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**INDEPENDENT AUDITOR'S REPORT
TO THE BOARD OF DIRECTORS OF INFOTECH HAL LIMITED**

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **Infotech HAL Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss (including other comprehensive income) for the year then ended, the Cash Flows and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Ind AS financial statements").

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the preparation of these Ind AS financial statements in terms of the requirements of Companies Act, 2013("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical



Branches

requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2018 and its financial performance including other comprehensive income, its cash flows and changes in equity for the year then ended on that date.

Report on Other Legal and Regulatory Requirements

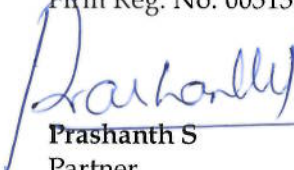
- 1) As required by the Companies (Independent Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of subsection (11) of Section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2) As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.



- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect of the adequacy of the Internal Financial Controls over Financial Reporting of the company and its operating effectiveness of such controls, refer to our separate report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company does not have any pending litigations which would impact its financial position in its Ind AS financial statements.
- ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund.

Place: Bengaluru
Date: 16th April, 2018

For K.P. Rao & Co.,
Chartered Accountants
Firm Reg. No. 003135S


Prashanth S
Partner

Membership No. 228407



ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT

[REFERRED TO IN PARAGRAPH (4) OF OUR REPORT OF EVEN DATE]

As per the books and records produced before us and as per the information and explanations given to us and based on such audit checks that we considered necessary and appropriate, we confirm that:

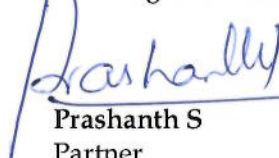
- (i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) These fixed assets have been physically verified by the management during the year, which in our opinion, is reasonable having regard to the size of the company and the nature of its assets.
- (c) The immovable property held by the Company is on lease rental basis, hence Para 4(ii) of the Companies (Auditors Report), 2016 is not applicable to the Company.
- (ii) The company does not have inventory of goods, hence the provisions of Para 4(ii) of the Companies (Auditors Report), 2016 is not applicable to the Company.
- (iii) The company has not granted any loans secured or unsecured to Companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore the provisions of Para 4(iii) of the Companies (Auditors Report), 2016 are not applicable to the Company.
- (iv) According to the information and explanations given to us, the company does not have any loans, investments, guarantees, and security which are subject to provisions of section 185 and 186 of the Companies Act, 2013. Therefore the provisions of Para 4(iv) of the Companies (Auditors Report), 2016 are not applicable to the Company.
- (v) According to the information and explanations given to us, the Company has not accepted deposits from the public, and in our opinion and according to the information and explanation given to us, the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under are not applicable.
- (vi) As explained to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 in the case of this company.
- (vii) (a) According to the information and explanations given to us and as per our verification of the records of the company, the company has been regular in depositing undisputed statutory dues including Income Tax, cess and other statutory dues with the appropriate authorities during the year.



- (b) According to the information and explanation given to us, there are no dues of income tax, sales tax, custom duty, excise duty and cess, which have not been deposited on account of dispute.
- (viii) According to the information and explanations given to us, the Company has not have any loans or borrowing from a financial institution, bank, Government or dues to debenture holders and accordingly the company has not defaulted in repayment of dues to financial institutions and banks.
- (ix) According to the information and explanations given to us, there were no monies raised by way of initial public offer or further public offer (including debt instruments) and no term loans were obtained during the year. Therefore the provisions of Para 4(ix) of the Companies (Auditors Report), 2016 is not applicable to the Company.
- (x) According to the information and explanations given to us, no fraud by the company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us, the provisions of section 197 read with Schedule V to the Companies Act, 2013 have been complied with.
- (xii) The company is not a Nidhi Company and therefore the provisions of Para 4(xi) of the Companies (Auditors Report), 2016 is not applicable to the Company.
- (xiii) The transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and therefore the provisions of Para 4(xiii) of the Companies (Auditors Report), 2016 is not applicable to the Company.
- (xv) The company has not entered into any non-cash transactions with directors or persons connected with him, therefore the provisions of Para 4(xiv) of the Companies (Auditors Report), 2016 is not applicable to the Company.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place: Bengaluru
Date: 16th April, 2018

For K.P. Rao & Co.,
Chartered Accountants
Firm Reg. No. 003135S



Prashanth S
Partner
Membership No. 228407



ANNEXURE 'B' TO INDEPENDENT AUDITORS' REPORT

[REFERRED TO IN PARAGRAPH (5) OF OUR REPORT OF EVEN DATE]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

1. We have audited the internal financial controls over financial reporting of the Company as at 31 March 2018 in conjunction with our audit of the Balance Sheet as at 31st March 2018, the statement of profit and loss and cash flow statement annexed for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The management is responsible for establishing and maintaining internal financial controls based on the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required the Companies Act, 2013 ('the Act').

