GlobalLogic Technologies Limited

Statutory audit for the year ended March 31, 2018 – Standalone FS

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Gurugram - 122 002, Haryana, India
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INDEPENDENT AUDITOR'S REPORT

To the Members of GlobalLogic Technologies Limited

Report on the Financial Statements

We have audited the accompanying standalone financial statements of GlobalLogic Technologies Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) read together with the Companies (Accounting Standards) Amendment Rules, 2016 specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014. 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone 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 in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2018, its profit, and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.

S.R. Batliboi & Associates LLP Gurugram

2. As required by section 143 (3) of the Act, we report that:

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

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

(c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement 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 Companies (Accounting Standards) Rules, 2006 (as amended) read together with the Companies (Accounting Standards) Amendment Rules, 2016 specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014;

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

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2018 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act.

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

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 21 to the standalone 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 by the Company.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

S.R. Batliboi & Associates LLP * Gurugram

per Yogender Seth
Partner
Membership Number: 94524
Place: Gurugram
Date: September 13, 2018

Annexure 1 to the Auditor's Report referred to in paragraph [1] of "Report on Other Legal and Regulatory Requirements' in our report of even date

Re: GlobalLogic Technologies Limited ("the Company")

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

b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

c) According to the information and explanations given by the management, there are no immovable properties, included in fixed assets of the Company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.

ii. The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.

iii According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

iv. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

vi. To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.

vii. a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

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

c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

S.R. Batliboi & Associates LLP
Gurugram

S. No.	Name of the statute	Nature of dues	Amount under dispute (Rs.)	Period to which the amount relates	Forum where dispute is pending
A	Income tax Act, 1961	Income tax	8,900,702	AY2009-10	Commissioner of Income Tax – Appeals, Hyderabad
B	Income tax Act, 1961	Income tax	29,506,690	AY2012-13	ITAT, New Delhi
C	Income tax Act, 1961	Income tax	14,819,725	AY2014-15	Commissioner of Income Tax – Appeals, Hyderabad
D	Income tax Act, 1961	Income tax	4,098,010	AY2016-17	Commissioner of Income Tax – Appeals, Hyderabad

Against b above Rs. 23,991,989 has respectively been deposited with the authorities.

viii. The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.

ix. According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments) and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud / material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.

xi. According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.

xii. In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and on an overall examination of the balance sheet, 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 hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

xv. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

S.R. Batliboi & Associates LLP * Gurugram *

xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

S.R. Batliboi & Associates LLP ★ Gurugram ★

per Yogender Seth
Partner
Membership Number: 94524
Place: Gurugram
Date: September 13, 2018

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF GLOBALLOGIC TECHNOLOGIES LIMITED

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

We have audited the internal financial controls over financial reporting of GlobalLogic Technologies Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the

S.R. Batliboi & Associates LLP * Gurugram * company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone 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 over financial reporting with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 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 **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

S.R. Batliboi & Associates LLP * Gurugram *

per Yogender Seth
Partner
Membership Number: 94524
Place: Gurugram
Date: September 13, 2018

GlobalLogic Technologies Limited
Balance sheet as at March 31, 2018

	Notes	As at March 31, 2018 (Rs.)	As at March 31, 2017 (Rs.)
Equity and liabilities			
Shareholders' funds			
Share capital	3	9,765,050	9,765,050
Reserves and surplus	4	767,560,237	506,245,819
		777,325,287	**516,010,869**
Non-current liabilities			
Other long-term liabilities	5	16,090,428	9,878,601
Long-term provisions	6	27,392,171	18,443,525
		43,482,599	**28,322,126**
Current liabilities			
Trade payables	7	143,315,620	142,559,169
Other current liabilities	7	78,195,523	81,592,790
Short-term provisions	6	13,376,428	22,591,238
		234,887,571	**246,743,197**
TOTAL		**1,055,695,457**	**791,076,192**
Assets			
Non-current assets			
Fixed assets			
Property, plant and equipment	8.1	106,674,202	78,629,331
Intangible assets	8.2	881,393	988,288
Non-current investment	9	4,891,922	4,891,922
Deferred tax assets (net)	10	34,897,659	57,182,689
Long-term loans and advances	11	151,727,872	127,006,113
Other non-current assets	12.2	767,142	764,703
		299,840,190	**269,463,046**
Current assets			
Trade receivables	12.1	299,919,691	258,325,347
Cash and bank balances	13	204,780,697	57,123,399
Short-term loans and advances	11	24,081,866	14,846,456
Other current assets	12.2	227,073,013	191,317,944
		755,855,267	**521,613,146**
TOTAL		**1,055,695,457**	**791,076,192**
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of financial statements

As per our report of even date

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI firm registration no: 101049W/E300004

S.R. Batliboi & Associates LLP * Gurugram *

per Yogender Seth
Partner
Membership No. 94524

Place: Gurugram
Date: September 13, 2018

For and on the behalf of the Board of Directors of
GlobalLogic Technologies Limited
CIN: U72200TG2006PLC067980

Sumit Sood
Director
DIN: 07121668

Place: Noida
Date: September 13, 2018

GlobalLogic Technologies Limited

Sanjay Kumar
Director
DIN: 07977118

Place: Noida
Date: September 13, 2018

GlobalLogic Technologies Limited
Statement of profit and loss for the year ended March 31, 2018

