Walker Chandiok & Co LLP

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Independent Auditor's Report

To the Board of Directors of Digility Inc.

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Digility Inc., ("the Company") and its subsidiaries (hereinafter collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. The Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated loss (consolidated financial performance including other comprehensive income), consolidated cash flows and consolidated changes in equity of the Group in accordance prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 ("the Act"). The Company's Board of Directors and the respective Board of Directors/management of the subsidiaries included in the Group, are responsible for the design, implementation and maintenance of internal control 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. Further, the Board of Directors are responsible for maintenance of adequate accounting records for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

4. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

6. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") specified under Section 133 of the Act, of the consolidated state of affairs (consolidated financial position) of the Group as at 31 March 2018, and their consolidated loss (Consolidated Statement of Profit & Loss including other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Other Matter

8. The comparative financial information for the year ended 31 March 2017, prepared in accordance with Ind AS and included in these consolidated financial statements, are based on the previously issued consolidated financial statements for the year ended 31 March 2017, respectively, prepared in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), which were audited by the predecessor auditor whose report dated 20 April 2017, expressed unmodified opinion on those consolidated financial statements, and have been adjusted for the differences in the accounting principles adopted by the Group on transition to Ind AS, which have been audited by us. Our opinion is not modified in respect of this matter.

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9. The consolidated financial statements are prepared to assist the Group in order to make submissions to its lenders, and accordingly should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Our opinion is not qualified in respect of this matter.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Khushroo B. Panthaky**
Partner
Membership No.: 42423

Place: Mumbai
Date: 29 May 2018

DIGILITY INC.
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

($ in '000)

	Note	As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-current assets			
Property plant & equipment, net	3(a)	146.04	51.42
Capital work-in-progress		-	32.66
Goodwill on consolidation	3(c)	12,881.01	12,881.01
Other intangible assets,net	3(b)	3,388.29	4,291.70
Financial assets			
Loans	4	35.88	35.88
Deferred tax assets, net	19(c)	83.35	11.77
Total non-current assets		16,534.57	17,304.44
Current assets			
Financial Assets			
Trade receivables, net	5(a)	8,652.58	5,330.30
Cash and Cash equivalents	5(b)	2,002.20	975.75
Bank balances, other than cash & cash equivalents	5(b)	87.50	87.50
Other current financial assets	5(c)	845.92	46.00
Other current assets	6	62.31	44.02
Total current assets		11,650.51	6,483.57
Total Assets		28,185.08	23,788.01
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	7	5,600.00	40.00
Other Equity	8	(1,753.30)	2,693.12
Share application money pending allotment		2,800.00	-
Total Equity		6,646.70	2,733.12
Non-current liabilities			
Financial liabilities			
Borrowings	9(a)	7,500.40	10,000.00
Other non-current financial liabilities	9(b)	3,269.75	5,754.00
Total non-current liabilities		10,770.15	15,754.00
Current liabilities			
Financial liabilities			
Borrowings	10(a)	599.60	-
Trade payables	10(b)	2,321.66	2,130.62
Other current financial liabilities	10(c)	7,806.74	3,170.27
Other current liabilities	11	3.08	-
Current tax liability (net)		37.15	-
Total current liabilities		10,768.23	5,300.89
Total Equity & liabilities		28,185.08	23,788.01

See accompanying notes to the consolidated financial statements

For and on behalf of the Board of Directors of **Digility Inc.**

John Owen
Director
Date: May 29, 2018

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DIGILITY INC.

DIGILITY INC.

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

($ in '000, except per share data)

	Note	Year ended March 31, 2018	Year ended March 31, 2017
INCOME			
Revenue from operations	12	35,301.51	8,478.04
Other income	13	-	161.18
Total Income		35,301.51	8,639.22
EXPENSES			
Employee benefits expenses	14	20,216.25	5,766.70
Finance costs	15	1,089.58	548.72
Depreciation and amortization expenses	16	984.04	318.15
Other expenses	17	13,532.26	3,302.66
Total expenses		35,822.13	9,936.23
Loss before tax		(520.62)	(1,297.01)
Tax expense			
Current tax	19(a)	37.15	-
Deferred tax (benefit) expense		(71.58)	(29.90)
Total tax expense		(34.43)	(29.90)
Loss after tax for the year		(486.19)	(1,267.11)
Other comprehensive income (OCI), net of taxes		-	-
Total other comprehensive loss for the year, net of taxes		-	-
Total comprehensive loss for the year		(486.19)	(1,267.11)
Loss per equity share	18		
(Equity shares of par value March 31, 2018 : $ 100 each, March 31,2017 : $ 0.002 each)			
Basic and Diluted		$. (9.66)	$. (31.68)