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing ('the Standards'), issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



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

Meaning of Internal Financial Controls Over Financial Reporting

6. A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. This includes those policies and procedures that :
- i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
 - ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and
 - iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

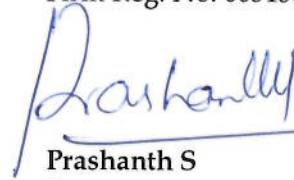
7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal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



Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For K.P.Rao & Co.
Chartered Accountants
Firm Reg. No. 003135S



Prashanth S
Partner
Membership No. 228407



Place : Bangalore
Date : 16th April, 2018

Particulars		Note No.	As at March 31, 2018	As at March 31, 2017
A	ASSETS			
1	Non-current assets:			
	(a) Property, Plant and Equipment	3	38,734	173,896
	(b) Capital work-in-progress	3	-	-
	(c) Investment Property		-	-
	(d) Goodwill	4	-	-
	(e) Other Intangible assets	4	-	-
	(f) Intangible assets under development		-	-
	(g) Biological Assets other than bearer plants		-	-
	(h) Financial Assets		-	-
	(i) Investments		-	-
	a) Investment in Subsidiaries		-	-
	b) Investment in associate		-	-
	c) Investment in Joint Venture		-	-
	(ii) Trade receivables	5	-	-
	(iii) Loans	6	-	-
	(iv) Other Financial Assets		-	-
	(v) Financial Assets Measured at Fair Value		-	-
	(v) Others (to be specified)	15	1,320,220	1,202,109
	(i) Deferred tax assets (net)	7	2,811,408	4,104,086
	(j) Other non-current assets		-	-
	Total Non - Current Assets		4,170,362	5,480,091
2	Current assets			
	(a) Inventories		-	-
	(b) Financial Assets		-	-
	(i) Investments	8	39,375,168	50,874,179
	(ii) Trade receivables	9	654,286	1,032,981
	(iii) Cash and cash equivalents	9	1,449,156	903,910
	(iv) Bank balances other than (iii) above	5	-	7,988
	(v) Loans	6	96,938,282	46,933,842
	(vi) Other Financial Assets		-	-
	(vii) Financial Assets Measured at Fair Value		-	-
	(c) Current Tax Assets (Net)	7	2,951,871	630,916
	(d) Other current assets		-	-
	Total Current Assets		141,368,763	100,383,816
	(e) Non-Current Assets classified as held for sale		-	-
	Total Assets (1+2)		145,539,125	105,863,907
B	EQUITY AND LIABILITIES			
	EQUITY			
1	Equity			
	(a) Equity Share capital	10	40,000,000	40,000,000
	(b) Other Equity	11	2,393,906	(6,662,532)
	Equity attributable to owners of the Company (I)		42,393,906	33,337,468
	Non-controlling interests (II)		-	-
	Total Equity (I+II)		42,393,906	33,337,468
2	LIABILITIES			
	Non-current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings		-	-
	(ii) Trade payables		-	-
	(iii) Other financial liabilities (other than those specified in (b) below, to be specified)		-	-
	(iv) Other financial liabilities measured at fair value	12	1,826,261	1,688,442
	(b) Provisions	15	-	-
	(c) Deferred tax liabilities (Net)		-	-
	(d) Retirement Benefit Obligation		-	-
	(e) Government Grants		-	-
	(f) Other non-current liabilities		-	-
	Total Non - Current Liabilities		1,826,261	1,688,442
3	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	13	95,978,321	67,320,666
	(ii) Trade payables		-	-
	(iii) Other financial liabilities		-	-
	(iv) Other financial liabilities measured at fair value	14	553,342	587,091
	(b) Statutory Remittances	12	390,206	962,904
	(c) Provisions	15	4,397,089	1,767,335
	(d) Current Tax Liabilities (Net)		-	-
	(e) Proposed Dividend to Equity Shareholders		-	-
	(f) Government Grants		-	-
	(g) Other current liabilities		-	-
	Total Current Liabilities		101,318,958	70,837,996
	(e) Liabilities associated with assets held for sale		-	-
	Total Equity and Liabilities (1+2+3)		145,539,125	105,863,907
	See accompanying notes to the financial statements	1 & 2		

As per our report of even date attached
 For K F Rao & Co.
 Chartered Accountants
 FRN : 0031355

Prashanth S
 Prashanth S
 Partner
 M No: 228407

Place : Bengaluru
 Date : April 16, 2018

For and on behalf of the Board of Directors
 Infotech HAL Ltd

B. Ashok Reddy
 Ashok Reddy Bodanapu
 Director
 DIN: 01848553

Ashok Reddy Bodanapu
 Director
 DIN: 01848553

Place : Bengaluru
 Date : April 16, 2018

Madanlal Mdhavirao Tapase
 Madanlal Mdhavirao Tapase
 Director
 DIN: 07663979

Madanlal Mdhavirao Tapase
 Director
 DIN: 07663979

Place : Bengaluru
 Date : April 16, 2018

infotech HAL Limited
Statement of Profit and Loss for the period ended 31st March 2018
(All amounts in INR except share and per share data and where otherwise stated)