	Notes	As at March 31, 2018 (Rs.)	As at March 31, 2017 (Rs.)
Income			
Revenue from operations		1,917,551,718	2,206,675,406
Other income	14	37,565,936	88,974
Total revenues		**1,955,117,654**	**2,206,764,380**
Expenses			
Employee benefits expense	15	1,119,870,337	1,323,395,959
Other expenses	16	460,754,607	552,467,937
Total expenses		**1,580,624,944**	**1,875,863,896**
Earning before interest, tax, depreciation and amortization (EBITDA)		**374,492,710**	**330,900,484**
Depreciation and amortisation expense	17	33,970,009	12,265,297
Finance costs	18	468,318	29,839
Profit before tax		**340,054,383**	**318,605,349**
Tax expense			
Current tax			
Pertaining to profit for the current period		72,843,936	98,415,662
Minimum alternative tax credit entitlement		(16,389,000)	-
Adjustment of tax relating to earlier periods		-	14,288,280
Deferred tax charge/(credit)		22,285,029	(3,589,857)
Total tax expense		**78,739,965**	**109,114,085**
Profit for the year		**261,314,418**	**209,491,263**
Earnings per equity share [Nominal Value of share -Rs. 10] (March 31, 2017 - Rs. 10)	**20**		
Basic & diluted		268	215
Summary of significant accounting policies	**2.1**		

The accompanying notes are an integral part of financial statements

As per our report of even date

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI firm registration no: 101049W/E300004

S.R. Batliboi & Associates LLP ★ Gurugram ★

per Yogender Seth
Partner
Membership No. 94524

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Place: Noida
Date: September 13, 2018

GlobalLogic Technologies Limited
Cash flow statements for the year ended March 31, 2018

	As at March 31, 2018 Rs.	As at March 31, 2017 Rs.
A. Cash flow from operating activities		
Profit before tax	340,054,383	318,605,349
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation/amortization	33,970,009	12,265,297
Unrealised foreign exchange gain difference (net)	(4,627,925)	(59,541)
Interest income	(6,830,501)	(41,797)
Loss on sale of property, plant and equipment	304,347	-
Operating profit before working capital changes	**362,870,313**	**330,769,308**
Movements in working capital :		
Decrease/(increase) in trade receivables	(36,966,419)	17,049,779
(Increase) in other assets	(35,696,694)	(27,059,852)
(Increase)/decrease in loans and advances	(4,396,508)	7,405,868
(Decrease)/increase in provisions	(266,164)	2,327,549
(Decrease)/increase in trade payable and other liabilities	3,571,011	(166,777,129)
Cash generated from operations	**289,115,539**	**163,715,523**
Direct taxes paid (net of refunds)	(86,015,596)	(127,680,014)
Net cash from operating activities (A)	**203,099,943**	**36,035,509**
B. Cash flows used in investing activities		
Purchase of fixed assets	(64,048,820)	(85,061,959)
Investment in fixed deposits with scheduled banks	-	(553,000)
Interest received	6,769,687	-
Proceeds from sale of fixed assets	1,836,488	-
Net cash used in investing activities (B)	**(55,442,645)**	**(85,614,959)**
C. Cash flows from financing activities		
Net cash from/ (used in) financing activities (C)	-	-
Net increase in cash and cash equivalents (A) + (B) + (C)	147,657,298	(49,579,450)
Cash and cash equivalents at the beginning of the year	57,123,399	106,702,849
Cash and cash equivalents at the end of the year	**204,780,697**	**57,123,399**
Components of cash and cash equivalents		
On current accounts	204,780,697	57,123,399
Cash and cash equivalents at the end of the year (refer note no. 13)	**204,780,697**	**57,123,399**

Summary of significant accounting policies **2.1**

As per our report of even date

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI firm registration no: 101049W/E300004

S.R. Batliboi & Associates LLP * Gurugram *

per Yogender Seth
Partner
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Place: Gurugram
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For and on the behalf of the Board of Directors of
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Sumit Sood
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Date: September 13, 2018

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Sanjay Kumar
Director
DIN: 07977118

Place: Noida
Date: September 13, 2018

1. Corporate information

GlobalLogic Technologies Limited (GLTL or "the Company") is a subsidiary of GlobalLogic Inc. United States. The Company provides software development and IT enabled services to its customers.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016. The financial statements have been prepared on an accrual basis and under the historical cost convention, except for derivative financial instruments which have been measured at fair value. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

2.1 Summary of significant accounting policies

(a) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(b) Property, Plant and equipment

Property, Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of Property, Plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing Property, Plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from DE recognition of Property, Plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

(c) Depreciation on property, plant and equipment

Leasehold improvements are amortised on a straight line basis over the lower of lease term or useful life of the respective assets.

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at, based on the useful lives estimated by the management. Depreciation on assets purchased during the year is provided on pro rata basis from the date of purchase of fixed assets.

The Company has used the following rates to provide depreciation on its property, plant and equipment.

Category of assets	Useful lives estimated by the management (years)
Computers and data processing units	3
Furniture and fittings	5
Plant and machinery	5
Office equipments	5

The management has estimated, supported by independent assessment by professionals, the useful lives of the following classes of assets.

• Furniture and fittings are depreciated over the estimated useful lives of 5 years, which are lower than those indicated in schedule II.
• Data processing units (comprising of Servers and networks) are depreciated over the estimated useful lives of 3 years, which are lower than those indicated in schedule II.