See accompanying notes to the consolidated financial statements

For and on behalf of the Board of Directors of **Digility Inc.**

John Owen
Director
Date: May 29, 2018

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DIGILITY INC.
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

($ in '000)

	Year ended	
	March 31, 2018	March 31, 2017
Cash flows from operating activities		
Loss for the year	(486.19)	(1,267.11)
Adjustments:		
Employee stock compensation expenses	24.07	18.29
Finance costs	1,089.58	548.72
Depreciation and amortisation	984.04	318.15
Tax Expense	(34.43)	(29.90)
Changes in operating assets and liabilities		
Decrease / (Increase) in trade receivables	(3,322.28)	512.24
(Increase) / Decrease in loans and advances and other assets	(818.21)	(22.71)
(Decrease)/increase in trade payables, other liabilities and provisions	(59.96)	(3,983.63)
Cash generated from operating activities before taxes	(2,623.38)	(3,905.96)
Income taxes refunds (paid), net	-	-
Net cash used in operating activities	(2,623.38)	(3,905.96)
Cash flows from investing activities; net of effects from acquisitions		
Purchase of property, plant and equipment and software	(142.59)	(43.59)
Earnout payment on account of Business Combination	(563.72)	-
Purchase consideration paid for acquisition of subsidiary, net of cash	-	(8,438.71)
Net cash (used in) / generated from investing activities	(706.31)	(8,482.30)
Cash flows from financing activities		
Proceeds from issue of shares	4,399.77	4,000.23
Proceeds from working capital loan, net	599.61	-
Proceeds from long term loan	-	10,000.00
Finance costs paid	(643.24)	(548.72)
Net cash generated from financing activities	4,356.14	13,451.51
Net increase/(decrease) in cash and cash equivalents during the year	1,026.45	1,063.25
Cash and cash equivalents at the beginning of the year	1,063.25	-
Cash and cash equivalents at the end of the year	2,089.70	1,063.25

For and on behalf of the Board of Directors of **Digility Inc.**

John Owen
Director
Date: May 29, 2018

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DIGILITY INC.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2018

(a) Equity share capital	($ in '000)
Balance as at April 1, 2016	-
Add : Shares issued during the year	40.00
Balance as at March 31, 2017	40.00
Balance as at April 1, 2017	40.00
Add: Transferred from Securities Premium	3,960.00
Less : Shares cancelled - reverse stock split of shares	(4,000.00)
Add : Shares issued during the year	5,600.00
Balance as at March 31, 2018	**5,600.00**

(b) Other Equity

($ in '000)

Particulars	Reserve & Surplus		Total other equity
	Securities premium reserve	Retained Earnings	
Balance as at 1 April 2016	-	-	-
Issue of share capital	3,960.23	-	3,960.23
Loss for the year	-	(1,267.11)	(1,267.11)
Balance as at 31 March 2017	3,960.23	(1,267.11)	2,693.12
Balance as at 1 April 2017	3,960.23	(1,267.11)	2,693.12
Transferred to Share Capital on account of reverse stock split of shares	(3,960.23)	-	(3,960.23)
Loss for the year	-	(486.19)	(486.19)
Balance as at 31 March 2018	-	**(1,753.30)**	**(1,753.30)**

For and on behalf of the Board of Directors of **Digility Inc.**

John Owen
Director
Date: May 29, 2018

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Significant accounting policies and Notes to accounts for the year ended March 31, 2018

($ in '000, except share and per share Data unless otherwise stated)

1 **Company Overview**

Digility Inc. ("the Company") was incorporated on 17 November 2015 in Delaware, USA and its subsidiaries (collectively referred hereinunder as "the Group") are providers of vertically-focused enterprise technology solutions in North American markets.

