SOLUTIONS PVT. LTD.
Bangalore

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. 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.

iii 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

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.

B S R & Associates LLP
BANGALORE
560 071
CHARTERED ACCOUNTANTS

MISTRAL SOLUTIONS PVT. LTD.
Bangalore

(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.

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 are valued at the lower of cost (including prime cost, non-refundable taxes and duties and other overheads incurred in bringing the inventories to their present location and condition) and estimated net realisable value, after providing for obsolescence, where appropriate. The comparison of cost and net realisable value is made on an item-by-item basis. The net realisable value of materials in process is determined with reference to the selling prices of related finished goods. Raw materials, packing materials and other supplies 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 obsolesence 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.

B S R & Associates LLP
BANGALORE
560 071
CHARTERED ACCOUNTANTS

MISTRAL SOLUTIONS PVT. LTD.
Bangalore

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 Offestting

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

Effective 1 April 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue Recognition. The Company has adopted Ind AS 115 using the cumulative effect method (without practical expedients), with the effect of initially applying this standard recognised at the date of initial application (i.e.1 April 2018). Accordingly, the information presented for the year ended 31 March 2018 has not been restated – i.e. it is presented, as previously reported, under Ind AS 18 and related interpretations.

The Company recognises 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. A 5-step approach is used to recognise revenue as below:

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

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

B S R & Associates LLP * BANGALORE 560 071 * CHARTERED ACCOUNTANTS

MISTRAL SOLUTIONS PVT. LTD. Bangalore

Revenue (continued)

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, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognised as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

Revenue from sale of products and system engineering and traded sales is recognised upon transfer of control of promised goods. Revenue from the sale of goods and services is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue from sale of products, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognised as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

Maintenance revenue is recognized ratably over the term of the underlying maintenance arrangement.

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.

Revenue in excess of invoicing are classified as contract assets (referred as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (referred as deferred revenues).

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

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) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to revenue, it is recognised in the Statement of Profit and Loss on a systematic basis over the periods to which it relates. When the grant relates to an asset, it is treated as deferred income and recognised in the Statement of Profit and Loss on a systematic basis over the useful life of the asset.

B S R & Associates LLP
BANGALORE 560 071
CHARTERED ACCOUNTANTS

MISTRAL SOLUTIONS PVT. LTD.
Bangalore

(j) 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.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the respective Company company will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the company will pay normal income tax during the specified period.

(k) 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.

(l) 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 theStatement 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.

B S R & Associates LLP ★ BANGALORE 560 071 ★ CHARTERED ACCOUNTANTS

MISTRAL SOLUTIONS PVT. LTD. Bangalore ★

(m) Employee benefits

i Defined contibution 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.

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.

(n) 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.

(o) 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.

(p) 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.

(q) 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.

(r) 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 desgin for the production of new or substantially improved products and processes

B S R & Associates LLP
BANGALORE
560 071
CHARTERED ACCOUNTANTS

MISTRAL SOLUTIONS PVT. LTD.
Bangalore

(s) Recent accounting pronouncements

Standards issued but not effective on Balance Sheet

Ind AS 116 - Leases

The company is required to adopt Ind AS 116 Leases from 1 April 2019. Ind AS 116 replaces existing leases guidance, including Ind AS 17 Leases. Ind AS 116 introduces a single Balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

i. Leases in which the Company is a lessee:
Under the new standard, the company will be required to recognise new assets and liabilities for its operating leases. The nature of expenses related to those leases will now change because the Company will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities. Previously, the company recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised. The company is in the process of evaluating the potential impact of the adoption of Ind AS 116 on accounting policies followed in its financial statements. The quantitative impact of adoption of Ind AS 116 on the financial statements in the period of initial application is not reasonably estimable as at present.

ii. Leases in which the Company is a lessor

No impact is expected for leases in which the company is a lessor.

iii. Transition

The company plans to apply Ind AS 116 using the modified retrospective method, with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 April 2019) in retained earnings. As a result, the company will not present individual line items appearing under comparative period presentation.

Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The company shall recognise the income tax consequences of dividends when it recognises a liability to pay a dividend. Therefore, the Company shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the Company originally recognised those past transactions or events. The company does not expect any significant impact of this ammendment on its financial statements.

The amendment to Appendix C of Ind AS 12 outlines the following:
(a) whether an company considers uncertain tax treatments separately - The company shall use judgement to determine whether each tax treatment should be considered separately or together with one or more other uncertain tax treatments based on which approach better predicts the resolution of the uncertainty and in determining the approach the company might consider how it prepares its income tax filings and supports tax treatments; or how the company expects the taxation authority to make its examination and resolve issues that might arise from that examination.
(b) the assumptions the company makes about the examination of tax treatments by taxation authorities- The company shall assume that a taxation authority will examine amounts it has a right to examine and have full knowledge of all related information when making those examinations.
(c) how the company determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates - The company shall consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the aforesaid probability.
The company does not expect any significant impact of this amendment on its financial statements.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendment clarifies that when determining past service cost, or a gain or loss on settlement due to plan amendment, curtailment or settlement, the Company shall remeasure the net defined benefit liability (asset) using the current fair value of plan assets and current actuarial assumptions, including current market interest rates and other current market prices, reflecting:
(a) the benefits offered under the plan and the plan assets before the plan amendment, curtailment or settlement; and
(b) the benefits offered under the plan and the plan assets after the plan amendment, curtailment or settlement.
Further, if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect any significant impact of this amendment on its financial statements.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures
The amendment clarifies that the Company shall be required to apply Ind AS 109 - "Financial Instruments", to long-term interests in an associate or joint venture that form part of the Company's net investment in the associate or joint venture but to which the equity method is not applied. The Company does not expect any significant impact of this amendment on its financial statements.