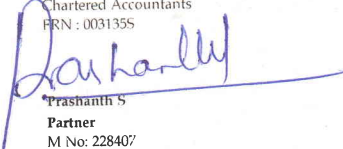
Particulars		Note No.	Year ended March 31, 2018	Year ended March 31, 2017
I	Revenue from operations	16	81,085,328	65,772,012
II	Other Income		219,839	(180,793)
III	Total Income		81,305,167	65,591,219
IV	EXPENSES			
	Cost of materials consumed		-	-
	Purchases of finished, semi-finished and other products		-	-
	Changes in stock of finished goods, work-in-progress and stock-in-trade	17	24,941,025	20,798,266
	Employee benefit expense	18	-	-
	Finance costs	19	35,149	56,629
	Depreciation and amortisation expense		-	-
	Impairment expenses/ losses	20	43,418,252	33,156,014
	Other expenses		-	-
	Expenditure capitalised		-	-
	Total Expenses		68,394,426	54,010,909
V	Profit before Exceptional Items and tax (III-IV)		12,910,741	11,580,310
VI	Exceptional Items		-	-
VII	Profit(Loss) before tax (V-VI)		12,910,741	11,580,310
VIII	Tax Expense	15		
	(1) Current tax		4,650,000	2,200,000
	(2) Tax pertaining to earlier years		615,235	-
	(3) MAT credit entitlement		-	-
	(4) Deferred tax		(118,111)	(854,325)
	Total tax expense		5,147,124	1,345,675
IX	Profit/(loss) after tax from continued operations (VII-VIII)		7,763,617	10,234,635
X	Profit(Loss) from discontinuing operations		-	-
XI	Tax Expense of discontinuing operation		-	-
XII	Profit(Loss) from discontinued operations after tax (X-XI)		-	-
XIII	Profit/(loss) for the year (IX+XII)		7,763,617	10,234,635
	Profit/(Loss) for the year attributable to:		7,763,617	10,234,635
	Owners of the Company		-	-
	Non controlling interests		7,763,617	10,234,635
	Profit/(Loss) from discontinued operation: for the period attributable to:		-	-
	Owners of the Company		-	-
	Non controlling interests		-	-
XIV	Other comprehensive income			
A	(i) Items that will not be reclassified to profit or loss			
	(a) Changes in revaluation surplus		1,292,821	(216,943)
	(b) Remeasurements of the defined benefit plans		-	-
	(c) Equity instruments through other comprehensive income		-	-
	(d) Fair value changes relating to own credit risk of financial liabilities designated at fair value through profit or loss		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B	(i) Items that may be reclassified to profit or loss			
	(a) Exchange differences in translating the financial statements of foreign operations		-	-
	(b) Debt instruments through other comprehensive income		-	-
	(c) Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge		-	-
	(d) Fair value gain/ (loss) on time value of option and forward elements of forward contracts in hedging relationship		-	-
	(e) Others (specify nature)		-	-
	(ii) Income tax on items that may be reclassified to profit or loss		-	-
	Total other comprehensive income		1,292,821	(216,943)
XV	Total comprehensive income for the period (XIII+XIV)		9,056,438	10,017,692
XIV	Earnings per equity share (for continuing operation):			
	(1) Basic		2.26	2.50
	(2) Diluted		2.26	2.50
	See accompanying notes to the financial statements	1 & 2		

As per our report of even date attached

For K P Rao & Co.

Chartered Accountants

FRN : 0031355



Prashanth S
Partner
M No: 228407

Place: Bengaluru
Date: April 16, 2018

For and on behalf of the Board of Directors
Infotech HAL Ltd



Ashok Reddy Bodanapu
Director
DIN: 01848553

Place: Bengaluru
Date: April 16, 2018



Madanlal Madhavrao Tapase
Director
DIN: 07663979

Place: Bengaluru
Date: April 16, 2018

Infotech HAL Limited
Cash Flow Statement for the period ended 31st March 2018
(All amounts in INR except share and per share data and where otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit Before Taxation	14,203,563	11,363,367
Adjustments for Non Cash Items		
Depreciation	35,149	56,629
Interest	(43,931)	(68,702)
Other Comprehensive Income	-	216,943
Fixed Assets Written off	100,014	-
Changes in Assets and Liabilities		
Increase/(Decrease) Trade receivables	11,499,011	(29,916,760)
Increase/(Decrease) Other Financial current assets	(50,004,440)	-
Increase/(Decrease) Other assets	(2,767,738)	(6,286,457)
Increase/(Decrease) Trade payables	28,912,423	21,418,693
Increase/(Decrease) Other liabilities and provisions	(33,749)	-
Cash flow from Operating Activities	1,900,302	(3,216,286)
Tax expenses	(1,342,803)	(2,200,000)
Net Cash flow from Operating Activities	557,499	(5,416,286)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-	(12,366)
Increase/(Maturity) of FD	(545,246)	(21,452)
Interest received	43,931	68,702
Net Cash flow from Investing Activities	(501,315)	34,884
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Short and Long Term Liabilities	(434,879)	1,953,478
Interest Paid	-	-
Net Cash flow from Financing Activity	(434,879)	1,953,478
Effect of exchange differences on translation of foreign currency	-	-
Net Increase/(Decrease) in Cash and Cash Equivalents	(378,695)	(3,427,924)
Cash and Cash Equivalents at the beginning of the Year	1,032,981	4,460,906
Cash and Cash Equivalents at the end of the Year	654,286	1,032,982

As per our report of even date attached

For K P Rao & Co.

Chartered Accountants

ERN : 0031355

Prashanth S

Partner

M No: 228407

Place : Bengaluru

Date : April 16, 2018

For and on behalf of the Board of Directors

Infotech HAL Ltd

Ashok Reddy Bodanapu

Director

DIN: 01848553

Place : Bengaluru

Date : April 16, 2018

Madanlal Madhavrao Tapase

Director

DIN: 07663979

Place : Bengaluru

Date : April 16, 2018

Infotech HAL Limited
Statement of changes in equity for the year ended March 31, 2018
(All amounts in INR except share and per share data and where otherwise stated)

a. Equity share capital	
Particulars	Equity share capital
Issued and Paid up Capital at April 1, 2017	4,00,00,000
Less: Treasury Shares	-
Balance at April 1, 2017	4,00,00,000
Changes in equity share capital during the year	-
Balance at March 31, 2018	4,00,00,000

b. Other Equity			
Particulars	Reserves and Surplus		Total
	Securities Premium	Retained earnings	
Balance at April 1, 2017	-	(66,62,532)	(66,62,532)
Profit for the period	-	77,63,617	77,63,617
Other comprehensive Income	-	12,92,821	12,92,821
Balance at March 31, 2018	-	23,93,906	23,93,906

Infotech HAL Limited
Notes forming part of the financial statements
(All amounts in INR except share and per share data and where otherwise stated)

