

DIGILITY INC.
Consolidated Balance Sheet as at March 31, 2017

(All amounts in Rs. Lakhs, unless otherwise stated)

	Note	As at March 31, 2017
EQUITY AND LIABILITIES		
Shareholders' funds		
Share capital	3	27.38
Reserves and surplus	4	1,918.86
		1,946.24
Non-current liabilities		
Long-term borrowings	5	6,485.00
Current liabilities		
Trade payables	6	1,369.84
Other current liabilities	7	506.02
		10,307.10
Total		10,307.10
ASSETS		
Non-current assets		
Fixed assets		
Tangible assets	8 (i)	32.32
Intangible assets	8 (ii)	6,025.73
Capital work-in-progress		21.18
Long-term loans and advances	9	23.27
Current assets		
Trade receivables	10	3,456.70
Cash and bank balances	11	689.52
Short-term loans and advances	12	58.38
		10,307.10
Total		10,307.10

Summary of significant accounting policies

2

The accompanying notes are an integral part of these special purpose consolidated financial statements.

In terms of our report of even date

For Price Waterhouse Chartered Accountants LLP
 Firm Registration Number: 012754N/N500016



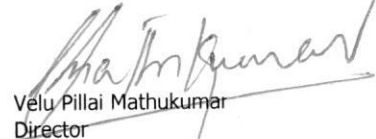
Pradip Kanakia
 Partner
 Membership Number: 39985
 Mumbai, April 20, 2017

For and on behalf of the Board



Prahlad Koti
 Director

Mumbai, April 20, 2017



Venu Pillai Mathukumar
 Director

DIGILITY INC.**Consolidated Statement of Profit and Loss for the year ended March 31, 2017**

(All amounts in Rs. Lakhs, unless otherwise stated)

	Note	Year ended March 31, 2017
Revenue from operations	13	5,681.93
Total revenue		<u>5,681.93</u>
Expenses		
Employee benefits expenses	14	3,852.55
Finance costs	15	281.27
Depreciation and amortization expenses	16	6.60
Other expenses	17	2,210.94
Total expenses		<u>6,351.36</u>
Loss before tax		(669.43)
Tax expense:		
Current tax		-
Deferred tax		-
Loss for the year		<u>(669.43)</u>
Loss per equity share	18	
Basic and Diluted (Nominal value of \$ 0.002 each)		Rs. (11.23)
Summary of significant accounting policies	2	

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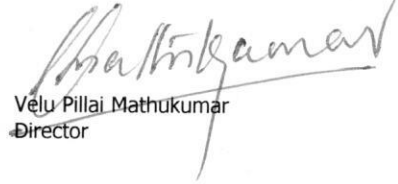
Pradip Kanakia
Partner
Membership Number: 39985
Mumbai, April 20, 2017

For and on behalf of the Board



Prahlad Koti
Director

Mumbai, April 20, 2017



Velu Pillai Mathukumar
Director

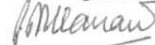
DIGILITY INC.**Consolidated Cash Flow Statement for the year ended March 31, 2017****(All amounts in Rs. Lakhs, unless otherwise stated)**

	Year ended March 31, 2017
Cash flows from operating activities	
Profit before exceptional item and tax	(669.43)
Adjustments for :	
Finance costs	281.27
Depreciation and amortisation	6.60
Operating profit before working capital changes	<u>(381.56)</u>
Decrease in trade receivables	332.18
(Increase) in loans and advances and other assets	(7.10)
Decrease in trade payables, other liabilities and provisions	<u>(2,572.76)</u>
Net cash (used in) operating activities	<u><u>(2,629.24)</u></u>
Cash flows from investing activities	
Purchase of tangible and intangible assets and capital work in progress capitalised	(28.14)
Purchase consideration paid for acquisition of subsidiaries, net of cash	<u>(5,472.50)</u>
Net cash (used in) investing activities	<u><u>(5,500.64)</u></u>
Cash flows from financing activities	
Proceeds from issue of shares	2,738.16
Proceeds from term loan	6,485.00
Finance costs paid	<u>(281.27)</u>
Net cash generated from financing activities	<u><u>8,941.89</u></u>
Effect of changes in exchange rates for cash and cash equivalents	(122.49)
Net increase in cash and cash equivalents during the year	689.52
Cash and cash equivalents at the beginning of the year	<u>-</u>
Cash and cash equivalents at the end of the year	<u><u>689.52</u></u>