Ind AS 103 – Business Combinations and Ind AS 111 - Joint Arrangements
The amendment to Ind AS 103 relating to re-measurement clarify that when the Company obtains control of a business that is a joint operation and had rights to the assets and obligations for the liabilities relating to that joint operation immediately before the acquisition date, the transaction is a business combination achieved in stages and the Company shall re-measure its previously held interests in that business. The amendments to Ind AS 111 clarify that when the Company obtains joint control of a business that is a joint operation, the Company does not re-measure previously held interests in that business. The Company will apply the amendment if and when it obtains control / joint control of a business that is a joint operation.

B S R & Associates LLP
BANGALORE
560 071
CHARTERED ACCOUNTANTS

MISTRAL SOLUTIONS PVT. LTD.
Bangalore

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

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 2018	Additions during the year	Disposals	As at 31 March 2019	As at 1 April 2018	Depreciation for the year	Disposals	As at 31 March 2019	As at 31 March 2019
Own assets									
Plant and equipment	19.46	1.92	-	21.38	8.23	2.19	-	10.42	10.96
Furniture and fixtures	28.19	3.23	-	31.42	11.41	4.85	-	16.26	15.16
Vehicles	189.06	-	19.06	170.00	50.53	34.37	15.59	69.31	100.69
Office equipment	7.93	17.48	-	25.41	4.19	7.17	-	11.36	14.05
Computer system	166.72	48.75	-	215.47	63.08	53.66	-	116.74	98.73
Test equipment	239.57	17.77	-	257.34	140.20	37.10	-	177.30	80.04
Leasehold improvements	3.34	-	-	3.34	3.12	0.04	-	3.16	0.18
	654.27	**89.15**	**19.06**	**724.36**	**280.76**	**139.38**	**15.59**	**404.55**	**319.81**

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**

Capital work-in-progress

Particulars	31 March 2019	31 March 2018
Carrying amount		
Opening carrying amount	5.48	5.48
Additions	6.41	-
Assets capitalised	-	-
Closing carrying amount	**11.89**	**5.48**

B S R & Associates LLP BANGALORE 560 071 CHARTERED ACCOUNTANTS

MISTRAL SOLUTIONS PVT. LTD. Bangalore

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 2018	Additions during the year	Disposals	As at 31 March 2019	As at 1 April 2018	Amortisation for the year	Disposals	As at 31 March 2019	As at 31 March 2019
Own assets									
Computer software	126.14	33.21	-	159.35	54.98	33.86	-	88.84	70.51
	126.14	**33.21**	**-**	**159.35**	**54.98**	**33.86**	**-**	**88.84**	**70.51**

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**

B S R & Associates LLP
BANGALORE 560 071
CHARTERED ACCOUNTANTS

MISTRAL SOLUTIONS PVT. LTD.
Bangalore

Rs. in lakhs

As at	31 March 2019	31 March 2018
Note 6 - Non-current investments		
At cost		
Unquoted		
Investment in equity instruments (fully paid)		
Subsidiaries		
Mistral Solutions Inc., USA [1,000 (31 March 2018: 1,000) equity shares without par value]	307.42	307.42
Aero Electronics Private Limited [20,000 (31 March 2018: 20,000) equity shares of Rs.5 each]	1.00	1.00
Mistral Technologies Private Limited [20,000 (31 March 2018: 20,000) equity shares of Rs.5 each]	1.00	1.00
Mistral Solutions Pte Limited [1 (31 March 2018: 1) equity shares]	-	-
At fair value through profit or loss		
Unquoted		
Investment in real estate fund	271.32	-
At fair value through profit or loss		
Quoted		
Investment in other funds	517.95	-
Investment in mutual funds	10.01	10.03
Total long-term investments	**1,108.70**	**319.45**
Aggregate amount of unquoted investments	580.74	319.45
Aggregate amount of quoted investments	527.96	-
Aggregate market value of quoted investments	527.96	-
Note 7 - Loans receivable		
Non-current		
Unsecured		
Considered good:		
Security deposit	166.06	152.24
Loan to related party*	404.61	403.61
	570.67	**555.85**

* Forms a part of outstanding balances as disclosed under note 37.

Note 8 - Other non-current assets		
Unsecured		
Considered good:		
Deferred Rent	8.22	19.28
	8.22	**19.28**
Note 9 - Inventories*		
Raw material /components [including goods-in-transit of Rs.103.04 lakhs (31 March 2018: Rs.1,030.18 lakhs)]	600.35	1,332.65
Work-in-progress	-	96.95
Finished goods	47.32	6.90
Traded goods [including goods-in-transit of Rs.5.49 lakhs (31 March 2018: Rs.2.78 lakhs)]	87.94	91.91
	735.61	**1,528.41**

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

Note 10 - Investments		
Current		
At fair value through profit and loss		
Quoted		
Investment in mutual funds	1,613.39	476.03
Investment in equity shares	184.80	65.15
	1,798.19	**541.18**
Aggregate amount of quoted investments	1,798.19	541.18
Aggregate market value of quoted investments	1,798.19	541.18
Note 11 - Trade receivables		
Current		
Unsecured*	2,142.18	4,562.53
	2,142.18	**4,562.53**
Less: Provision for impairment	(12.19)	(64.94)
	2,129.99	**4,497.59**

B S R & Associates LLP BANGALORE 560 071 CHARTERED ACCOUNTANTS

The Company's exposure to credit and currencies risks, and loss allowances related to trade receivables are disclosed in note 42.

* Includes receivable from related parties (refer note 37)

MISTRAL SOLUTIONS PVT. LTD. Bangalore

Rs. in lakhs

As at	31 March 2019	31 March 2018
Note 12- Cash and bank balances		
Cash and cash equivalents:		
- Cash on hand	0.51	0.03
- Current accounts	139.61	7.85
-Cash credit account	655.05	65.94
	795.17	**73.82**
Other bank balance:		
-Deposit accounts*	1,601.94	1,560.17
	1,601.94	**1,560.17**

*includes Rs.1,601.94 lakhs (31 March 2018: Rs. 1,396.29 lakhs) on lien against guarantees, cash credit, packing credit etc.