Note No. 3 - Tangible Assets

Carrying amount	As at	
	March 31, 2018	March 31, 2017
Office Equipment	-	5,854
Computers	-	6,780
Furniture and Fixtures	38,734	1,61,262
Total Tangible assets	38,734	1,73,896

Description of Assets	Office Equipment	Computers	Furniture and Fixtures	Total
I. Cost or deemed cost				
Balance as at April 01, 2017	1,28,013	32,69,450	2,54,983	36,52,446
Additions	-	-	-	-
Disposals	-	-	(1,00,013)	(1,00,013)
Acquisitions through business combination	-	-	-	-
Reclassified as held for sale	-	-	-	-
Impairment losses recognised/ (reversed) in profit and loss	-	-	-	-
Revaluation or impairment recognised through OCI increase / (decreases)	-	-	-	-
Effect of foreign currency translation from functional currency to reporting currency	-	-	-	-
Borrowing cost capitalised	-	-	-	-
Others [describe]	-	-	-	-
Balance as at March 31, 2018	1,28,013	32,69,450	1,54,970	35,52,433
II. Accumulated depreciation and impairment				
Balance as at April 01, 2017	1,22,159	32,62,670	93,721	34,78,550
Depreciation / amortisation expense for the year	5,854	6,780	22,515	35,149
Eliminated on disposal of assets	-	-	-	-
Acquisitions through business combinations	-	-	-	-
Eliminated on reclassification as held for sale	-	-	-	-
Eliminated on Disposal of group undertakings	-	-	-	-
Revaluation or Impairment recognised through OCI increase / (decreases)	-	-	-	-
Effect of foreign currency translation from functional currency to reporting currency	-	-	-	-
Impairment losses recognised in profit or loss	-	-	-	-
Reversals of impairment losses recognised in profit or loss	-	-	-	-
Balance as at March 31, 2018	1,28,013	32,69,450	1,16,236	35,13,699

Infotech HAL Limited
Notes forming part of the financial statements
(All amounts in INR except share and per share data and where otherwise stated)

Note No. 4 - Other intangible Assets

Carrying amount	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Computer Software	-	-	-
Other Intangible Assets	-	-	-
Total Intangible assets	-	-	-

Description of Assets	Computer Software	Other Intangible Assets	Total
I. Cost or deemed cost			
Balance as at April 01, 2017	43,56,019	-	43,56,019
Additions	-	-	-
Disposals	-	-	-
Acquisitions through business combination	-	-	-
Reclassified as held for sale	-	-	-
Impairment losses recognised/ (reversed) in profit and loss	-	-	-
Revaluation or Impairment recognised through OCI increase / (decreases)	-	-	-
Effect of foreign currency translation from functional currency to reporting currency	-	-	-
Borrowing cost capitalised	-	-	-
Others [describe]	-	-	-
Balance as at March 31, 2018	43,56,019	-	43,56,019
Description of Assets	Computer Software	Other Intangible	Total
II. Accumulated depreciation and impairment			
Balance as at April 01, 2017	43,56,019	-	43,56,019
Depreciation / amortisation expense for the year	-	-	-
Eliminated on disposal of assets	-	-	-
Acquisitions through business combinations	-	-	-
Eliminated on reclassification as held for sale	-	-	-
Eliminated on Disposal of group undertakings	-	-	-
Revaluation or Impairment recognised through OCI increase / (decreases)	-	-	-
Effect of foreign currency translation from functional currency to reporting currency	-	-	-
Impairment losses recognised in profit or loss	-	-	-
Reversals of impairment losses recognised in profit or loss	-	-	-
Balance as at March 31, 2018	43,56,019	-	43,56,019

Infotech HAL Limited
Notes forming part of the financial statements
(All amounts in INR except share and per share data and where otherwise stated)

Note No. 5 - Loans

Particulars	As at March 31, 2018	As at March 31, 2017
Non - Current		
Loans to related parties	-	-
b) Loans to Employees		
- Secured, considered good	-	-
- Unsecured, considered good	-	-
- Doubtful	-	-
Less : Allowance for bad and doubtful loans	-	-
	-	-
Total Non current loans	-	-
Current		
a) Loans to related parties	-	-
Loans to Employees		
- Secured, considered good	-	-
- Unsecured, considered good	-	7,988
- Doubtful	-	-
Less : Allowance for bad and doubtful loans	-	-
	-	7,988
Total Current loans	-	7,988
	-	-
Total loans	-	7,988

Note No. 6 - Other financial assets

Non - Current

Particulars	As at March 31, 2018	As at March 31, 2017
a) Security Deposits		
- Secured, considered good	-	-
- Unsecured, considered good	-	-
- Doubtful	-	-
Less : Allowance for bad and doubtful deposits	-	-
Total	-	-
b) Bank deposits with more than 12 months maturity	-	-
c) Margin money with more than 12 months maturity	-	-
d) Advance to related parties	-	-
Total	-	-

Current

Particulars	As at March 31, 2018	As at March 31, 2017
a) Derivatives financial instruments designated and effective as hedging instruments carried at fair value		
- Foreign currency forward contracts designated in hedge accounting relationships	-	-
- Interest rate swaps designated in hedge accounting relationships	-	-
Sub total	-	-

b) Advance to Employees		
- Secured, considered good	-	-
- Unsecured, considered good	-	-
- Doubtful	-	-
Less : Allowance for bad and doubtful loans	-	-
Sub total	-	-
c) Advance to related parties		
Unbilled revenue	9,46,46,010	4,64,57,989
Interest accrued on deposits	-	-
Security Deposits	22,92,272	4,75,853
Sub total	9,69,38,282	4,69,33,842
Total (a+b+c)	9,69,38,282	4,69,33,842