The details of Holding Company including Ultimate Holding Company considered in these consolidated financial statements are:

Name of the Company	Country of Incorporation	% of voting power held as at March 31, 2018	% of voting power held as at March 31, 2017
Mastek UK, Holding Company	UK	100%	100%
Mastek Limited, Ultimate Holding Company	India	100%	100%

The details of subsidiaries including step-down subsidiaries considered in these consolidated financial statements are:

Name of the Company	Country of Incorporation	% of voting power held as at March 31, 2018	% of voting power held as at March 31, 2017
Trans American Information Systems Inc. @	USA	100%	100%
Taistech LLC @	USA	100%	100%

@ Acquired with effect from December 23, 2016

2 **Basis of Preparation and Presentation**

a. **Statement of Compliance**

These consolidated financial statements have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 ("the Act"). These consolidated financial statements for the year ended 31 March, 2018 are the first financial with comparatives, prepared under Ind AS. The adoption was carried out in accordance with Ind AS 101, First Time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principle generally accepted in India as prescribed under Section 133 of the Act read with the Rule 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP), which was the previous GAAP. Reconciliations and description of the effect of the transition to Ind AS from Indian GAAP is given in Note 27.

These consolidated financial statement of the Group as at and for the year ended 31st March 2018 (including Comparatives) were approved and authorized by the Company's board of directors as on 29 May, 2018.

All amounts included in the consolidated financial statements are reported in US dollar (in $) except share and per share data unless otherwise stated.

The Company had no activities including equity as at 31 March 2016, accordingly no figures have been presented for 1 April 2016.

b. **Basis of Preparation**

The consolidated financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:

i. Share based payment transactions and

ii. Contingent Consideration

c. **Use of estimate and judgement**

The preparation of consolidated financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is included in the following notes:

i) Revenue Recognition: The Group applies the percentage of completion method in accounting for its fixed price contracts. Use of the percentage of completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

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ii) *Income taxes:* Significant judgments are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions.

iii) *Business combination* : Business combinations are accounted for using Ind AS 103. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets and their estimated useful life. These valuations are conducted by independent valuation experts.

iv) *Property, plant & equipment:* Property, plant and equipment represent a significant proportion of the asset base of the Company. The change in respect of periodic depreciation is derived after determining an estimate of an assets expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Company's are determined by the management at the time the asset is acquired and reviewed perdiodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology

v) *Impairment testing:* Goodwill and Intangible assets recognized on business combination are tested for impairment at least annually or when events occur or changes in circumstances indicate that the recoverable amount of the asset or the cash generating unit (CGU) to which these pertain is less than the carrying value. The recoverable amount of the asset or the cash generating units is higher of value-in-use and fair value less cost of disposal. The calculation of value in use of a cash generating unit involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

vi) *Expected credit losses on financial assets* : On application of Ind AS 109, the impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history of collections, customer's credit-worthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

vii) *Deferred taxes:* Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carryforwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.

d. Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control exists when the parent has power over an investee, exposure or rights to variable returns from its involvement with the investee and ability to use its power to affect those returns. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.
The financial statements of subsidiaries are consolidated on a line-by-line basis and intra-group balances and transactions including unrealised gain/ loss from such transactions are eliminated upon consolidation. The financial statements are prepared by applying uniform policies in use at the Group.
The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Ind AS - 7 on Statement of Cash Flow issued by the Institute of Chartered Accountants of India.

e. Summary of Significant accounting policies

i) Functional and Presentation Currency

Items included in the consolidated financial statements of each of the Group's subsidiaries are measured using the currency of the primary economic environment in which these entities operate (i.e. the "functional currency"). The consolidated financial statements are presented in USD dollar, which is the functional currency of the Company.

(iii) Financial instruments

A. Initial Recognition and Measurement

The Group recognizes financial assets and liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular purchase and sale of financial assets are recognised on the trade date.