	31 March 2019	31 March 2018
Note 13 - Other financial assets		
Current		
Unsecured, considered good		
Earnest money deposit	4.70	29.65
Interest accrued but not due	11.00	10.71
Unbilled revenue	17.14	388.17
Others	10.37	3.09
	43.21	**431.62**

	31 March 2019	31 March 2018
Note 14 - Other current assets		
Unsecured, considered good		
Advances other than capital advances		
- Advance for supply of goods	117.62	61.27
- Advance to employees	9.42	19.04
Others		
- Balance with government authorities	326.84	77.38
- Prepayments	74.39	53.03
- Export Incentive Receivable	173.02	-
- Deferred rent	11.34	11.67
- Contract assets	927.03	-
	1,639.66	**222.39**

B S R & Associates LLP
BANGALORE 560 071
CHARTERED ACCOUNTANTS

MISTRAL SOLUTIONS PVT. LTD.
Bangalore

Rs. in lakhs

s at	31 March 2019	31 March 2018
Note 15 - Share capital		
'uthorised		
,000,000 (31 March 2018: 6,000,000) equity shares of Rs 5/- each.	300.00	300.00
1,000,000 (31 March 2018: 1,000,000) fully convertible cumulative participative preference ıares of Rs 5/- each.	50.00	50.00
otal	**350.00**	**350.00**
Issued, subscribed and fully paid up		
,797,370 (31 March 2018: 3,797,370) equity shares of Rs 5/- each.	189.87	189.87
otal (A)	**189.87**	**189.87**
;8,000 (31 March 2018: 38,000) Series B mandatorily convertible cumulative participative preference shares of Rs. 5/- each.	1.90	1.90
'otal (B)*	**1.90**	**1.90**
;rand Total (A + B)	**191.77**	**191.77**

* Included within other equity (refer note 16)

:ights, 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.

i) 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 2018: 38,000) 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 previous 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.

.iquidation 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.

lotes:

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

	31 March 2019		31 March 2018	
	Number of shares	Amount	Number of shares	Amount
Holding Company				
Axiscades Engineering Technologies Limited*	16,32,718	81.64	16,32,718	81.64
	16,32,718	**81.64**	**16,32,718**	**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 2019		31 March 2018	
Equity shares of Rs.5/- each.	Number of shares	Amount	Number of shares	Amount
Opening balance at the beginning of the reporting year	37,97,370	189.87	37,25,570	186.28
Add: Shares issued on exercise of Employee Stock Option Plan	-	-	71,800	3.59
Closing balance at the end of the reporting year	**37,97,370**	**189.87**	**37,97,370**	**189.87**

	31 March 2019		31 March 2018	
Series B preference shares of Rs.5/- each.	Number of shares	Amount	Number of shares	Amount
Opening balance at the beginning of the reporting year	38,000	1.90	38,000	1.90
Closing balance at the end of the reporting year	**38,000**	**1.90**	**38,000**	**1.90**

B S R & Associates LLP BANGALORE 560 071 CHARTERED ACCOUNTANTS

MISTRAL SOLUTIONS PVT. LTD. Bangalore

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 2019		31 March 2018	
	Number of shares	% holding	Number of shares	% holding
Equity shares of Rs.5/- each.				
Axiscades Engineering Technologies Limited	16,32,718	43.00%	16,32,718	43.00%
Anees Ahmed	2,90,945	7.66%	2,90,945	7.66%
Explore India Leisure & Hospitality Private Limited	16,79,359	44.22%	16,79,359	44.22%
Total number of shares holding more than 5%	**36,03,022**	**94.88%**	**36,03,022**	**94.88%**
Add: Others (individually holding less than 5%)	1,94,348	5.12%	1,94,348	5.12%
Total equity shares	**37,97,370**	**100%**	**37,97,370**	**100%**
Series B preference shares of Rs.5/- each.				
Rajeev Ramachandra	13,400	35%	13,400	35%
Anees Ahmed	24,600	65%	24,600	65%
Number of preference shares classifed as other equity	**38,000**	**100%**	**38,000**	**100%**

(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.

For employee stock options convertible into equity refer note 41.

(e) Other details of equity shares for a period of five years immediately preceding 31 March 2019.

Particulars	For the year ended				
	31 March 2019	31 March 2018	31 March 2017	31 March 2016	31 March 2015
Aggregate number of shares bought back					
Fully paid up equity shares	-	-	3,83,346	-	
Fully paid Series B preference shares	-	-	4,77,172	-	

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 lakhs had been utilized from the securities premium account. Further, a capital redemption reserves of Rs 43.03 lakhs (representing the nominal value of the shares bought back) had been created as an apportionment from securities premium account.

(f) In November 2017, a director of the Company has purchased the remaining equity and preference shares from Nexus India Ventures I Investments and Jafco Asia Technology Investments III (Mauritius) Limited (447,238 equity shares and 38,000 preference shares). 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**

B S R & Associates LLP
BANGALORE
560 071
CHARTERED ACCOUNTANTS

MISTRAL SOLUTIONS PVT. LTD.
Bangalore

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

ote 16 - 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 01 April 2017	-	45.73	69.88	236.92	55.30	3,838.43	-	(4.47)	4,241.79
Additions:									
are based payment expense	-	-	-	6.79	-	-	-	-	6.79
ansfer from share options outstanding account	-	-	57.75	-	-	-	-	-	57.75
eclassified from financial liability on relinquishment of rights	1.90	-	754.09	-	-	-	941.65	-	1,697.64
Remeasurement of the net defined benefit ability/asset, net of tax effect	-	-	-	-	-	-	-	8.38	8.38
et profit after tax transferred from the statement of ofit or loss	-	-	-	-	-	725.24	-	-	725.24
	1.90	**45.73**	**881.72**	**243.71**	**55.30**	**4,563.67**	**941.65**	**3.91**	**6,737.60**
eductions									
ransfer to securities premium	-	-	-	57.75	-	-	-		57.75
alance as at 31 March 2018	**1.90**	**45.73**	**881.72**	**185.96**	**55.30**	**4,563.67**	**941.65**	**3.91**	**6,679.84**

articulars	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
alance as at 1 April 2018	1.90	45.73	881.72	185.96	55.30	4,563.67	941.65	3.91	6,679.84
dditions:									
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	-	-	-	-	-	(24.03)	(24.03)
et profit after tax transferred from the statement of ofit or loss	-	-	-	-	-	1,702.77	-	-	1,702.77
alance as at 31 March 2019	**1.90**	**45.73**	**881.72**	**185.96**	**55.30**	**6,266.44**	**941.65**	**(20.12)**	**8,358.58**

Nature and purpose of other reserves

apital redemption reserve

he 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.

ecurities premium

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

hares options oustanding account

he 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.

quity 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 buyback rights.