Note No. 7 - Other assets

Particulars	As at March 31, 2018	As at March 31, 2017
Non - Current		
Capital Advances	-	-
Prepaid Expenses	-	-
Advance Income taxes (net off provisions)	28,11,408	2,52,911
Mat credit entitlement	-	-
Balance with Government authority		
(a) Secured, considered good	-	-
(b) GST Transactional credit	-	-
(c) Unsecured, considered good	-	38,51,175
(d) Doubtful	-	-
Less: Allowance for doubtful debts	-	-
Total Other Non current assets	28,11,408	41,04,086
Current		
Prepaid Expenses	-	6,30,916
- TDS	-	-
- GST	9,93,568	-
Others		
-Debit Note Receivable(Refer note below)	19,58,303	-
Other advances		
- Secured, considered good	-	-
- Unsecured, considered good	-	-
- Doubtful	-	-
Less : Allowance for bad and doubtful loans	-	-
Total Other current assets	29,51,871	6,30,916
Total Other assets	57,63,279	47,35,002

Note:

The balance represents the debit note receivable from a counter party towards indirect tax credits, which is subject to confirmation.

Infotech HAL Limited

Notes forming part of the financial statements

(All amounts in INR except share and per share data and where otherwise stated)

Note No. 8 - Trade receivables

Particulars	As at March 31, 2018	As at March 31, 2017
Trade receivables & Other receivables		
(a) Secured, considered good	3,93,75,168	5,08,74,179
(b) Unsecured, considered good	-	-
(c) Doubtful	-	-
Less: Allowance for doubtful debts (expected credit loss allowance)	-	-
Total	3,93,75,168	5,08,74,179

Note - 9: Cash and Bank Balances

Particulars	As at March 31, 2018	As at March 31, 2017
Current Cash and bank balances		
Balances with Banks	6,54,286	10,32,981
Cheques, drafts on hand	-	-
Cash on hand	-	-
Others	-	-
Total	6,54,286	10,32,981

Reconciliation of Cash and Cash Equivalents

Particulars	As at March 31, 2018	As at March 31, 2017
Total Cash and Cash Equivalents	6,54,286	10,32,981
Add: Non current Cash and bank balances	-	-
Add: Current Restricted cash and bank balances	-	-
Total Cash and Bank Balance	6,54,286	10,32,981

Note - 9: Bank balances other than above

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Unpaid dividend account	-	-
(b) Deposits held as margin money/security for bank guarantees	14,49,156	9,03,910
Total	14,49,156	9,03,910

Infotech HAL Limited
Notes forming part of the financial statements
(All amounts in INR except share and per share data and where otherwise stated)

Note - 10: Equity share capital

Particulars	As at March 31, 2018	As at March 31, 2017
Equity share capital	4,00,00,000	4,00,00,000
Total equity share capital	4,00,00,000	4,00,00,000
Authorised share capital :		
28,00,00,000 Shares (March 31, 2017: 28,00,00,000 Shares) of Rs.10 each	28,00,00,000	28,00,00,000
Issued and subscribed capital comprises :		
4,00,00,000 Shares (March 31, 2017: 4,00,00,000 Shares) of Rs.10 each	4,00,00,000	4,00,00,000
Total equity share capital	4,00,00,000	4,00,00,000

10.1 Fully Paid equity shares

Particulars	Number of shares	Share capital (Amount)
Balance at April 1, 2017	40,00,000	40,00,000
Issue of shares under the Company's employee share option plan	-	-
Balance at March 31, 2018	40,00,000	40,00,000

10.2 Details of shares held by each shareholder holding more than 5% shares

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
CYENT Limited	20,00,000	50	20,00,000	50
Hindustan Aeronautics Limited	20,00,000	50	20,00,000	50

Infotech HAL Limited

Notes forming part of the financial statements

(All amounts in INR except share and per share data and where otherwise stated)

Note No. 11. Other equity

Particulars	As at March 31, 2018	As at March 31, 2017
Retained earnings	23,93,906	(66,62,532)
Share application money pending for allotment	-	-
Total	23,93,906	(66,62,532)

11.1 Retained earnings

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at beginning of year	(66,62,532)	(1,66,80,224)
Profit attributable to owners of the Company	77,63,617	1,02,34,635
Other comprehensive Income (net of tax)	12,92,821	(2,16,943)
Balance at end of year	23,93,906	(66,62,532)

Infotech HAL Limited
Notes forming part of the financial statements
(All amounts in INR except share and per share data and where otherwise stated)

Note No. 12. Provisions

Particulars	As at March 31, 2018	As at March 31, 2017
Provisions		
Employee benefits	22,16,467	26,51,346
Other Provisions	-	-
Total	22,16,467	26,51,346
Current	3,90,206	9,62,904
Non - Current	18,26,261	16,88,442
Total	22,16,467	26,51,346

Other Provisions

Particulars	Warranties
Balance at April 1, 2017	-
Additional provisions recognised	-
Reductions arising from payments/ other sacrifices of future economic benefits	-
Balance at March 31, 2018	-

Note No. 13. Trade Payables

Particulars	As at March 31, 2018	As at March 31, 2017
Trade Payables	9,59,78,321	6,75,20,666
Total	9,59,78,321	6,75,20,666

Note No. 14. Other current liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
Revenue received in advance		
Deferred revenue arising from customer loyalty programme	-	-
Deferred revenue arising from government grant	-	-
Statutory Remittances	5,53,342	5,87,091
Others	-	-
Total Other current liabilities	5,53,342	5,87,091

Infotech HAL Limited
Notes forming part of the financial statements
(All amounts in INR except share and per share data and where otherwise stated)