(d) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost.

Intangible assets are amortized on a straight line basis over a period of 3 years. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed three years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds three years, the Company amortizes the intangible asset over the best estimate of its useful life. Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

S.R. Batliboi & Associates LLP ★ Gurugram ★

GlobalLogic Technologies Limited

(e) Impairment of tangible and intangible assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss.

(f) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

(g) Leases

Where the Company is lessee

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income.

If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term. Any scheduled rent increases are recognised on a straight line basis.

Where the Company is the lessor

Leases in which the Company transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases. Assets given under finance lease are recognized as a receivable at an amount equal to the net investment in the lease. After initial recognition, the Company apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognized in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in property, plant and equipment. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

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(h) Revenue recognition

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

Income from services
Service revenue on time-and-materials jobs is recognized on cost plus basis or on the basis of resources deployed in accordance with the specific terms agreed with the customer, whether or not invoiced. The Company collects goods and service tax on domestic services on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

Interest
Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

(I) Foreign currency translation
Foreign currency transactions and balances
(i) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

(iii) Exchange differences

The Company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as below:

1. Exchange differences arising on a monetary item that, in substance, forms part of the Company's net investment in a non-integral foreign operation is accumulated in the foreign currency translation reserve until the disposal of the net investment. On the disposal of such net investment, the cumulative amount of the exchange differences which have been deferred and which relate to that investment is recognized as income or as expenses in the same period in which the gain or loss on disposal is recognized.
2. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset.
3. Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortized over the remaining life of the concerned monetary item.
4. All other exchange differences are recognized as income or as expenses in the period in which they arise.

(j) Retirement and other employee benefits

i. Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund.

ii. The company operates one defined benefit plans for its employees, viz., gratuity. The costs of providing benefits under the plan is determined on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out for each plan using the projected unit credit method. Actuarial gains and losses for both defined benefit plans are recognized in full in the period in which they occur in the statement of profit and loss.
iii. Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

iv. Actuarial gains/ losses are immediately taken to statement of profit and loss and are not deferred.

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(k) Borrowing costs

Borrowing cost, if any, includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

(l) Income taxes

Tax expense comprises of current tax and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the Company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

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

(m) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

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(n) Segment reporting

Identification of segments
The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Allocation of common costs
Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items
Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies
The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

(o) Provisions and contingent liabilities

A provision is recognized when the Company has a present obligation as a result of 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. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

(p) Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

(q) Measurement of EBITDA

Owing to the flexibility allowed in Schedule III to the Companies Act, 2013, the Company has elected to presented earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/(loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization expenses, finance costs and tax expense.

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3. Share Capital

	March 31, 2018 Rs.	March 31, 2017 Rs.
Authorised		
1,500,000 (March 31, 2017: 1,500,000) equity shares of Rs. 10/- each	**15,000,000**	**15,000,000**
Issued, subscribed and fully paid up		
976,505 (March 31, 2017: 976,505) equity shares of Rs. 10/- each, fully paid up	9,765,050	9,765,050
	9,765,050	9,765,050

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares

	March 31, 2018		March 31, 2017	
	No.	Amount (Rs.)	No.	Amount (Rs.)
At the beginning of the reporting period	976,505	9,765,050	976,505	9,765,050
Changes during the year	-	-	-	-
Outstanding at the end of the reporting period	976,505	9,765,050	976,505	9,765,050

(b) Terms/ rights attached to equity shares

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

(c) Shares held by holding/ultimate Holding Company and/or their subsidiaries/associates

Out of equity shares issued by the Company, shares held by its Holding Company and their subsidiaries/ associates are as below:

	March 31, 2018 (Rs.)	March 31, 2017 (Rs.)
GlobalLogic Inc., the Holding Company 976,499 (March 31, 2017: 976,499) equity shares of Rs. 10 each fully paid	9,764,990	9,764,990
Method Inc. 1 (March 31, 2017: 1) equity share of Rs. 10 each fully paid	10	10
GlobalLogic India Limited 1 (March 31, 2017: 1) equity share of Rs. 10 each fully paid*	10	10
Mr. Robinson Massey 1 (March 31, 2017: 1) equity share of Rs. 10 each fully paid*	10	10
Ms. A Nandini 1 (March 31, 2017: Nil) equity share of Rs. 10 each fully paid*	10	-
Mr. Harinder Bhatia Nil (March 31, 2017: 1) equity share of Rs. 10 each fully paid*	-	10
Ms. Ranji Srivastava 1 (March 31, 2017: 1) equity share of Rs. 10 each fully paid*	10	10
Mr. Sumit Sood 1 (March 31, 2017: 1) equity share of Rs. 10 each fully paid*	10	10

* Equity shares held on behalf of Globallogic Inc. USA

(d) Details of shareholders holding more than 5% shares in the Company

	March 31, 2018		March 31, 2017	
	Nos.	% holding	Nos.	% holding
Equity shares of Rs.10 each fully paid				
GlobalLogic Inc., (Holding Company)	**976,499**	**99.99**	**976,499**	**99.99**