MISTRAL SOLUTIONS PVT. LTD. Bangalore

B S R & Associates LLP BANGALORE 560 071 CHARTERED ACCOUNTANTS

Rs. in lakhs

.s at	31 March 2019	31 March 2018
Note 17 - Provisions		
rovision for employee benefits		
Gratuity (refer note 38)	357.85	384.82
- Compensated absences	84.63	71.91
	442.49	**456.73**
ote 18 - Trade payables		
Total outstanding dues of micro and small enterprises (refer note below)	-	-
Total outstanding dues of other than micro and small enterprises*	544.72	1,732.45
	544.72	**1,732.45**

Includes dues to related party (refer note 37)

Note:

here 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 2019. This ıformation 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 ..ıformation available with the Company and has been relied upon by the auditors.

The principal amount and the interest due thereon remaining unpaid to any supplier as at the nd of the year:		
- Principal	-	-
- Interest	-	-
The amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006 longwith the amount of the payment made to the supplier beyond the appointed date during ıe year.	-	-
The amount of the payments made to micro and small suppliers beyond the appointed day uring each accounting year.	-	-
he amount of interest due and payable for the period of delay in making payment (which ..ave been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
he 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 urposes 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 42

lote 19 - Other financial liabilities		
Payable to employees	421.73	262.38
Accrued expenses	116.23	97.79
ıther payables	1.58	35.87
	539.54	**396.04**
Note 20 - Other current liabilities		
Advance from customers	560.99	473.36
tatutory liabilities (TDS, PF, GST etc.)	97.59	230.07
lnearned revenue	162.62	177.05
	821.20	**880.48**
Note 21 - Provisions		
rovision for employee benefits		
Gratuity (refer note 38)	-	1.44
- Compensated absences	13.45	11.03
Provision for foreseeable loss on contract (refer note 36)*	7.41	-
rovision for warranty (refer note 36)**	74.65	74.65
rovision for disputed tax dues (refer note 36)	-	6.70
rovision for liquidated damages (refer note 36)***	199.93	135.96
	295.44	**229.78**

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 ustomers. These provisions are expected to be utilized over a period of one year.

B S R & Associates LLP
BANGALORE 560 071
CHARTERED ACCOUNTANTS

MISTRAL SOLUTIONS PVT. LTD.
Bangalore

Rs. in lakhs

For the year ended	31 March 2019	31 March 2018
Note 22 - Revenue from operations		
Product sales		
Sale of products	7,205.49	3,324.31
System engineering and traded sales	1,360.60	1,207.23
Sale of services		
Professional engineering services	4,633.55	3,804.74
Other operating revenue		
Export incentive	200.35	-
	13,399.99	**8,336.28**

A. Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers by market or type of customers, timing of revenue recognition and geography.The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

Primary Geographical Markets Rs. in lakhs

Geography	31 March 2019
India	7,388.71
USA	4,844.74
CANADA	640.44
France	242.72
Others	83.03
	13,199.64

Timing of revenue recognition

	31 March 2019
Goods or services transferred at point in time	9,862.44
Goods or 'Service transferred over time	3,337.20
	13,199.64

Note: The amount of INR 200.35 lakhs pertaining to export incentive has not been considered in the above revenue disclosure.

B. Revenue to be recognised for performance obligation(s) not satisfied or partially satisfied at the end of the current year in respect of contracts with customer that are in place (i.e. signed agreements/ POs/WOs, etc) at the end of 31 March 2019:

Time Band	31 March 2019
< 1year	1,681.89
>1 year but < 5 year	-
	1,681.89

C. Changes in unbilled revenue or contract assets are as follows:

	31 March 2019
Opening balance	388.17
Additions during the year	3,382.82
Reclassification adjustments:	
- Billing from opening balance of contract assets to trade receivables	(62.50)
- Billing from contract assets transferred to trade receivables	(2,781.46)
Closing balance	**927.03**

D. Changes in deferred revenue or contract liabilities are as follows:

	31 March 2019
Opening balance	650.41
Additions during the year	233.01
Reclassification Adjustments:	
- Tranfer of opening balances of contract liabilities to revenue	(159.81)
Closing balance	**723.61**

B S R & Associates LLP BANGALORE 560 071 CHARTERED ACCOUNTANTS

MISTRAL SOLUTIONS PVT. LTD. Bangalore

E. Reconciliation of revenue from contracts with customers

	Rs. in lakhs
	31 March 2019
Revenue from contracts with customers as per the contract price	13,427.76
Adjustments made to contract price on account of :-	
a) Liquidated damages	(154.92)
b) Deferrment of revenue	(233.01)
c) Recognition of revenue from contract liability out of opening balance of contract liability	159.81
Revenue from contracts with customers as per the Statement of Profit and Loss	**13,199.64**