B. Subsequent Measurement

1. Non-Derivative Financial Instruments

a. Financial Assets Carried at Amortised Cost

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

b. Financial Assets at Fair Value Through Other Comprehensive Income (FVTOCI)

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

c. Financial Assets at Fair Value Through Profit or Loss (FVTPL)

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

d. Financial Liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

C. Derecognition of Financial Instruments

The Group derecognises a financial asset when the contractual right to receive the cash flows from the financial asset expire or it transfers the financial asset.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

iv)Current Versus Non-Current Classification

i) An asset is considered as current when it is:

a. Expected to be realized or intended to be sold or consumed in normal operating cycle
b. Held primarily for the purpose of trading
c. Expected to be realised within twelve months after the reporting period, or
d. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

ii) All other assets are classified as non-current.

iii) liability is considered as current when it is:

a. Expected to be settled in normal operating cycle
b. Held primarily for the purpose of trading
c. Due to be settled within twelve months after the reporting period, or
d. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

iv) All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities

(v) Property,Plant & Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. The cost of property, plant and equipment acquired in a business combination is recorded at fair value on the date of acquisition.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the Statement of Profit or Loss when the asset is derecognised.

For transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as on April 1, 2017 measured as per previous GAAP as it deemed cost on the date of transition.

The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Category	Useful Life
Computers	2 years
Furniture and fixtures	5 years
Office Equipment	5 years
Leasehold Improvement	5 - 15 years or the primary period of lease whichever is less

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

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(vi) Intangible assets

Intangible assets acquired separately are measured at cost of acquisition. Intangible assets acquired in a business combination are measured at fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and impairment losses, if any.

The amortization of an intangible asset with a finite useful life reflects the manner in which the economic benefit is expected to be generated.

The estimated useful life of amortizable intangibles are reviewed and where appropriate are adjusted, annually.

The estimated useful lives of the amortizable intangible assets for the current and comparative periods are as follows:

Category	Useful Life
Computer Software	1 - 5 years
Customer Contracts	1 Year
Customer Relationships	10 - 15 Years

vii) Business combination

Business combinations are accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations. The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Company. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

(viii) Leases

Leases where significant portion of risk and reward of ownership are retained by the lessor, are classified as operating leases and lease payments are recognised as an expense on a straight line basis in Statement of Profit and Loss over the lease term.

Finance leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item,are capitalized at commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of liability. Finance charges are recognised in finance cost in the statement of profit and loss.

ix) Impairment of assets

a. Non Financial Instrument

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognised for the asset in prior years.

b. Financial instrument

The Group assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

x) Share Based Payment

The ultimate holding company determines the compensation cost based on the fair value method in accordance with Ind AS 102 share based payment. The ultimate holding company grants options which will be vested in a graded manner and are to be exercised within a specified period. The compensation cost is amortized on graded basis over the vesting period. The share based compensation expense is determined based on the Ultimate Holding Company's estimate of equity instruments that will eventually vest.

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xi) Revenue Recognition

The Group derives revenue primarly from information technology services.The Group recognizes revenue when the significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured. The method for recognizing revenues and costs depends on the nature of the services rendered:

a. Time and materials contracts

Revenues and costs relating to time and materials contracts are recognized as the related services are rendered.

b. Fixed price contract

Revenues from fixed-price contracts are recognized using the "percentage-of-completion" method. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity.

If the Group does not have a sufficient basis to measure the progress of completion or to estimate the total contract revenues and costs, revenue is recognized only to the extent of contract cost incurred for which recoverability is probable.

Unbilled revenue represents cost and earning in excess of billing as at the end of the reporting period. "Unearned revenue" represents billing in excess of revenue recognized. Advance payment received from customer for which no services have been rendered are presented as 'Unearned revenue."

c. Maintenance contract

Revenue from maintenance contracts is recognized ratably over the period of the contract.

When services are performed through an indefinite number of repetitive acts over a specified period of time, revenue is recognized on a straight line basis over the specifi ed period or under some other method that better represents the stage of completion.

Revenues are shown net of goods and sevice tax, sales tax, value added tax and applicable discounts and allowances.

d. Multiple element arrangements

The Group allocates the arrangement consideration to separately identifiable components based on the cost plus margin method.

xii) Income Tax

Tax expense for the year comprises of current tax and deferred tax. Current tax is measured by the amount of tax expected to be paid to the taxation 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 base and the taxable income for the year and quantified using the tax rates and tax laws enacted or substantively enacted as on the Balance Sheet date.