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

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4. Reserve and surplus

	March 31, 2018 Rs.	March 31, 2017 Rs.
Capital redemption reserve		
Balance as per last financial statements	735,000	735,000
Closing balance	**735,000**	**735,000**
Securities premium account		
Balance as per last financial statements	4,700	4,700
Closing balance	**4,700**	**4,700**
General reserve account		
Balance as per last financial statements	577,805	577,805
Closing balance	**577,805**	**577,805**
Surplus in the statement of profit and loss		
Balance as per the last financial statements	504,928,314	295,437,051
Profit for the year	261,314,418	209,491,263
Closing balance	**766,242,732**	**504,928,314**
Total reserve and surplus	**767,560,237**	**506,245,819**

5. Other long term liabilities

	Non-Current		Current	
	March 31, 2018 (Rs.)	March 31, 2017 (Rs.)	March 31, 2018 (Rs.)	March 31, 2017 (Rs.)
Lease equalisation reserve	16,090,428	9,878,601	-	-
Total	**16,090,428**	**9,878,601**	-	-

6. Provisions

	Long-term		Short-term	
	March 31, 2018 (Rs.)	March 31, 2017 (Rs.)	March 31, 2018 (Rs.)	March 31, 2017 (Rs.)
Provision for employee benefits				
Provision for leave benefits	-	-	6,197,716	5,276,451
Provision for gratuity (note 26)	27,392,171	18,443,525	7,178,712	17,314,787
Total	**27,392,171**	**18,443,525**	**13,376,428**	**22,591,238**

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7. Other current liabilities

	March 31, 2018	March 31, 2017
	Rs.	Rs.
Trade payables		
Total outstanding dues of micro enterprises and small enterprises(refer note 28 for details of dues to micro and small enterprises)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	143,315,620	142,559,169
	143,315,620	**142,559,169**
Other liabilities		
Advance from customer	10,548,774	10,548,774
Statutory liabilities		
TDS payable	6,294,533	6,074,492
PF payable	7,343,866	11,120,593
ESI payable	2,009,757	2,934,352
Others	1,585,892	1,419,763
Payable to group companies [refer note 22(b)]	50,412,701	49,494,816
	78,195,523	**81,592,790**
Total	**221,511,143**	**224,151,959**

Payable to group companies include [refer note 22(b)]:

Payable to GlobalLogic Inc. (Holding Company)	40,002,978	43,703,445
Payable to GlobalLogic India Limited (Fellow subsidiary company)	7,129,396	2,527,402
Payable to GlobalLogic (UK) Limited (Fellow subsidiary company)	3,280,327	3,263,969

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Notes to financial statements for the year ended March 31, 2018

Note 8.1: Property, Plant and Equipment

Amount in Rs.

	Leasehold improvements	Plant and machinery	Furniture and fittings	Office equipments	Computers & data processing units	Low valued assets & electrical installation	Total
Cost or valuation							
Additions	21,349,975	-	9,584,131	5,672,765	37,419,245	9,818,792	83,844,908
Disposals	-	-	-	-	-	-	-
As at March 31, 2017	27,554,785	130,500	14,873,820	11,035,076	62,062,117	9,818,792	125,475,090
Additions	18,632,202	558,440	11,196,306	5,814,868	15,723,728	11,712,343	63,637,887
Disposals	-	-	-	-	3,736,600	-	3,736,600
Written off	-	-	365,798	378,389	856,737	8,625	1,609,549
As at March 31, 2018	46,186,987	688,940	25,704,328	16,471,555	73,192,508	21,522,510	183,766,828
Depreciation							
Charge for the year	96,466	26,101	79,737	672,472	9,148,300	1,989,655	12,012,731
Disposals	-	-	-	-	-	-	-
As at March 31, 2017	6,237,676	31,021	5,179,032	5,222,536	28,185,839	1,989,655	46,845,759
Charge for the year	5,325,232	63,737	2,746,070	1,893,340	16,574,443	6,849,359	33,452,181
Disposals	-	-	-	-	1,747,159	-	1,747,159
Write off	-	-	365,799	369,156	714,575	8,625	1,458,155
As at March 31, 2018	11,562,908	94,758	7,559,303	6,746,720	42,298,548	8,830,389	77,092,626
Net block							
As at March 31, 2018	34,624,079	594,182	18,145,025	9,724,835	30,893,960	12,692,121	106,674,202
As at March 31, 2017	21,317,109	99,479	9,694,788	5,812,540	33,876,278	7,829,137	78,629,331

Note 8.2: Intangible assets

	Amount in Rs.
	Computer software
Cost or valuation	
Additions	1,217,051
As at March 31, 2017	4,460,528
Additions	410,933
As at March 31, 2018	4,871,461
Amortisation	
Charge for the year	252,567
As at March 31, 2017	3,472,240
Charge for the year	517,828
As at March 31, 2018	3,990,068
Net Block	
As at March 31, 2018	881,393
As at March 31, 2017	988,288

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9. Non-current investment

	March 31, 2018 Rs.	March 31, 2017 Rs.
Non-trade investments (valued at cost unless stated otherwise)		
Investments in wholly owned subsidiary		
1,000,000 nos (March 31, 2017 - 1,000,000 nos) Common Stock of Rofous Inc., USA)	4,874,922	4,874,922
Investments in GlobalLogic India Limited - 1 No. (March 31, 2017 - 1 No.)	17,000	17,000
Total	**4,891,922**	**4,891,922**