		Rs. in lakhs
For the year ended	**31 March 2019**	**31 March 2018**
Note 23 - Other income		
Interest income from financial assets carried at amortised cost	116.06	148.61
Dividend income	9.38	6.31
Profit on sale of property, plant and equipment	13.30	3.32
Net gain on financial asset measured at fair value through profit and loss	88.10	-
Bad debts recovered	-	4.55
Income from support services	90.09	255.44
Provision no longer required, written back	27.24	114.75
Rental income	-	1.20
Miscellaneous income	24.76	22.61
	368.93	**556.79**
Note 24 - Cost of materials consumed		
Inventory of materials at the beginning of the year	1,332.65	148.03
Add: Purchases	3,959.71	2,783.71
Less: Inventory of materials at the end of the year	(600.35)	(1,332.65)
	4,692.01	**1,599.09**
Note 25 - Changes in inventories of finished goods, stock-in-trade and work-in-progress		
Opening inventory		
Finished Goods	6.90	12.44
Stock-in-trade	91.91	33.61
Work-in-progress	96.95	184.23
Closing inventory		
Finished Goods	(47.32)	(6.90)
Stock-in-trade	(87.94)	(91.91)
Work-in-progress	-	(96.95)
	60.50	**34.53**
Note 26 - Employee benefits expense		
Salaries, wages and bonus	3,931.64	3,299.94
Contribution to provident and other funds	273.39	332.90
Share based payment expense	-	6.79
Staff welfare expense	155.85	245.41
	4,360.88	**3,885.04**
Note 27 - Finance costs		
Interest expense on financial liability measured at amortised cost	5.01	8.52
Others	2.56	6.50
	7.57	**15.02**
Note 28 - Other expenses		
Travelling and conveyance	169.82	164.64
Rent (refer note 31)	298.01	283.77
Legal and professional fees	276.63	344.01
Repairs and maintenance		
- Plant and machinery	57.03	30.48
- Others	94.03	90.15
Power and fuel	64.30	55.84
Bank charges	35.19	34.21
Communication expenses	17.16	20.75
Advertisement and business promotion	14.87	21.98
Rates and taxes	10.81	17.50
Commission	317.99	-
Insurance expenses	22.06	20.75
Warranty Cost	-	3.21
Advances written off	0.24	-
Bad debts written off	24.62	-
Provision for foreseeable loss on contracts	7.41	-
Provision for doubtful debts	-	50.07
Clearing & Forwarding Charges	5.49	6.01
Corporate social responsibility expenses (refer note 35)	16.22	2.15
Net loss on financial asset measured at fair value through profit and loss	-	2.32
Net loss on foreign currency transaction and translation	42.51	19.58
Miscellaneous expenses	43.77	34.10
	1,518.16	**1,201.52**

B S R & Associates LLP
BANGALORE 560 071
CHARTERED ACCOUNTANTS

MISTRAL SOLUTIONS PVT. LTD.
Bangalore

Note 29- Income-tax Rs. in lakhs

(a) Amounts recognised in Statement of Profit and Loss

For the year ended	31 March 2019	31 March 2018
Current tax	442.05	278.35
Deferred tax		
Attributable to origination and reversal of temporary differences	45.28	6.05
Tax expense for the year	**487.33**	**284.40**

(b) Amounts recognised in other comprehensive income

For the year ended	31 March 2019			31 March 2018		
	Before tax	Tax (expense) / benefit	Net of tax	Before tax	Tax (expense) / benefit	Net of tax
Items that will not be reclassified subsequently to statement of profit and loss						
Remeasurements of the defined benefit plans	(37.85)	13.82	(24.03)	12.81	(4.43)	8.38
	(37.85)	**13.82**	**(24.03)**	**12.81**	**(4.43)**	**8.38**

(c) Reconciliation of effective tax rate

For the year ended	31 March 2019		31 March 2018	
Profit before tax		**2,190.10**		**1,009.64**
Tax using the Company's domestic tax rate:	29.12%	637.76	33.06%	333.79
Tax effect of:				
Weighted deduction on research and development expenditure	-6.66%	(145.91)	-9.92%	(100.12)
Impact on account of change in rates	-0.45%	(9.75)	5.32%	53.70
Others	0.24%	5.23	-0.29%	(2.97)
	22.25%	**487.33**	**28.17%**	**284.40**

(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 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Property, plant and equipment	55.23	74.53	-	-	55.23	74.53
Employee benefits	132.77	130.53	-	-	132.77	130.53
Other items	9.53	18.60	19.15	-	(9.62)	18.60
	197.53	**223.66**	**19.15**	**-**	**178.38**	**223.66**

(e) Movement in temporary differences

	As at 1 April 2018	Recognised in statement of profit and loss	Recognised in OCI	Recognised directly in equity	Others	As at 31 March 2019
Property, plant and equipment	74.53	(19.30)	-	-	-	55.23
Employee benefits	130.53	2.24	-	-	-	132.77
Other items	18.60	(28.22)	-	-	-	(9.62)
	223.66	**(45.28)**	**-**	**-**	**-**	**178.38**

	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	(9.89)	-	-	-	74.53
Employee benefits	130.15	0.38	-	-	-	130.53
Other items	15.12	3.48	-	-	-	18.60
	229.70	**(6.05)**	**-**	**-**	**-**	**223.66**

The following table provides the details of income tax assets and income tax liabilities as of 31 March 2019 and 31 March 2018

As at	31 March 2019	31 March 2018
Income tax assets (net)	268.85	203.08
Current tax liabilities (net)	88.96	61.46
Net current income tax asset / (liability)	**179.89**	**141.62**

The gross movement in the current income tax asset / (liability) for the year ended 31 March 2019 and 31 March 2018 is as follows.