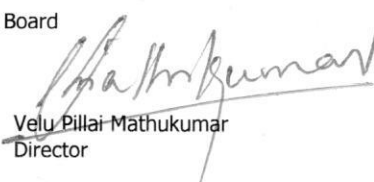
Notes :

- 1 The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.
- 2 Cash and cash equivalents - Refer notes 2.13 and 11.
- 3 Figures in brackets indicate cash outgo.

In terms of our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016Pradip Kanakia
Partner
Membership Number: 39985
Mumbai, April 20, 2017

For and on behalf of the Board

Prahlad Koti
DirectorVelu Pillai Mathukumar
Director

Mumbai, April 20, 2017

DIGILITY INC.**Notes to the Consolidated Financial Statements for year ended March 31, 2017****(All amounts in Rs. Lakhs, unless otherwise stated)****1 General Information :**

Digility Inc ("the Company") and its subsidiaries (collectively referred hereinunder as "the Group") are providers of vertically-focused enterprise technology solutions in North American markets.

The details of subsidiaries considered in these special purpose consolidated financial statements are:

Name of the Company	Country of Incorporation	% of voting power held as at March 31, 2017
Trans American Information Systems Inc. (TA USA) *	USA	100%
Taistech LLC (TA LLC) *	USA	100%

* Acquired with effect from December 23, 2016 (Refer note 23)

2 Summary of significant accounting policies:**2.1 Basis of preparation**

These special purpose consolidated financial statements have been prepared in accordance with generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014, till the Standards of Accounting or any addendum thereto are prescribed by Central Government in consultation with and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] of the Companies Act, 1956 and other relevant provisions of the Companies Act, 2013, to the extent considered relevant by it for the purpose for which these special purpose consolidated financial statements have been prepared (the "accounting principles generally accepted in India").

These special purpose consolidated financial statements are not the statutory financial statements of the Company, and are not intended to, and do not include all possible disclosures required under generally accepted accounting principles followed in India, as those are considered irrelevant by the Management and the intended users of the special purpose consolidated financial statements for the purpose for which those have been prepared.

These special purpose consolidated financial statements are prepared in Indian Rupees. The Indian Rupee is the functional currency for Mastek Limited (the Ultimate Holding Company). However, U.S. Dollar is the functional currency of Digility Inc. The translation of the functional currency into Indian Rupees (reporting currency) is performed for assets and liabilities using the exchange rates prevailing at the Balance Sheet date (US\$ = Rs. 64.85) and for revenues and expenses using average exchange rates prevailing during the reporting period (US\$ = Rs. 67.02). All resulting exchange differences on translation are taken directly to reserves under Foreign Currency Translation Reserve.

The special purpose consolidated financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses. Intra group balances and intra group transactions and resulting unrealized profits are eliminated in full. Unrealized losses resulting from intra group transactions are also eliminated unless cost cannot be recovered. The special purpose consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III (Division I) to the Companies Act, 2013. Based on the nature of services and the time between the acquisition of assets / inputs for processing and their realisation in cash and cash equivalents, the Group has ascertained its normal operating cycle as 12 months for the purpose of current / non current classification of assets and liabilities.

2.2 Use of estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of revenue and expenses during the reported year. Actual results could differ from those estimates.

2.3 Tangible assets and depreciation

Tangible Assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises of the purchase price including import duties and non-refundable taxes, and directly attributable expenses incurred to bring the asset to the location and condition necessary for it to be capable of being operated in the manner intended by management. Subsequent costs related to an item of tangible assets are recognised in the carrying amount of the item if the recognition criteria are met.

An item of tangible assets is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on derecognition is recognised in the Statement of Profit and Loss.

Depreciation is provided on a pro-rata basis on the straight-line method over the estimated useful lives of the assets, based on technical evaluation, which are lower than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The depreciation charge for each period is recognised in the Statement of Profit and Loss. The useful life, residual value and the depreciation method are reviewed atleast at each financial year end. If the expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimate.