10. Deferred tax asset (net)

	March 31, 2018 Rs.	March 31, 2017 Rs.
Deferred tax asset		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	1,015,229	749,278
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	7,542,272	24,118,156
Provision for statutory bonus	11,937,356	14,720,055
Lease equalisation reserve	3,235,454	3,418,786
Provision for leave encashment	1,821,398	1,826,074
Provision for gratuity	9,345,950	12,350,340
Gross deferred tax asset	**34,897,659**	**57,182,689**
Net Deferred Tax Asset	**34,897,659**	**57,182,689**

11. Loans and advances

	Non-current		Current	
	March 31, 2018 Rs.	March 31, 2017 Rs.	March 31, 2018 Rs.	March 31, 2017 Rs.
Security deposits				
Unsecured, considered good	42,844,897	31,171,227	-	-
	42,844,897	**31,171,227**	-	-
Loans and advances to related parties [Note 22(b)]				
Unsecured, considered good	-	-	2,211,548	2,200,519
	-	-	**2,211,548**	**2,200,519**
Advances recoverable in cash or kind				
Unsecured, considered good				
Advance to suppliers	-	-	3,433,507	4,541,867
Prepaid expenses	-	48,572	2,454,300	3,308,116
Advances to employees	-	-	545,355	634,311
	-	**48,572**	**6,433,162**	**8,484,294**
Other loans and advances				
Unsecured, considered good				
Minimum alternative tax credit	-	-	16,389,000	-
Goods and service tax input credit	-	-	1,139,704	6,015,490
Advance income taxes (net of provision for taxation of Rs. 185,547,878 previous year : Rs. 235,454,911)	84,890,986	71,719,325	-	-
Balances with statutory / government authorities	23,991,989	23,991,989	-	-
Loans to employees	-	75,000	120,000	346,672
	108,882,975	**95,786,314**	**17,648,704**	**6,362,162**
Total	**151,727,872**	**127,006,113**	**24,081,866**	**14,846,456**

Loans and advances to related parties include [refer note 22(b)]:

Receivable from GlobalLogic Inc. (Holding Company)	-	-	2,211,548	2,200,519

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12. Trade receivables and other assets

12.1 Trade receivables

	March 31, 2018 Rs.	March 31, 2017 Rs.
Unsecured, considered good unless otherwise stated		
Debts outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	34,576,829	14,316,928
Other receivables		
Unsecured, considered good	265,342,862	244,008,419
Total	299,919,691	258,325,347

	March 31, 2018 Rs.	March 31, 2017 Rs.
Other trade receivables include [refer note 22(b)]:		
Due from Rofous Inc. (subsidiary company)	-	3,343,622
Due from GlobalLogic Inc. (holding company)	59,032,784	37,815,738
Due from GlobalLogic India Limited (fellow subsidiary company)	9,662,822	44,826,007

12.2 Other assets	Non-current		Current	
	March 31, 2018 Rs.	March 31, 2017 Rs.	March 31, 2018 Rs.	March 31, 2017 Rs.
Unsecured, considered good				
Non-current bank balances (note 13)	767,142	764,702	-	-
Others				
Unbilled revenue - others	-	-	169,868,686	149,649,001
Unbilled revenue - related party	-	-	55,134,692	41,620,254
Other receivable - related party	-	-	1,967,060	-
Interest accrued on fixed deposits	-	-	102,575	48,689
Total	767,142	764,702	227,073,013	191,317,944

	Non-current		Current	
Other assets include [refer note 22(b)]:				
Due from Globallogic, Inc. (holding company)			55,134,749	42,246,360
Due from GlobalLogic India Limited (fellow subsidiary company)			1,967,060	-

13. Cash and bank balances	Non-current		Current	
	March 31, 2018 Rs.	March 31, 2017 Rs.	March 31, 2018 Rs.	March 31, 2017 Rs.
Cash and cash equivalents				
Balances with banks:				
- On current accounts	-	-	204,780,697	57,123,399
Other bank balances:				
- Margin money deposits *	767,142	764,702	-	-
	767,142	764,702	204,780,697	57,123,399
Amount disclosed under non-current assets (note 12.2)	(767,142)	(764,702)	-	-
Total	-	-	204,780,697	57,123,399

* Against guarantees given to sales tax, customs & central excise authorities.

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	As at March 31, 2018 Rs.	As at March 31, 2017 Rs.
14. Other income		
Interest income		
- Bank deposits	60,814	41,797
- Others	6,769,687	-
Employee solicitation income (Refer note 32)	28,330,785	-
Exchange difference (net)	2,322,100	-
Miscellaneous income	82,550	47,177
Total	**37,565,936**	**88,974**
15. Employee benefits expense		
Salaries and bonus	970,462,084	1,133,679,578
Contribution to provident fund	66,727,881	87,818,254
Gratuity expenses (Refer note 26)	13,588,837	6,782,371
Staff welfare expenses	69,091,535	95,115,756
Total	**1,119,870,337**	**1,323,395,959**
16. Other expenses		
Power, fuel and water charges	15,492,698	36,964,826
Sub-contracting expenses	2,669,576	9,776,145
Rent	169,940,825	178,234,069
Rates and taxes	1,232,828	1,234,510
Repair and maintenance		
-Building	33,652,080	37,692,592
-Plant and Machinery	3,214,433	7,199,430
Insurance	1,119,809	632,458
Security charges	6,597,331	7,442,452
Advertising and business promotion	1,077,156	866,456
CSR Expenditure (refer note A below)	3,730,827	4,285,829
Travelling and conveyance	195,866,935	238,432,369
Communication	9,552,285	7,973,258
Printing and stationery	911,263	1,060,437
Legal and professional fees	9,657,050	12,719,536
Payment to auditor (refer note B below)	3,914,500	3,843,341
Loss on write off / sale of fixed assets (net)	304,347	-
Miscellaneous expenses	1,820,664	4,110,229
Total	**460,754,607**	**552,467,937**