For the year ended	31 March 2019	31 March 2018
Net current income tax asset / (liability) at the beginning	**141.62**	**(196.56)**
Income tax paid	466.50	620.96
Current income tax expense	(442.05)	(278.35)
Income tax on other comprehensive income and others	13.82	(4.43)
Net current income tax asset / (liability) at the end	**179.89**	**141.62**

B S R & Associates LLP
BANGALORE 560 071
CHARTERED ACCOUNTANTS

MISTRAL SOLUTIONS PVT. LTD.
Bangalore

Rs. in lakhs

ote 30 - 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 for the year ended amounted to Rs. 98.33 lakhs; (31 March 2018: Rs 183.60 lakhs)

(b) Bank guarantees outstanding as at 31 March 2019: Rs. 70.83 lakhs (31 March 2018: Rs 654.53 lakhs)

(c) Cumulative preference dividend not proposed by the Board of Directors amounted to Rs 0.01 lakhs (31 March 2018: Rs. 0.01 lakhs). Dividend distribution tax is payable at 20.36% (31 March 2018: 20.36%), 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 the year ended Rs. 0.35 lakhs (31 March 2018: Rs 97.96 lakhs)

Notes:

The Supreme court of India in the month of February 2019 had passed a judgement relating to definition of wages under the Provident Fund Act, 1952. However, considering that there are numerous interpretative issues relating to this judgement and in the absence of reliable measurement of the provision for the earlier periods, the Company will evaluate its position and record provision, if required, on receiving further clarity on the subject. The Company does not expect any material impact of the same.

ote 31 - Operating leases

(i) Lease rental expense under non-cancellable operating lease during the year ended 31 March 2019 amounted to Rs 288.25 lakhs(31 March 2018: Rs 282.78 lakhs). Future minimum lease payments under non- cancellable operating lease are as below:

Particulars	31 March 2019	31 March 2018
Payable within 1 year	294.64	282.34
Payable between 2-5 years	311.29	506.27
Payable after 5 years	-	-
	605.93	**788.61**

The Company leases primarily office premises and residential facilities under cancellable operating lease agreements. Total rental expense under cancellable operating leases was Rs. 9.76 lakhs for the year ended 31 March 2019 (31 March 2018: 0.99 lakhs).

ote 32 - i) Details of non current investments purchased and sold:

a)Non current investments purchased and sold during the current year (Rs. in Lakhs)

	As at 1 April 2018	Purchased during the year	Sold during the year	As at 31 March 2019
Investments in real estate fund	-	273.82	(2.50)	271.32
Investments in other fund	-	517.95	-	517.95

b)Non current investments purchased and sold during the previous year (Rs. in Lakhs)

	As at 1 April 2017	Purchased during the year	Sold during the year	As at 31 March 2018
Investments in real estate fund	-	-	-	-
Investments in other fund	-	-	-	-

ii) Details of Current investments purchased and sold:

a) Current investments purchased and sold during the current year

	As at 1 April 2018	Purchased during the year	Sold during the year	As at 31 March 2019
Investments in equity shares	65.15	119.65	-	184.80

b) Current investments purchased and sold during the previous year

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

iii) 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 / Uncecured	Rate of Interest	Term	Purpose
Aero Electronics Private Limited	Subsidiary	Unsecured	9%	On demand	Purchase of land
Valdel Management Services Pvt Ltd	Corporate	Unsecured	10%	1 year	Inter-corporate deposit
Mistral Technologies Private Limited	Subsidiary	Unsecured	12%	On demand	Working capital requirment

b) Details of loan given and repaid during the year

	As at 1 April 2018	Amount given during the year (including accrued interest)	Repaid during the year	As at 31 March 2019
Aero Electronics Private Limited	403.61	1.00	-	404.61
Mistral Technologies Private Limited	-	416.57	(416.57)	-

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

B S R & Associates LLP
BANGALORE 560 071
CHARTERED ACCOUNTANTS

MISTRAL SOLUTIONS PVT. LTD.
Bangalore

Iote 33 - Earnings per share

A. Computation of earnings per share is as follows:

For the year	31 March 2019	31 March 2018
Net profit attributable to the equity shareholders	1,702.77	725.24
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	16.87	6.79
Net profit for basic earnings per share	**1,685.89**	**718.44**
Add: Adjustment for the purpose of diluted earnings per share	16.88	6.80
Net profit for diluted earnings per share	**1,702.77**	**725.24**

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

For the year	31 March 2019	31 March 2018
Number of weighted average shares considered for calculation of basic earnings per share	37,97,370	37,49,569
Add: Effect of fully convertible cumulative participative preference shares	38,000	38,000
Add: Effect of potential equity shares on employee stock option outstanding	2,23,685	2,46,364
Number of weighted average shares considered for calculation of diluted earnings per share	40,59,055	40,33,933

For the year	31 March 2019	31 March 2018
Earnings per share:		
-Basic	44.40	19.16
-Diluted	41.95	17.98

Note 34 - Auditor's remuneration (included in legal and professional fees, excluding applicable taxes)

For the year	31 March 2019	31 March 2018
Audit fees	14.00	20.00
Other services	42.52	26.00
Out of pocket expenses	3.05	1.91
	59.57	**47.91**

Iote 35 - Corporate Social Responsibilty

During the year, the amount required to be spent by the Company on corporate social responsibility activities amounts to Rs. 22.76 lakhs (31 March 2018: Rs. 20.86) lakhs in accordance with Section 135 of the Companies Act, 2013. However, the Company had incurred expenditure amounting to Rs. 16.22 lakhs(31 March 2018: Rs.2.15 lakhs) during the year.

Iote 36 - 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 2019

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	-	74.65	6.70	135.96
Provisions made during the year	7.41	44.83	-	268.59
Utilizations/reversals during the year	-	(44.83)	(6.70)	(204.62)
Provision at the end of the year	7.41	74.65	-	199.93

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

B S R & Associates LLP
BANGALORE 560 071
CHARTERED ACCOUNTANTS

MISTRAL SOLUTIONS PVT. LTD.
Bangalore

Rs. in lakhs

Note 37 - Related parties

Relationships

1.	Ultimate holding company#	Jupiter Capital Private Limited
	Holding Company#	Axiscades Engineering Technologies Limited
	Fellow subsidiary#	AXISCADES Aerospace & Technologies Private Limited
	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 01 December 2017.