Assets

Computers

Furniture and fixtures

Useful Life

2 years

5 years



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(All amounts in Rs. Lakhs, unless otherwise stated)

2.4 Intangible assets and amortisation

Intangible assets are stated at cost of acquisition less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line method over their estimated useful lives. The amortisation period and the amortisation 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 amortisation period is changed accordingly.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss. The estimated useful lives of intangible assets are as follows :

<u>Assets</u>	<u>Useful Life</u>
Computer software	1 - 5 years

Goodwill on consolidation is not amortised and is assessed for impairment at each balance sheet date as described in note 2.5.

2.5 Impairment of assets

At each Balance Sheet date, the Group assesses whether there is any indication that an asset may be impaired. If any such indication exists, management estimates the recoverable amount. Recoverable amount is higher of an asset's net selling price and value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised in the statement of profit and loss to the extent carrying amount exceeds recoverable amount.

2.6 Foreign currency transactions and translation

Foreign currency transactions of the Group are accounted at the exchange rates prevailing on the date of the transaction or at an average rate that approximates the actual rate at the date of the transaction. Monetary assets and liabilities are translated at the rate prevailing on the Balance Sheet date whereas non-monetary assets and liabilities are translated at the rate prevailing on the date of the transaction. Gains and losses resulting from the settlement of foreign currency monetary items and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit and Loss.

2.7 Employee benefits

(i) Short-term employee benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees is recognised in the year during which the employee rendered the services. These benefits comprises of bonus, incentives and annual leave.

(ii) Termination benefits

Termination benefits, in the nature of voluntary retirement benefits or those arising from restructuring, are recognised in the Statement of Profit and Loss when the Group has a present obligation as a result of past event, when a reliable estimate can be made of the amount of the obligation and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations.

2.8 Revenue recognition

The Group derives revenues primarily from information technology services. Revenue is recognised in accordance with the terms of the contracts entered into with customers. Revenues on time and material contracts are recognised when services are rendered and related costs are incurred. Revenues on fixed price, fixed time bound contracts are recognised over the life of the contract based on a proportionate completion method measured by the proportion that contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs. The cumulative impact of any revision in estimates of the percentage of work completed is reflected in the period in which the changes become known. Provision for estimated losses on such contracts are made during the period in which a loss becomes probable and can be reasonably estimated. When the uncertainty, relating to the collectability arises subsequent to the rendering of the service, a separate provision is made to reflect the uncertainty and the amount of revenue originally recorded is not adjusted.

Revenues from maintenance contracts are recognised on a straight line basis over the period of the contract.

2.9 Leases

Lease rentals in respect of operating lease arrangements are charged to the Statement of Profit and Loss.



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(All amounts in Rs. Lakhs, unless otherwise stated)

2.10 Earnings per share

Basic earnings per share (EPS) are calculated by dividing the net loss / profit after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share are computed by adjusting the number of shares used for basic EPS with the weighted average number of shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value i.e. average market value of outstanding shares. The number of shares and potentially dilutive shares are adjusted for share splits and bonus shares, as appropriate. In calculating diluted earnings per share, the effects of anti dilutive potential equity shares are ignored. Potential equity shares are anti-dilutive when their conversion to equity shares would increase earnings per share or decrease loss per share.

2.11 Income Taxes

Tax expense for the period comprises of current tax and deferred tax. Current tax is measured by the amount of tax expected to be paid to the tax authorities on the taxable profits after considering tax allowances and exemptions and using applicable tax rates and laws. Deferred tax is recognised on timing differences between the accounting income and the taxable income for the period and quantified using the tax rates and tax laws enacted or substantively enacted as on the Balance Sheet date. Deferred tax assets are recognised and carried forward to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets in respect of unabsorbed depreciation or carry forward losses are recognised only to the extent there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. The carrying amount of deferred tax assets is reviewed at each balance sheet date for any write down or reversal, as considered appropriate.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off the recognised amount and there is an intention to settle the asset and liability on a net basis.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing the current tax and where the deferred tax assets and liabilities relate to taxes on income levied by the same governing taxation laws.