A. Details of CSR expenditure

	March 31, 2018	March 31, 2017
a) Gross amount required to be spent by the Company during the year	5,786,557	5,017,450

b) Amount spent during the year ending on 31st March, 2018:	In Cash	Yet to be paid in cash	Total
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	3,730,827	2,055,730	5,786,557

b) Amount spent during the year ending on 31st March, 2017:	In Cash	Yet to be paid in cash	Total
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	4,285,829	-	4,285,829

B. Payment to auditor includes:			
- Audit fees	3,150,000		3,150,000
- Tax audit fees	450,000		450,000
- Reimbursement of expenses	314,500		243,341
Total	**3,914,500**	-	**3,843,341**

17. Depreciation and amortization expense		
Depreciation of tangible assets	33,452,181	12,012,731
Amortization of intangible assets	517,828	252,567
Total	**33,970,009**	**12,265,298**
18. Finance costs		
Bank charges	468,318	29,839
Total	**468,318**	**29,839**

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19 Derivative instruments and unhedged foreign currency exposure

The details of foreign currency exposure that is hedged by a derivative instrument or otherwise are mentioned below:

Particulars of Derivatives

There are no outstanding forward exchange contract as at the year end.

Particulars of unhedged foreign currency exposure as at the reporting date:

Particulars

	Currency	Foreign currency amount March 31		Closing foreign exchange rate March 31		Amount (in Rs.) March 31	
		2018	2017	2018	2017	2018	2017
EEFC account	USD	1,833,971	641,774	65.17	64.85	119,519,861	41,615,806
Trade receivable	USD	4,057,030	2,814,180	65.17	64.85	264,396,645	182,504,939
Unbilled receivable	USD	3,167,382	2,053,678	65.17	64.85	206,418,266	133,181,005
Reimbursement receivable	USD	33,935	33,932	65.17	64.85	2,211,518	2,200,519
Trade payables	USD	642,207	718,350	65.17	64.85	41,852,630	46,551,393
other current liabilities	USD	113,418	5,953	65.17	64.85	7,391,451	386,020

20 Earnings per share (EPS)

The following reflects the profit and share data used in the basic EPS computations:

	March 31, 2018 Rs.	March 31, 2017 Rs.
Net profit attributable to equity shareholders (Rs.)	261,314,418	209,491,263
Net profit attributable to equity shareholders (Rs.)	261,314,418	209,491,263
Weighted average number of equity shares outstanding (in nos.)	976,505	976,505
Basic & diluted earnings per equity share (Rs.)	268	215
Nominal value of equity shares (Rs.)	10	10

21 Contingent Liabilities

(a) Contingent liabilities not provided for in respect of:

	March 31, 2018 Rs.	March 31, 2017 Rs.
Guarantees given by the Company	767,142	567,142
Provident fund*	6,816,691	6,816,691
Total	7,583,833	7,383,833

*** Provident Fund:**

Represents a provident fund demand for the FY- 2009-10 to 2013-14 for an on-going litigation. An appeal is filed before EPFAT (Tribunal) and is pending for consideration. The management based on expert opinion is of the view that that the likelihood of the case going in favor of the Company is probable and accordingly has not considered any provision against this demand in the financial statements.

(b) Claims against the Company not acknowledged as debts (cases where the possibility of any outflow in the settlement is remote):

	March 31, 2018 Rs.	March 31, 2017 Rs.
Income-tax demand *	53,227,117	51,620,611
Service-tax demand **	23,360,642	-
Total	76,587,759	51,620,611

***Income-Tax Demand:**

*Income-Tax Demand includes:

- Rs. 8,900,702 (March 31, 2017: Rs. 8,900,702) for the Assessment Year 2009-10 on the basis of order passed by Assessing officer ('AO') u/s 147 dated December 27, 2016. The Company has filed the appeal against the order on January 25, 2017 and the matter was heard in October 2017. Order is awaited from the Commissioner of Income Tax (Appeals) [CIT(A)]. On the basis of legal advice received ,the management is hopeful of a favourable decision.
- Rs. 29,506,690 (March 31, 2017: Rs. 29,506,690) for the Assessment Year 2012-13 on the basis of order passed by AO u/s 143(3) dated March 30, 2015. The Tribunal has issued a favorable order for the company deleting the adjustments vide order dated 23 May 2018.
- Rs. NIL (March 31, 2017: Rs. NIL) for the Assessment Year 2013-14 on the basis of order passed by AO u/s 143(3) dated January 23, 2017 under which there is a refund of INR 36,857,170 due to the company. The company has filed the appeal before CIT(A) against the adjustments made in the order. The matter is currently pending for disposal with CIT(A). On the basis of legal advice received ,the management is hopeful of a favourable decision.
- Rs. 14,819,725 (March 31, 2017: Rs. 14,819,725) for the Assessment Year 2014-15 on the basis of order passed by AO u/s 143(3) dated December 21, 2016.The company has filed the appeal against the order on January 20, 2017 and the same is pending for disposal at CIT(A). On the basis of legal advice received ,the management is hopeful of a favourable decision.