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

Particulars		31 March 2019	31 March 2018
Revenue from operations			
Sale of products			
Mistral Solutions Inc., USA	Subsidiary	90.07	13.73
Professional Engineering Services			
Mistral Solutions Inc; USA	Subsidiary	0.57	586.96
Mistral Technologies Private Limited	Subsidiary	51.00	25.00
System engineering and traded sales			
Mistral Solutions Inc; USA	Subsidiary	-	105.24
Mistral Technologies Private Limited	Subsidiary	-	7.35
Other Income			
Income from support services			
Mistral Solutions Inc; USA	Subsidiary	90.09	255.44
Interest Income			
Aero Electronics Private Limited	Subsidiary	0.98	0.90
Mistral Technologies Private Limited	Subsidiary	1.28	-
Purchase of goods			
Mistral Solutions Inc	Subsidiary	154.21	190.51
Mistral Technologies Private Limited	Subsidiary	23.04	26.43
Commission			
Mistral Solutions Inc; USA	Subsidiary	317.99	-
Communication expenses			
Mistral Solutions Inc; USA	Subsidiary	-	0.14
Reimbursement of expenses			
Mistral Solutions Inc; USA	Subsidiary	10.11	-
Purchase of property, plant and equipment			
Mistral Solutions Inc; USA	Subsidiary	1.00	-
Loans given			
Aero Electronics Private Limited	Subsidiary	0.12	1.62
Mistral Technologies Private Limited	Subsidiary	416.57	-
Loans repaid			
Mistral Technologies Private Limited	Subsidiary	416.57	-
Advance from customers			
AXISCADES Aerospace & Technologies Private Limited	Fellow subsidiary	143.00	-
Key management personnel compensation			
Short-term employee benefits	KMP	432.28	326.50
Post-employment defined benefit*	KMP	18.64	14.55

B S R & Associates LLP
BANGALORE
560 071
CHARTERED ACCOUNTANTS

MISTRAL SOLUTIONS PVT. LTD.
Bangalore

Note 37 - Related parties (continued)

Rs. in lakhs

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

Particulars		31 March 2019	31 March 2018
Trade receivables			
Mistral Solutions Inc; USA	Subsidiary	-	78.67
Trade Payables			
Mistral Solutions Inc; USA	Subsidiary	77.87	81.05
Accrued expenses			
Mistral Technologies Private Limited	Subsidiary	-	11.06
Advance from Customers			
AXISCADES Aerospace & Technologies Private Limited	Fellow subsidiary	143.00	-
Unearned Revenue			
Mistral Solutions Inc; USA	Subsidiary	40.34	-
Loans and advances			
Aero Electronics Private Limited	Subsidiary	404.61	403.61

*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 38 - Employee benefits

(a) Defined contribution plans

The Company has recognised an amount of Rs.199.87 lakhs (31 March 2018: Rs.166.78 lakhs) as expenses under the defined contribution plans in the statement of profit and loss for the year:

(b) Defined benefit plans	31 March 2019	31 March 2018*
1. **Reconciliation of net defined benefit asset / (liability)**		
(i) Reconciliation of present value of defined benefit obligation		
Obligations as at the beginning of the year	414.52	320.21
Current Service cost	44.97	35.00
Past Service Cost*	-	97.78
Interest Cost	31.37	23.03
Benefits settled	(39.78)	(36.66)
Acturial (gain) / loss due to financial assumptions	17.54	(16.14)
Acturial (gain) / loss due to experience adjustments	19.63	2.36
Acturial (gain) / loss due to demographic assumptions	(0.42)	
Liability assumes/Transfer	-	(11.06)
Obligations at the year end 31 March	**487.83**	**414.52**
(ii) Reconciliation of present value of plan asset:		
Plan assets as at 1 April	28.26	26.54
Expected return on plan assets	2.82	2.69
Return on assets excluding interest income	(1.10)	(0.97)
Contributions	139.78	36.66
Benefits settled	(39.78)	(36.66)
Plan assets at 31 March at fair value	**129.98**	**28.26**
(iii) Reconciliation of net defined benefit asset/(liability)		
Present value of obligation as at 31 March	487.83	414.52
Plan assets at 31 March at fair value	129.98	28.26
Amount recognised in balance sheet asset / (liability)	**(357.85)**	**(386.26)**
Non-Current	357.85	384.82
Current	-	1.44
2. Expenses recognised in the statement of profit and loss under		
Employee benefit expense:	-	-
Current service cost	44.97	35.00
Past service cost	-	97.78
Interest cost	28.55	20.34
Net cost	**73.52**	**153.12**
3. Remeasurements recognised in statement of Other comprehensive income		
Changes in financial assumptions	17.54	(16.14)
Experience adjustments	19.63	2.36
Actual returns on plan assets less interest on plan assets	1.10	0.97
Changes in demographic assumptions	(0.42)	-
Net Loss / (Gain) recognised in statement of other comprehensive income	**37.85**	**(12.81)**
4. Experience adjustment:		
On plan liabilities (gain) / loss	19.63	2.36
On plan assets gain / (loss)	(1.10)	(0.97)
5. Investment details:	**% Invested**	**% Invested**
Insurer managed funds	99.58%	98.12%
Others	0.42%	1.88%

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 in previous year. 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 in previous year which has been recognised in the statement of profit or loss account of the previous year.