2.12 Provisions and Contingent Liabilities

Provisions are recognised when the Group has a present obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. A disclosure for a contingent liability is made where there is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Provisions are reviewed regularly and are adjusted where necessary to reflect the current best estimates of the obligation. Where the Group expects a provision to be reimbursed, the reimbursement is recognized as a separate asset, only when such reimbursement is virtually certain.

2.13 Cash and Cash Equivalents

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



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DIGILITY INC.**Notes to the Consolidated Financial Statements for year ended March 31, 2017**

(All amounts in Rs. Lakhs, unless otherwise stated)

3 Share capital

	As at March 31, 2017
Authorised: 20,000,000 equity shares of \$0.002/- each	\$ 40,000 \$ 40,000
Issued, subscribed and fully paid up : 20,000,000 equity shares of \$ 0.002/- each	27.38
Total	27.38

(a) Reconciliation of the number of shares

	As at March 31, 2017	
	No. of shares	Amount
Equity Shares		
Balance as at the beginning of the year	-	-
Add : Shares issued during the year	20,000,000	27.38
Balance as at the end of the year	20,000,000	27.38

(b) Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par value of \$0.002/- per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Shares held by the Holding Company and Subsidiaries of the Ultimate Holding Company

	As at March 31, 2017	
Equity Shares of \$0.002/- each held by :	No. of shares	% of holding
Mastek (UK) Limited, the holding company	20,000,000	100.00%

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

	As at March 31, 2017	
Equity Shares of \$0.002/- each held by :	No. of shares	% of holding
Mastek (UK) Limited, the holding company	20,000,000	100.00%

4 Reserves and surplus

	As at March 31, 2017
Securities premium account	
Balance as at the beginning of the year	-
Add: Addition on account of issue of shares	2,710.78
Balance as at the end of the year	2,710.78
Foreign currency translation reserve	
Balance as at the beginning of the year	-
Add: Movement during the year	(122.49)
Balance as at the end of the year	(122.49)
Deficit in statement of profit and loss	
Balance as at the beginning of the year	-
Loss for the year	(669.43)
Balance as at the end of the year	(669.43)
Total	1,918.86



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DIGILITY INC.**Notes to the Consolidated Financial Statements for year ended March 31, 2017****(All amounts in Rs. Lakhs, unless otherwise stated)****5 Long-term borrowings**

	As at March 31, 2017
Secured :	
Term loan from Axis bank UK limited	6,485.00
Total	<u>6,485.00</u>

(a) Nature of security

- (i) Secured by pledge of all assets of Digility Inc. (incl. shares of Trans American Information Systems Inc. and membership Interest in Taistech LLC.) and shares of Digility Inc.
- (ii) Secured by mortgage of Pune property of Mastek Limited, the ultimate holding company.
- (iii) Secured by corporate guarantee of USD 12 million given by Mastek Limited, the ultimate holding company on behalf of the Company.

(b) Terms of repayment

- (i) Payment in eight equal half yearly installment over a period of five years starting after the end of 18 months from the date of disbursement of loan i.e. June 2018 along with interest at 3 months LIBOR + 250 basis point.

6 Trade payables

	As at March 31, 2017
Trade payables	<u>1,369.84</u>
Total	<u>1,369.84</u>

7 Other current liabilities

	As at March 31, 2017
Other payables	
Advance from holding company	64.85
Employee benefits payable	16.73
Accrued expenses	191.87
Contingent consideration payable on business acquisition (Refer note 23)	<u>232.57</u>
Total	<u>506.02</u>



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DIGILITY INC.
 Note to the Consolidated Financial Statements for year ended March 31, 2017
 (All amounts in Rs. lakhs, unless otherwise stated)

8 Fixed assets

(i) Tangible assets

	Gross Block (at cost)				Depreciation			Net Block			
	As at April 1, 2016	Additions arising from business acquisition (Refer note 23)	Other Additions	Deductions	Foreign Exchange Translation Adjustments	As at March 31, 2017	For the year	Deductions	Foreign Exchange Translation Adjustments	As at March 31, 2017	As at March 31, 2016
Computers	-	85.68	7.51	-	(4.23)	88.96	6.56	-	(3.71)	57.19	31.77
Furniture and fixtures	-	0.85	-	-	(0.04)	0.81	0.04	-	(0.01)	0.26	0.55
Total	-	86.53	7.51	-	(4.27)	89.77	6.60	-	(3.72)	57.45	32.32