Note No. 15. Income taxes

a. Deferred tax balance

Particulars	As at March 31, 2018	As at March 31, 2017
Deferred tax assets	13,20,220	12,02,109
Deferred tax liabilities	-	-
Total	13,20,220	12,02,109

Particulars	Opening Balance	Recognised in profit or loss	Recognised directly in equity	Reclassified from equity to Profit or loss	Acquisitions/dissposals	Closing balance
Deferred tax (liabilities)/assets in relation to						
Cost & Estimated Earnings in Excess of Billings	-	-	-	-	-	-
War on Cost	12,453	33,467	-	-	-	45,920
Depreciation & Amortization	11,89,056	84,644	-	-	-	12,73,700
Employee benefit expense	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	12,02,109	1,18,111	-	-	-	13,20,220

b. Current tax assets and liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
Current tax assets		
Benefit of tax losses to be carried back to recover taxes paid in prior periods	-	-
Tax refund receivable	-	-
Others (describe)	-	-
Total	-	-
Current tax liabilities		
Income tax payable	43,97,089	17,67,335
Others (describe)	-	-
Advance income tax	-	-
Total	43,97,089	17,67,335

c. Income taxes Expense

Particulars	Year ended Dec. 31, 2017	Year ended March 31, 2017
(i) Current tax in respect of the current year	46,50,000	22,00,000
in respect of prior years	6,13,235	-
Sub Total	52,63,235	22,00,000
(ii) Deferred tax in respect of the current year	(1,18,111)	(6,54,925)
in respect of prior years	(4,18,111)	(6,54,325)
Total Tax Expense (net)	51,47,114	13,65,675

Infotech HAL Limited

Notes forming part of the financial statements
(All amounts in INR except share and per share data and where otherwise stated)

Note No. 16. Other Income

Particulars	For the year ended March 31, 2018	For the Year ended March 31, 2017
Interest income earned on financial assets that are not designated as at fair value through profit or loss:		
Bank deposits (at amortised cost)	-	-
Investments in debt instruments measured at FVTOCI	-	-
Interest income	43,931	68,702
Dividend income		
Dividends from equity investments	-	-
Dividend from mutual funds	-	-
Other non-operating income (net of expenses directly attributable to such income)		
Rental income:		
Financial lease contingent rental income	-	-
Operating lease rental income	-	-
Investment property	-	-
Contingent rental income	-	-
Others	-	2,41,744
Other gains and losses		
Gain / (loss) on disposal of property, plant and equipment	-	-
Gain / (loss) on disposal of debt instruments at FVTOCI	-	-
Cumulative gain/ loss reclassified from equity on disposal of debt instruments at FVTOCI	-	-
Net foreign exchange gains/ (losses)	1,75,908	(4,91,239)
Net gain/(loss) arising on financial assets designated as at FVTPL	-	-
Net gain/(loss) arising on financial Liabilities designated as at FVTPL (i)	-	-
Net gain/(loss) arising on financial assets mandatorily measured as at FVTPL (ii)	-	-
Net gain/(loss) arising on held for trading financial liabilities (iii)	-	-
Hedge ineffectiveness on cash flow hedges	-	-
Hedge ineffectiveness on net investment hedges	-	-
(Loss) / profit on sale of fixed assets (net)	-	-
Net gain/ (loss) on derecognition of financial assets measured at amortised cost	-	-
Total	2,19,839	(1,80,793)

Note no -17 Employee Benefits Expense

Particulars	For the year ended March 31, 2018	For the Year ended March 31, 2017
Salaries and wages, including bonus	2,37,53,894	1,95,85,237
Contribution to provident and other funds	14,28,916	10,22,106
Share based payment transactions expenses	-	-
Staff welfare expenses	2,58,215	1,90,923
Total	2,49,41,025	2,07,98,266

Note no -18 Finance Cost

Particulars	For the year ended March 31, 2018	For the Year ended March 31, 2017
Interest costs-	-	-
Other interest expense	-	-
Total Interest expense for financial liabilities not classified as at FVTPL	-	-
Less: Amounts included in the cost of qualifying assets	-	-
Finance charges on Finance leases	-	-
Exchange differences regarded as an adjustment to borrowing costs	-	-
Other borrowing cost	-	-
Loss/ (gain) arising on derivatives designated as hedging instruments in fair value hedges	-	-
Gain/ (loss) arising on adjustment for hedged item attributable to the hedged risk in a designated fair value hedge accounting relationship	-	-
Total	-	-

Note no -19. Depreciation and amortisation expense

Particulars	For the year ended March 31, 2018	For the Year ended March 31, 2017
Depreciation of property, plant and equipment	35,149	56,629
Amortisation of intangible assets	-	-
Total	35,149	56,629

Infotech HAL Limited
Notes forming part of the financial statements
(All amounts in INR except share and per share data and where otherwise stated)

Note no -20 Other expenses

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Rent including lease rentals	6,61,500	7,11,108
Rates and taxes	21,020	16,488
Insurance	3,88,239	1,90,229
Travelling and conveyance	3,23,082	6,16,476
Sub-contracting charges	3,59,58,189	2,75,79,222
Communication	92,013	1,00,494
Printing and stationery	1,51,754	74,614
Power and fuel	89,008	85,026
Marketing expenses	1,23,444	2,23,584
Advertisement	-	-
Repairs and maintenance	-	-
- Buildings	-	-
- Machinery	-	-
- Others	-	91,425
Non executive directors commission	-	-
Legal & professional charges	13,75,950	8,72,383
Expenditure for Corporate Social Responsibility	-	-
Provision for doubtful debts (net)	-	-
Bad debts written off	-	-
Less: Reversal of provision for doubtful debts	-	-
Auditors' remuneration	-	-
- For audit	2,37,000	2,45,000
- For other matters	88,000	88,000
- For reimbursement of expenses	-	35,000
Recruitment expenses	78,777	3,72,929
Training and development	-	1,10,000
Software charges	-	-
Miscellaneous expenses (refer note below)	38,30,276	17,44,036
Total	4,34,18,252	3,31,56,014