B S R & Associates LLP
BANGALORE
560 071
CHARTERED ACCOUNTANTS

MISTRAL SOLUTIONS PVT. LTD.
Bangalore

Rs. in lakhs

Note 38 - Employee benefits (continued)

	31 Macrh 2019	31 Macrh 2018
6. Principal acturial assumptions		
Discount factor [Refer note (i) below]	7.50%	7.85%
Estimated rate of return on plan assets [Refer note (ii) below]	7.50%	7.85%
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	32,74,195	29,70,001
1-2 year	41,59,946	28,98,990
2-3 year	30,65,399	37,27,216
3-4 year	29,87,632	26,93,819
4-5 year	28,19,539	25,98,723
5- 10 year and above	11,49,95,935	10,48,26,885

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 2019	31 March 2018
A. Discount rate		
Discount rate -50 basis points	5.51%	5.63%
Discount rate +50 basis points	-5.08%	-5.19%
B. Salary escalation rate		
Salary rate -50 basis points	-2.96%	-3.14%
Salary rate +50 basis points	2.89%	3.15%

Note 39 - Research and development expenditure

Research and development expenses comprise of the following

Particulars	31 March 2019	31 March 2018
Capital expenditure	15.90	64.28
Revenue expenditure	692.65	646.41
Total	**708.55**	**710.69**

Note 40 - 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 2019	31 March 2018
Total debt	-	-
Total equity	8,548.45	6,869.71
Debt to equity ratio	0.00%	0.00%

Note 41 - Share based payments

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 2019	31 March 2018
Options outstanding as at beginning of the year	2,37,000	3,08,800
Options granted during the year	-	-
Options vested during the year	-	-
Options forfeited during the year	-	-
Options exercised during the year	-	71,800
Shares allotted against options exercised during the year	-	71,800
Options expired during the year	-	-
Options outstanding at the end of the year	2,37,000	2,37,000
Options exercisable as at the end of the year	2,37,000	2,37,000
Weighted average price per option (Rs.)	5	5

B S R & Associates LLP
BANGALORE 560 071
CHARTERED ACCOUNTANTS

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 2018: Nil option) during the year.

MISTRAL SOLUTIONS PVT. LTD. Bangalore

Note 42 - 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 2019, including their levels in the fair value hierarchy.

Particulars		Carrying amount					Fair value			
	Note	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 real estate fund	6	271.32	-	-	-	271.32		271.32		271.32
Investment in other funds	6	517.95	-	-	-	517.95		517.95		517.95
Investment in mutual funds	6,10	1,623.40	-	-	-	1,623.40	1,623.40	-	-	1,623.40
Investment in equity shares	10	184.80	-	-	-	184.80	184.80	-	-	184.80
		2,597.47	-	-	-	**2,597.47**				
Financial assets not measured at fair value										
Loans receivable	7	-	-	570.67	-	570.67				
Other financial assets	13	-	-	43.21	-	43.21				
Trade receivables	11	-	-	2,129.99	-	2,129.99				
Cash and cash equivalents	12	-	-	795.17	-	795.17				
Other bank balances	12	-	-	1,601.94	-	1,601.94				
		-	-	**5,140.98**	-	**5,140.98**				
Financial liabilities not measured at fair value										
Trade payables	18	-	-	-	544.72	544.72				
Other financial liabilities	19	-	-	-	539.54	539.54				
		-	-	-	**1,084.26**	**1,084.26**				

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		Carrying amount					Fair value			
	Note	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	10	476.03	-	-	-	476.03	476.03	-	-	476.03
Investment in equity shares	10	65.15	-	-	-	65.15	65.15	-	-	65.15
		541.18	-	-	-	**541.18**				
Financial assets not measured at fair value										
Loans receivable	7	-	-	555.85	-	555.85				
Other financial assets	13	-	-	431.62	-	431.62				
Trade receivables	11	-	-	4,497.59	-	4,497.59				
Cash and cash equivalents	12	-	-	73.82	-	73.82				
Other bank balances	12	-	-	1,560.17	-	1,560.17				
		-	-	**7,119.05**	-	**7,119.05**				
Financial liabilities not measured at fair value										
Trade payables	18	-	-	-	1,732.45	1,732.45				
Other financial liabilities	19	-	-	-	396.04	396.04				
		-	-	-	**2,128.49**	**2,128.49**				

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.

B S R & Associates LLP
BANGALORE 560 071
CHARTERED ACCOUNTANTS

MISTRAL SOLUTIONS PVT. LTD.
Bangalore

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 2019	31 March 2018
Defence sector	1,307.19	3,923.50
Non defence sector	834.99	560.36
Related parties	-	78.67
	2,142.18	4,562.53

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.2142.18 lakhs (31 March 2018: Rs 4,562.53 lakhs) , the exposure considered for expected credit loss is Rs. 834.99 lakhs(31 March 2018: Rs. 560.37 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 2019			
Current (not past due)	715.12	0.59%	4.23
0-90 days	104.02	6.72%	6.99
91-180 days	15.84	6.13%	0.97
181-270 days	-	0.00%	-
271-360 days	-	0.00%	-
> 360 days	-	0.00%	-
	834.99		**12.19**

	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
	560.36		**64.94**

Movement in the allowance for impairment in trade receivables	**31 March 2019**	**31 March 2018**
Opening balance	64.94	14.87
Amount provided for / (reversal)	(52.75)	50.07
Net remeasurement of loss allowance	**12.19**	**64.94**

B S R & Associates LLP
BANGALORE 560 071
CHARTERED ACCOUNTANTS

MISTRAL SOLUTIONS PVT. LTD.
Bangalore

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 2019.

Particulars	As at 31 March 2019		
	Less than 1 year	1-2 years	2 years and above
Non-derivative financial liabilities			
Trade payables	544.72	-	-
Other financial liabilities	539.54	-	-
	1,084.26	-	-

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	-	-

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 2019		
	USD	EURO	GBP
Trade and other payables	633.17	5.38	2.43
Trade and other receivables	578.17	-	-
Net exposure in respect of recognised assets and liabilities	**55.01**	**5.38**	**2.43**

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**

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 2019	Strengthening	Weakening	Strengthening	Weakening
USD (for 1% movement)	0.55	(0.55)	0.39	(0.39)
EURO (for 1% movement)	0.05	(0.05)	0.04	(0.04)
GBP (for 1% movement)	0.02	(0.02)	0.02	(0.02)
	0.62	**(0.62)**	**0.45**	**(0.45)**

	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)**

B S R & Associates LLP BANGALORE 560 071 CHARTERED ACCOUNTANTS

MISTRAL SOLUTIONS PVT. LTD. Bangalore

Note 43 - 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 44 - 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

Ashish Chadha
Partner
Membership Number: 500160

Place: Bengaluru
Date: 07 May 2019

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: 07 May 2019