(ii) Intangible assets

	Gross Block (at cost)				Amortisation			Net Block			
	As at April 1, 2016	Additions arising from business acquisition (Refer note 23)	Other Additions	Deductions	Foreign Exchange Translation Adjustments	As at March 31, 2017	For the year	Deductions	Foreign Exchange Translation Adjustments	As at March 31, 2017	As at March 31, 2016
Goodwill on consolidation (Refer note 23)	-	-	6,311.46	-	(285.73)	6,025.73	-	-	-	6,025.73	-
Total	-	-	6,311.46	-	(285.73)	6,025.73	-	-	-	6,025.73	-



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DIGILITY INC.**Notes to the Consolidated Financial Statements for year ended March 31, 2017****(All amounts in Rs. Lakhs, unless otherwise stated)****9 Long-term loans and advances**

	As at March 31, 2017
Unsecured, considered good, unless otherwise stated	
Security deposits	23.27
Total	<u>23.27</u>

10 Trade receivables

	As at March 31, 2017
Unsecured, considered good	
Outstanding for a period less than six months from the date they were due for payment	3,456.70
Unsecured, considered doubtful	
Outstanding for a period exceeding six months from the date they were due for payment	136.21
Others	58.86
Less: Provision for doubtful debts	(195.07)
Total	<u>3,456.70</u>

11 Cash and bank balances

	As at March 31, 2017
Cash and cash equivalents	
Bank balances	
In current accounts	689.52
Total	<u>689.52</u>

12 Short-term loans and advances

	As at March 31, 2017
Unsecured, considered good, unless otherwise stated:	
Other loans and advances	
Prepaid expenses	28.55
Advances to employees	29.83
Total	<u>58.38</u>



DIGILITY INC.**Notes to the Consolidated Financial Statements for year ended March 31, 2017****(All amounts in Rs. Lakhs, unless otherwise stated)****13 Revenue from operations**

	Year ended March 31, 2017
Information technology services	5,627.41
Other operating revenue	
Reimbursement of expenses from customers	54.52
Total	<u>5,681.93</u>

14 Employee benefits expenses

	Year ended March 31, 2017
Salaries, wages and performance incentives	3,662.90
Staff welfare expense	189.65
Total	<u>3,852.55</u>

15 Finance costs

	Year ended March 31, 2017
Interest on term loan	64.46
Fees paid for guarantee issued by ultimate holding company	43.63
Bank charges	173.18
Total	<u>281.27</u>

16 Depreciation and amortisation expenses

	Year ended March 31, 2017
Depreciation on tangible assets	6.60
Total	<u>6.60</u>

17 Other expenses

	Year ended March 31, 2017
Recruitment and training expenses	9.55
Travelling and conveyance	374.11
Communication charges	9.79
Consultancy and sub-contracting charges	481.58
Software development cost	902.25
Rates and taxes	19.68
Repairs : others	28.08
Insurance	18.67
Printing and stationery	4.17
Professional fees	216.22
Rent (Refer note 19)	58.29
Advertisement and publicity	26.98
Net loss on foreign currency transactions and translation	(2.48)
Hire Charges	3.59
Miscellaneous expenses	60.46
Total	<u>2,210.94</u>

18 Loss Per Share (EPS)

	Year ended March 31, 2017
The components of basic and diluted loss per share for total operations are as follows:	
(a) Net income attributable to equity shareholders	(669.43)
(b) Weighted average number of outstanding equity shares	
Considered for basic and diluted EPS	5,958,904
(c) Loss per share (net of taxes) in Rs.	
Basic and Diluted	Rs. (11.23)
(Nominal value per share \$ 0.002/- each)	

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DIGILITY INC.**Notes to the Consolidated Financial Statements for year ended March 31, 2017****(All amounts in Rs. Lakhs, unless otherwise stated)****19 Operating leases**

	<u>As at</u> <u>March 31, 2017</u>
Lease Payments	
(a) Future minimum lease payments under non – cancellable operating leases (in respect of properties):	
Due within one year	241.44
Due later than 1 year but not later than 5 years	771.58
Due later than 5 years	301.59
Total minimum lease payments	<u>1,314.61</u>
	<u>Year ended</u> <u>March 31, 2017</u>
(b) Operating lease rentals recognised in the statement of profit and loss (Refer note 17)	58.29
(c) Description of significant operating lease arrangements: The Group has given refundable interest free security deposits under the lease agreements. All agreements contain provision for renewal.	