Note: Miscellaneous Expenses:

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Bank Charges	17,173	4,468
Books & Periodicals	30,000	27,500
Clearing and Forwarding Charges	-	3,21,650
Input 0.5% SB Cess - P&L A/c	8,628	63,674
House Keeping Expenses	1,92,000	1,92,000
Fine and Penalty	9,023	-
Hire Charges	31,39,745	9,52,757
L D Charges	3,23,572	1,70,150
Other expenses	1,01,865	-
Output SB Cess 0.5% (Excess payment)	5,370	-
Stores & Spares	2,900	11,837
Total	38,30,276	17,44,036

COMPANY OVERVIEW

The Company was incorporated on August 23rd, 2007 and is jointly promoted by Hindustan Aeronautics Limited and Cyient Limited who own 50% respectively of the paid up equity capital of the Company.

BASIS OF PREPARATION AND PRESENTATION

(a) Basis of preparation

These financial statements of Infotech HAL Limited for the year ended March 31, 2018 have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder.

(b) Basis of measurement

The financial statements have been prepared on a historical cost convention and on an accrual basis.

(c) Use of estimates and judgement

The preparation of financial statements in conformity with Ind AS requires management to make judgments, 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 a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

Other estimates: The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

Note 1: SIGNIFICANT ACCOUNTING POLICIES

a) Property, plant and equipment

(i) **Recognition and measurement:** Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset.

(ii) **Depreciation:** Depreciation on depreciable asset is provided on Straight line basis, based on the useful life of the asset prescribed under Schedule II of The Companies Act, 2013.

(iii) **Others:** When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or disposition of the asset and the resultant gains or losses are recognized in the statement of profit and loss.

b) Revenue recognition:

- The Company renders engineering and software service on "time bound fixed-price" contracts. Under which customers are billed, based on completion of specified milestones and/or on the basis of man-days/man hours spent as per terms of contracts. Revenue in respect of these services is recognized under the percentage of completion method. The cumulative impact of any revision in estimates of the percentage of work completed is reflected in the year in which the change becomes known. Provision for estimated losses if any on such contracts are made in the year in which such loss becomes probable and can be reasonably estimated. Income recognized in excess of the amount billed is disclosed as unbilled revenue and billings in excess of income recognized are disclosed as income not accrued.
- Sale of goods is recognized on dispatch of goods to the customers in respect of confirmed orders.

c) Employee Benefits

The Company participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Companies only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee. The expenditure for defined contribution plans is recognized as expense during the period when the employee provides service. Under a defined benefit plan, it is the Companies obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Company. The present value of the defined benefit obligations is calculated using the projected unit credit method.

- i) **Short term Employee Benefits:** The amounts paid/payable on account of short term employee benefits, comprising largely of salaries and wages, short term compensated absences and annual bonus is valued on an undiscounted basis and charged to the Profit and loss statement for the year.
- ii) **Defined Contribution Plans:** The Company has defined contribution plans for its employees comprising of Provident Fund and Superannuation fund. The contributions paid/payable under these plans during the year are charged to Profit and loss statement for the year. The company has no other obligation in this regard.

iii) Defined Benefit Plans:

- Gratuity

The net present value of the obligation for gratuity benefits as determined on independent actuarial valuation using the projected unit credit method as adjusted for unrecognized past services cost if any, is recognized in the accounts. Actuarial gains or losses are recognized in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income.

- Compensated Absences

The Company has a scheme for compensated absences for employees, the liability other than for short term compensated absences is determined on the basis of actuarial valuation carried out at the end of the year using the projected unit credit method. The Company recognizes actuarial gains and losses immediately in the statement of profit and loss.

d) Foreign Currency Transaction

The foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currency are restated at the applicable exchange rates prevailing as at the Balance sheet date. Gain/loss arising from such restatement as also on settlement of the transactions is adjusted in the Profit and loss statement.

e) Leases

Lease payments under operating leases are recognized as an expense on a straight line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.

f) Income Tax

Income tax comprises current and deferred tax. Income tax expense is recognized in the consolidated statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

i. Current Income Tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

ii. Deferred Income Tax

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred income tax liabilities are recognized for all taxable temporary differences. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

g) Provisions and Contingencies

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

h) Introduction of new Ind AS Standard/Amendments to Ind AS Standards

Through a Notification dated 28th March 2018, the Ministry of Corporate Affairs has indicated 1st April 2018 as the effective date for the implementation of Ind AS 115- Revenue from Contracts with Customers. In the same Notification, limited amendments have been made to Ind AS 1- Presentation of Financial Statements, Ind AS 8- Accounting Policies, Ind AS 2- Inventories, Ind AS 12- Income Taxes, Ind AS 16- Property, Plant and Equipment, Ind AS 17- Leases, Ind AS 21- The Effects of Foreign Exchange Rates, Ind AS 23- Borrowing Costs, Ind AS 32- Financial Instruments, Ind AS 28- Investments in Associates, Ind AS 34- Interim Financial Reports, Ind AS 36- Impairment of Assets, Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets, Ind AS 38- Intangible Assets, Ind AS 40- Investment Property, Ind AS 101- First Time Adoption of Ind AS, Ind AS 103- Business Combinations, Ind AS 104- Insurance Contracts, Ind AS 107- Financial Instruments- Presentation and Ind AS 109- Financial Instruments. Most of the limited amendments have arisen due to the introduction of Ind AS 115 with effect from 1st April 2018.