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

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

Current tax and deferred 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.

xiii) Finance income and expenses

Finance costs comprises interest cost on borrowings, gain or losses arising on re-measurement of financial assets at FVTPL, gains/ (losses) on translation or settlement of foreign currency borrowings and changes in fair value and gains/ (losses) on settlement of related derivative instruments. Borrowing costs that are not directly attributable to a qualifying asset are recognized in the statement of profit and loss using the effective interest method.

xiv) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity Shareholders of the Company by the weighted average number of equity shares outstanding during the period.

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

xv) Cash and cash equivalents

Cash and cash equivalents include cash in hand and balance with current bank accounts.

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(All amounts in $ '000, unless otherwise stated)

3(a) Property plant and equipment

	Gross Block (at cost)					Depreciation					Net Block	
	As at April 1, 2017	Addition arising from business acquisition	Additions	Deductions	As at March 31, 2018	As at April 1, 2017	Accumulated depreciation transferred upon business acquisition	For the year	Deductions	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Computers	137.17	-	108.55	-	245.72	86.59	-	67.29	-	153.88	91.84	50.58
Furniture and fixtures	1.24	-	-	-	1.24	0.40	-	-	-	0.40	0.84	0.84
Office equipment	-	-	27.06	-	27.06	-	-	5.41	-	5.41	21.65	-
Leasehold improvements	-	-	39.64	-	39.64	-		7.93	-	7.93	31.71	-
Total (A + B)	**138.41**	**-**	**175.25**	**-**	**313.66**	**86.99**	**-**	**80.63**	**-**	**167.62**	**146.04**	**51.42**

3(b) Other intangible assets

	Gross Block (at cost)					Amortisation					Net Block	
	As at April 1, 2017	Addition arising from business acquisition	Additions	Deductions	As at March 31, 2018	As at April 1, 2017	Accumulated amortisation transferred upon business acquisition	For the year	Deductions	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Customer Contracts	860.00	-	-	-	860.00	233.26	-	626.74	-	860.00	-	626.74
Customer Relationships	3,740.00	-	-	-	3,740.00	75.04	-	276.67	-	351.71	3,388.29	3,664.96
Total	**4,600.00**	**-**	**-**	**-**	**4,600.00**	**308.30**	**-**	**903.41**	**-**	**1,211.71**	**3,388.29**	**4,291.70**

3(a) Property plant and equipment

	Gross Block (at cost)					Depreciation					Net Block	
	As at April 1, 2016	Addition arising from business acquisition	Additions	Deductions	As at March 31, 2017	As at April 1, 2016	Accumulated depreciation transferred upon business acquisition	For the year	Deductions	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
Computers	-	126.14	11.03	-	137.17	-	76.80	9.79	-	86.59	50.58	-
Furniture and fixtures	-	1.24	-	-	1.24	-	0.34	0.06	-	0.40	0.84	-
Total (A + B)	**-**	**127.38**	**11.03**	**-**	**138.41**	**-**	**77.14**	**9.85**	**-**	**86.99**	**51.42**	**-**

3(b) Other intangible assets

	Gross Block (at cost)					Amortisation					Net Block	
	As at April 1, 2016	Addition arising from business acquisition	Additions	Deductions	As at March 31, 2017	As at April 1, 2016	Accumulated amortisation transferred upon business acquisition	For the year	Deductions	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
Customer Contracts	-	860.00	-	-	860.00	-	-	233.26	-	233.26	626.74	-
Customer Relationships	-	3,740.00	-	-	3,740.00	-	-	75.04	-	75.04	3,664.96	-
Total	**-**	**4,600.00**	**-**	**-**	**4,600.00**	**-**	**-**	**308.30**	**-**	**308.30**	**4,291.70**	**-**

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(All amounts in $ '000, unless otherwise stated)

3(c) Goodwill on consolidation

	As at	
	March 31, 2018	March 31, 2017
Carrying value at the beginning	12,881.01	-
Goodwill on Business Combination during the year	-	12,881.01
Carrying value at the end	12,881.01	12,881.01