20 Related Party Disclosures**A Enterprises where control exists**

Ultimate Holding Company	Mastek Limited, India
Holding Company	Mastek UK Limited, UK
Fellow Subsidiary Company	
Trans American Information Systems Private Limited, India (w.e.f. December 23, 2016)	
IndigoBlue Consulting Limited, UK	

B Key Management Personnel (KMP):

Velu Pillai Mathukumar (w.e.f. June 1, 2016)	President and Head - North America
Kapil Malik (w.e.f. December 23, 2016)	President and Chief executive officer - Taistech Group
Aman Bedi (w.e.f. December 23, 2016)	Chief Technology Officer - Taistech Group

Disclosure of transactions with related parties during the year:

	<u>Year ended</u> <u>March 31, 2017</u>
i. Transaction with Ultimate holding company	
Corporate guarantee given by the Ultimate Holding Company for the term loan	6,485.00
Finance Cost - Guarantee Commission	43.63
Balance:	
Trade payable	42.21
ii. Transactions with Holding company	
Information technology services rendered	(67.55)
Other reimbursable expenses payable	79.71
Proceeds from issue of shares	2,738.16
Working capital advance received	64.85
Balance:	
Trade payable	23.82
Other current liabilities - Advance from holding company	64.85
iii. Transactions with fellow subsidiary	
Software development cost	902.25
Balance:	
Trade payable	17.66
iv. Total remuneration to key management personnel	
Velu Pillai Mathukumar	125.66
Kapil Malik	55.13
Aman Bedi	55.13

21 Segment reporting

The Group has only one reportable segment which is Software Development. Accordingly, the figures appearing in these special purpose consolidated financial statements relate solely to that business segment.

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DIGILITY INC.**Notes to the Consolidated Financial Statements for year ended March 31, 2017****(All amounts in Rs. Lakhs, unless otherwise stated)****22 Unhedged foreign currency**

	FC	Year ended March 31, 2017	
		In FC '000	In Rs. Lakhs
Trade Payables	GBP	29.72	23.82
Other current liabilities - Advance from holding company	GBP	80.90	64.85

23 Acquisition of Trans American Information Systems Inc. and Taistech LLC

During the year, the Company has purchased 100 equity shares of face value of \$ 0.01 each of Trans American Information Systems Inc. ("TA USA") and 100% membership interest of Taistech LLC ("TA LLC"), together known as Taistech Group.

The purchase consideration payable for the acquisition including contingent consideration is as follows:

- (i) US\$ 12.25 million which has been paid on closure of the agreement;
- (ii) contingent consideration payable over a 3 year period, on an annual basis, based on meeting certain revenue and profit target norms.

The difference between total consideration paid as well as accrued contingent consideration till date amounting to US\$ 12.61 million, and the value of net assets taken over of US\$ 3.32 million is accounted as Goodwill on consolidation amounting to US\$ 9.29 million (Rs. 6,025.73) [Refer note 8(ii)]. Further contingent consideration payable if any, as described in (ii) above, in future years would be added to goodwill on consolidation as and when due. This Goodwill on consolidation will be tested for impairment at each future reporting date.

24 Digility Inc. was incorporated on November 17, 2015. The company was dormant during the period November 17, 2015 to March 31, 2016. Accordingly, no comparative figures have provided in these special purpose consolidated financial statements.

In terms of our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016



Pradip Kanakia
Partner
Membership Number: 39985
Mumbai, April 20, 2017

For and on behalf of the Board



Prahlad Koti
Director

Mumbai, April 20, 2017



Velu Pillai Mathukumar
Director