**** Service-Tax Demand:**

- Rs. 22,849,722 (March 31, 2017: Nil) represents service tax demand for the period April 2014 to March 2016. The company has filed the reply to final audit report in July, 2017. On the basis of legal advice received, the management is hopeful of a favourable decision.

-Rs. 510,920 (March 21, 2017: Nil) represents service tax demand for the period April 2016 to March 2017. The demand amount has been reduced to Rs, 79,064 as per the letter dated 14 June 2018. However, the final audit report yet to be passed by the authorities. On the basis of legal advice received, the management is hopeful of a favourable decision.

22 Related party disclosures

(a) Names of related parties and related party relationship

Relate parties where control exists	
Holding company	GlobalLogic Inc. USA
Wholly owned subsidiary	Rofous Inc.,USA
Related parties under AS-18 with whom transactions have taken place during the year	
Fellow subsidiary	GlobalLogic India Limited GlobalLogic (UK) Limited
Key management personnel	Mr.Sanjay Kumar, Director Mr. Sumit Sood, Director Mr. Zaheer Allam, Director Mr. Harinder Bhatia, Director (Left w.e.f. June 20, 2017)

(b) During the year, the Company entered into transactions with related parties. The value of such transactions, along with related balances at March 31, 2018 and 2017 and for the years then ended respectively, are presented in the following table:

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Notes to financial statements for the year ended March 31, 2018

b) Transactions

Amount in Rs.

	Year ended	Sale of Services	Purchase of Services	Sale of fixed assets	Expenses incurred on behalf of GTL	Expenses incurred on behalf by GTL	Balance due to related parties	Balance due from related parties	
							Payable Others*	Receivable Trade	Receivable Others **
Holding company									
GlobalLogic Inc	March 31, 2018	191,580,227	-	-	1,042,720	-	40,002,978	59,032,784	57,346,297
	March 31, 2017	123,697,235	7,098,530	-	212,771	692,055	43,703,445	37,815,738	43,820,830
Wholly owned Subsidiary Company									
Rofous Inc.,USA	March 31, 2018	-	-	-	-	-	-	-	-
	March 31, 2017	3,486,758	-	-	-	-	-	3,343,622	-
Fellow Subsidiary Company									
GlobalLogic India Limited	March 31, 2018	134,337,809	-	1,967,060	4,601,994	-	7,129,396	9,662,822	1,967,060
	March 31, 2017	99,007,173	-	-	2,527,402	-	2,527,402	44,826,007	-
GlobalLogic (UK) Limited	March 31, 2018	-	-		-	-	3,280,327	-	-
	March 31, 2017	-	-		-	-	3,263,969	-	-

* The amounts are classified as trade receivables against sale of services.
** These amounts includes unbilled revenue and reimbursement of expenses

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23 Earnings in foreign currency (accrual basis)

	March 31, 2018 Rs.	March 31, 2017 Rs.
Service revenue*	1,357,744,652	1,430,859,000

* Includes unbilled revenue

24 Expenditure in foreign currency (accrual basis)

	March 31, 2018 Rs.	March 31, 2017 Rs.
Travelling expenses	3,585,315	4,104,025
Subcontracting cost	-	7,098,530
Capital Expenditure	14,362,948	-
Total	17,948,263	11,202,555

25 Capital and other commitments

a) At March 31, 2018, the Company has commitments of Rs. Nil (March 31, 2017: Rs. 4,442,321) relating to capital contracts.

b) For commitments relating to lease arrangements, refer note 27.

26 Gratuity and other Post-employment benefit plans

The Company provides for gratuity, a defined benefit retirement plan (the "Gratuity Plan") covering all employees. Under the gratuity plan, every employee who has completed atleast four years and 190 days of service gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service.

The following tables summaries the components of net benefit expense recognized in the statement of profit and loss and amounts recognized in the balance sheet for the respective plans.

a) Statement of profit and loss

Net employee benefit expense (recognised in Employee benefit expense in the statement of profit and loss):

Particulars	March 31, 2018 Rs.	March 31, 2017 Rs.
Current service cost	9,906,086	9,032,481
Interest cost on benefit obligation	2,157,232	2,576,778
Net actuarial(gain) / loss recognised in the year	1,040,308	(4,826,888)
Past service cost	485,211	-
Net benefit expense	13,588,837	6,782,371

b) Balance sheet

Particulars	March 31, 2018 Rs.	March 31, 2017 Rs.
Defined benefit obligation	34,570,883	35,758,312
Plan (asset) / liability	34,570,883	35,758,312

c) Changes in the present value of the defined benefit obligation are as follows:

	March 31, 2018 Rs.	March 31, 2017 Rs.
Opening defined benefit obligation	35,758,312	33,441,970
Interest cost	2,157,232	2,576,778
Past service cost	485,211	-
Current service cost	9,906,086	9,032,481
Benefits paid	(14,776,266)	(4,466,029)
Actuarial (gains) / losses on obligation	1,040,308	(4,826,888)
Closing defined benefit obligation	34,570,883	35,758,312

d) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

e) The principal assumptions used in determining gratuity obligation are shown below:

	March 31, 2018	March 31, 2017
Discount rate	7.26%	6.73%
Salary escalation	11%	8%
Withdrawal rates	35%	35%

f) Amounts for the current and previous four periods are as follows:

	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Gratuity					
Defined benefit obligation	34,570,883	35,758,312	33,441,970	28,566,892	18,217,907
Plan assets	-	-	-	-	-
Surplus/(deficit)	34,570,883	35,758,312	33,441,970	28,566,892	18,217,907
Experience adjustments on plan liabilities	-	-	-	-	-
Experience adjustments on plan assets	-	-	-	-	-

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27 Leases

Operating leases

The Company's leasing arrangements are in respect of operating leases for office premises. These leasing arrangement ranges from 3 years to 6 years. Total lease payments recognised in the statement of profit and loss for the year is Rs.169,940,825 (previous year Rs.178,234,069).

The future aggregate minimum lease payments under non-cancellable operating leases are as under:

	March 31, 2018 Rs.	March 31, 2017 Rs.
Outstanding as at year end:		
Not later than one year	60,082,320	42,976,687
Later than one year but not later than five years	172,930,220	152,077,922
Later than five years	-	-
Total	**233,012,540**	**195,054,609**

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

Particulars	March 31, 2018	March 31, 2017
The principal amount remaining unpaid to any supplier as at the end of each accounting year	-	-
The interest due thereon remaining unpaid to any supplier as at the end of each accounting year	-	-
The amount of interest paid by the buyer in terms of section 16 along with the amounts of payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
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.	-	-

29 The Company's unit in Hyderabad is registered with the Software Technology Parks of India Scheme (the "Scheme"). In accordance with the Scheme, the Company is required to maintain positive foreign exchange earnings, net of imports and the Company has met this requirement every year since registration under the Scheme. The management is confident of continuing to achieve such commitments in future periods.

In the previous year, the Company has taken a unit in Gurugram which is registered under the Special Economic Zone ("SEZ") Act, 2005. Approval was taken from the authorities on November 24, 2017 and the unit was operational from February 2017. In accordance with the SEZ Rules, 2006 the Company is required to maintain positive foreign exchange earnings, net of imports. The management is confident of continuing to achieve such commitments in future periods.

In the current year, the Company has taken a unit in Gurugram which is registered under the Special Economic Zone ("SEZ") Act, 2005. Approval was taken from the authorities on April 18, 2017. In accordance with the SEZ Rules, 2006 the Company is required to maintain positive foreign exchange earnings, net of imports. The management is confident of continuing to achieve such commitments in future periods.

30 Segment information

Business segments

The Company's primary business segment is providing software development and IT enabled services to its holding Company and other customers in the United States of America and to its domestic customers in India. The service do not have any different risk and return and thus the Company has only one business segment.

Geographical segments

The Company reports secondary segment information on the basis of geographical location of the customers /assets. The management views the domestic and export markets as distinct geographical segments. The Company operates in two principal geographical areas of the world which are: India and United States of America (USA).

Particulars Year ended March 31, 2018	USA	India	Total
Revenue	1,357,744,652	559,807,066	**1,917,551,718**
Other segment information			
Segment assets	477,901,353	577,794,104	**1,055,695,457**
Capital expenditure:			
Property, plant and equipment	-	63,637,887	**63,637,887**
Intangible assets	-	410,933	**410,933**

Particulars Year ended March 31, 2017	USA	India	Total
Revenue	1,430,859,000	775,816,406	**2,206,675,406**
Other segment information			
Segment assets	188,858,645	602,217,547	**791,076,192**
Capital expenditure:			
Property, plant and equipment	-	83,844,908	**83,844,908**
Intangible assets	-	1,217,051	**1,217,051**

31 Pursuant to the requirement of section 135 of Companies Act, 2013 and rules thereon and further guidance issued by ICAI during the year on the provision of Corporate Social Responsibility (CSR), the gross amount required to be spent by the Company towards CSR expenditure amounts to Rs. 5,786,557(Previous Year Rs. 5,017,450). During the current financial year, the Company has spent an amount of Rs. 3,730,827 (previous year Rs. 4,285,829) against Corporate Social Responsibility. Further, during the year the Company was in the process of ascertaining various avenues, projects etc. for fulfilling the requirement of its CSR policy, therefore, Company could not utilise the entire amount embarked for its CSR activities.

32 During the year, the Company entered into an Employee Solicitation Agreement with Wipro Limited ("Wipro") and Cognizant Technology Solutions India Private Limited ("Cognizant") and accordingly, transferred some of its employees to these companies. The consideration received upon such transfer of employees is disclosed under 'other income'.

33 Previous year figures

Previous year figures have been regrouped / reclassified, where necessary, to confirm to this year's classification.

As per our report of even date

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI firm registration no: 101049W/E300004

S.R. Batliboi & Associates LLP ★ Gurugram ★

per Yogender Seth
Partner
Membership No. 94524

Place: Gurugram
Date: September 13, 2018

For and on the behalf of the Board of Directors of
GlobalLogic Technologies Limited
CIN: U72200TG2006PLC067980

Sumit Sood	**Sanjay Kumar**
Director	**Director**
DIN: 07121668	**DIN: 07977118**
Place: Noida	Place: Noida
Date: September 13, 2018	Date: September 13, 2018

GlobalLogic Technologies Limited ★