Impairment

For the purpose of impairment testing, goodwill is allocated to a CGU representing the lowest level within the group at which goodwill is monitored for internal management purposes, and which is not higher than the group operating segment. Goodwill is tested for impairment at least annually or whenever there is an indication that goodwill may be impaired. For goodwill impairment testing, the carrying amount of CGU's (including allocated Goodwill) is compared with its recoverable amount by the Group. The recoverable amount of a CGU is the higher of its fair value less cost to sell or its value in use both of which are calculated by group using a discounted cashflow analysis. These calculation use pre-tax cash flow projections over a period of five years, based on financial estimates and growth rate approved by management. Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to other assets of the CGU pro rata on the basis of the carrying amount of such assets in CGU.

Based on the above, no impairment was identified as of March 31, 2018 and 2017 as the recoverable value of the CGUs exceeded the carrying value. For calculation of the recoverable amount, the Group has used growth rate and discounting rate based on the weighted average cost of capital. These estimates are likely to differ from future actual results of operations and cash flows. An analysis of the calculation's sensitivity to a change in the key parameters (revenue growth, operating margin, discount rate and long-term growth rate) based on reasonably probable assumptions, did not identify any probable scenarios where the CGU's recoverable amount would fall below its carrying amount.

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Non-current Assets

4 Financial Assets

Loans	As at March 31, 2018	As at March 31, 2017
Unsecured,considered good		
Secured deposits	35.88	35.88
	35.88	35.88

Current Assets

5 Financial Assets

a. Trade receivables	As at March 31, 2018	As at March 31, 2017
Unsecured		
Considered Good	8,652.58	5,330.30
Considered Doubtful	300.80	210.03
Less: Allowance for doubtful debts	(300.80)	(210.03)
	8,652.58	5,330.30

b. Cash and bank balances	As at March 31, 2018	As at March 31, 2017
Bank balances		
In current accounts	2,002.20	975.75
Other Bank Balances	87.50	87.50
	2,089.70	1,063.25

c. Other Current Financial Assets	As at March 31, 2018	As at March 31, 2017
Advances to employees	94.06	46.00
Unbilled revenue	751.86	-
	845.92	46.00

6 Other Current Assets	As at March 31, 2018	As at March 31, 2017
Prepaid expenses	62.31	44.02
	62.31	44.02

7 Equity Share capital	As at March 31, 2018	As at March 31, 2017
Authorised:		
100,000 (March 31, 2017: 20,000,000 of $ 0.002 each) equity shares of $ 100 each	10,000.00	40.00
	10,000.00	40.00
Issued, subscribed and fully paid up :		
56,000 (March 31, 2017: 20,000,000 of $ 0.002 each) equity shares of $ 100 each fully paid	5,600.00	40.00
	5,600.00	40.00

(a) Reconciliation of the number of equity shares outstanding at the beginning and end of the year are as given below:

Particulars	March 31, 2018		March 31, 2017	
	No. of shares	Amount	No. of shares	Amount
Balance as at the beginning of the year	20,000,000	40.00	-	-
Add: Transferred from Securities Premium		3,960.00	-	-
Less : Shares cancelled - reverse stock split of shares	(20,000,000)	(4,000.00)	-	-
Add: Sharres issued - reverse stock split of shares	40,000	4,000.00	-	-
Add : Shares issued during the year	16,000	1,600.00	20,000,000	40.00
Balance as at the end of the year	56,000	5,600.00	20,000,000	40.00

(b) Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par value of $ 100 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.

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

Name of the shareholder	March 31, 2018		March 31, 2017	
	No. of shares	% of holding	No. of shares	% of holding
Mastek UK Limited	56,000	100.0%	20,000,000	100%

8 Other Equity	As at March 31, 2018	As at March 31, 2017
a) **Security Premium** Amount received (on issue of shares) in excess of the par value has been classified as securities premium	-	3,960.23
b) **Retained earnings** Retained earnings comprises of the prior year's undistributed earning after taxes	(1,753.30)	(1,267.11)
	(1,753.30)	**2,693.12**

Non-current Liabilities

9 Financial Liabilities

a. Borrowings	As at March 31, 2018	As at March 31, 2017
Secured		
Term loan from Axis bank UK Limited (Refer note (a) below)	7,500.40	10,000.00
	7,500.40	10,000.00