The company is in the process of assessing the impact of the introduction of Ind AS 115- Revenue from Contracts with Customers and the limited amendments to the other Ind AS Standards. The impact, if any, will be disclosed in the financial statements for the period ended 30th June 2018.

NOTE 2: ADDITIONAL NOTES TO ACCOUNTS

- 1) Trade receivables, Trade payables, loans and advances and bank deposits/balances are subject to confirmation.
- 2) In the opinion of the management, current assets, loans and advances have a value not less than what is stated in the accounts if realized in the ordinary course of business.
- 3) None of the vendors have informed the Company that they are registered as Micro & Small Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006. Hence no disclosures are made in this regard.
- 4) The company has determined the liability as at 31st March 2018 towards employee benefits in accordance with the Ind Accounting Standard 19 under the projected unit credit method on the basis of actuarial valuation.

a) Defined Contribution Plan:

(Amount in INR)

Particulars	31.03.2018	31.03.2017
Provident Fund	11,29,788	9,65,387

b) Defined Benefit Plan:

Gratuity and Compensated absences (Leave Encashment) are unfunded obligations of the company. The actuarial assumptions considered for determination the liability for Gratuity and Leave Encashment are given below:

(i) Gratuity:

Particulars	31.03.2018	31.03.2017
Discount Rate (per annum)	7.45%	6.95%
Salary escalation rate	9.00%	9.00%
Retirement age	60 years	60 years
Mortality Rate	IALM(2006-08) Ultimate	IALM(2006-08) Ultimate
Present Value of the Defined Benefit Obligation	Rs.18,26,261	Rs.21,73,872

(ii) Compensated Absences

Particulars	31.03.2018	31.03.2017
Discount Rate (per annum)	6.95%	6.95%
Salary escalation rate	9.00%	9.00%
Retirement age	60 years	60 years
Mortality Rate	IALM(2006-08) Ultimate	IALM(2006-08) Ultimate
Present Value of the Defined Benefit Obligation	Rs. 3,90,206	Rs.4,77,474

5) Earnings in Foreign Currency:

(Amount in INR)

Earnings in Foreign Currency	As at March 31 st 2018	As at March 31 st 2017
Export of Phototype materials	NIL	84,01,257
Income from services	21,03,441	4,35,47,479

6) Foreign Currency Exposure not hedged by derivative instruments:

Particulars	As at March 31 st 2018	As at March 31 st 2017
GBP - Receivable	NIL	9,093
Equivalent Rupees	NIL	7,35,462
Euro - Receivable	8,150	82,376
Equivalent Rupees	6,52,753	57,04,333
USD - Receivable	4,62,800	4,62,800
Equivalent Rupees	3,01,29,715	3,00,07,304

7) Contingent Liability:

The company has given Bank Guarantees to the extent of Rs. 14,49,156 as a security for executing various projects.

8) Related Party Disclosures:

Related Party disclosures, as required by Ind AS 24, 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India are given below:

a) Relationship with related parties :

Party	Relationship
Cyient Limited	The company is a Joint Venture of Cyient Ltd. and HAL
Hindustan Aeronautics Limited (HAL)	The company is a Joint Venture of Cyient Ltd. and HAL
Cyient GmbH, Germany	Associated Enterprise (100% subsidiary of Cyient Ltd.)
Cyient Europe	Associated Enterprise (100% subsidiary of Cyient Ltd.)
Vijaimohan Veeramalla	Key Management Personnel

Infotech HAL Limited

Significant Accounting Policies and Additional Notes to Accounts

b) Transactions with related parties:

(Amount in INR)

Sl. No.	Nature of transactions	HAL	Cyient Ltd	Cyient Europe	KMP
1)	Income (Excl. Tax):				
	Current year	3,29,54,329	-	24,34,887	-
	Previous year	85,72,511	-	94,62,255	-
2)	Reimbursement of various expenses :				
	Current year	-	7,50,508	-	3,53,035
	Previous year	-	7,34,304	-	2,41,507
3)	Rent (Excl. service tax) :				
	Current year	-	6,61,500	-	-
	Previous year	-	7,11,108	-	-
4)	Technical Consulting :				
	Current year	-	19,65,931	-	-
	Previous year	-	89,77,546	-	-
5)	Salaries:				
	Current year	-	-	-	30,95,026
	Previous year	-	-	-	21,73,740
6)	Interest on Loan:				
	Current year	-	-	-	-
	Previous year	-	-	-	-
7)	Loan Taken:				
	Current year	-	-	-	-
	Previous year	-	-	-	-
8)	Loan Repaid:				
	Current year	-	-	-	-
	Previous year	-	-	-	-
9)	Balances Outstanding(net):				
	Billed Outstanding HAL	20,54,030 Dr	3,56,27,619Cr	-	-
	Unbilled/WIP Outstanding	60,61,000 Dr			
	Current year				
	Previous year	1,42,79,717 Dr	3,19,07,544Cr	7,35,462 Dr	1,00,000 Dr

Infotech HAL Limited


Significant Accounting Policies and Additional Notes to Accounts

- 9) Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's/period's classification/ disclosure.
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As per our report on even date attached


For K. P. Rao & Co.,
Chartered Accountants
FRN: 003135S

For and on behalf of the Board of Directors
Infotech HAL Limited

Prashanth S
Partner
M No: 228407

Ashok Reddy Bodanapu
Director
DIN: 01848553


Madanlal Madhavrao Tapase
Director
DIN:07663979

Place: Bengaluru
Date: 16th April, 2018

Place: Bengaluru
Date: 16th April, 2018

Place: Bengaluru
Date: 16th April, 2018