Nature of security

Nature of security	Terms of repayment
(a) (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. (iii) Secured by corporate guarantee of USD 12 million given by the Mastek Limited (Ultimate Holding Company).	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.

b. Other non current financial liabilities	As at March 31, 2018	As at March 31, 2017
Contingent consideration payable on business acquisition	3,269.75	5,754.00
	3,269.75	5,754.00

Current Liabilities

10 Financial Liabilities

a. Borrowings	As at March 31, 2018	As at March 31, 2017
Unsecured: Loan from banks	599.60	-
	599.60	-

b. Trade payables	As at March 31, 2018	As at March 31, 2017
Trade payables	2,321.66	2,130.62
	2,321.66	2,130.62

c. Other Financial liabilities	As at March 31, 2018	As at March 31, 2017
Current maturities of Term loan (Refer Note 9 (a))	2,500.00	-
Other payables		
Advance from holding company	-	100.00
Employee benefits payable	-	25.80
Accrued expenses	191.00	295.61
Contingent consideration payable on business acquisition	5,115.74	2,748.86
	7,806.74	3,170.27

11 Other Current Liabilities	As at March 31, 2018	As at March 31, 2017
Statutory dues	3.08	-
	3.08	-

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12 Revenue from operations	For the year ended March 31, 2018	For the year ended March 31, 2017
Information technology services	35,009.52	8,396.68
Other operating revenue		
Reimbursement of expenses from customers	291.99	81.36
	35,301.51	8,478.04

13 Other income	For the year ended March 31, 2018	For the year ended March 31, 2017
Miscellaneous Income	-	161.18
	-	161.18

14 Employee benefits expenses	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, wages and performance incentives	19,281.05	5,465.43
Employee stock compensation expenses	24.07	18.29
Staff welfare expense	911.13	282.98
	20,216.25	5,766.70

15 Finance costs	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest on term loan	390.22	96.18
Fees paid for guarantee issued by ultimate holding company	240.00	65.10
Bank charges	13.02	258.40
Other finance charges*	446.34	129.04
	1,089.58	548.72

*This includes interest on fair value of contingent consideration.

16 Depreciation and amortisation expenses	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation on tangible assets	80.63	9.85
Amortisation on intangible assets	903.41	308.30
	984.04	318.15

17 Other expenses	For the year ended March 31, 2018	For the year ended March 31, 2017
Recruitment and training expenses	30.92	14.25
Travelling and conveyance	1,490.39	558.21
Communication charges	63.70	14.61
Consultancy and sub-contracting charges	9,599.11	2,064.82
Rates and taxes	176.33	29.36
Repairs : others	228.49	41.90
Insurance	174.68	27.86
Printing and stationery	16.95	6.22
Professional fees	391.98	322.62
Rent (Refer note 28)	645.53	86.97
Advertisement and publicity	518.90	40.26
Net loss on foreign currency transactions and translation	42.01	-
Hire Charges	13.75	5.36
Miscellaneous expenses	139.52	90.22
	13,532.26	3,302.66

18 Loss Per Share (EPS)	For the year ended March 31, 2018	For the year ended March 31, 2017
The components of basic and diluted loss per share for total operations are as follows:		
(a) Net loss attributable to equity shareholders	(486.19)	(1,267.11)
(b) Weighted average number of outstanding equity shares Considered for basic and diluted EPS	50,307	40,000
(c) Loss per share (net of taxes) in $ Basic and Diluted (Face value per share March 31, 2018 : $ 100 each, March 31, 2017 : $ 0.002 each)	$. (9.66)	$. (31.68)

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19 Income Taxes

a) Income tax expense in the statement of profit and loss consists of:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Current income tax		
In respect of current year	37.15	-
Deferred tax		
In respect of current year	(71.58)	(29.90)
Income tax expense / (benefit) recognised in the statement of profit or loss	(34.43)	(29.90)

b) The reconciliation between the provision of income tax of the Group and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Loss before tax	(520.62)	(1,297.01)
Enacted income tax rate in US *	30.73%	34.00%
Computed expected tax expense	(159.98)	(440.98)
Effect of:		
Impact on change in Tax rates	46.18	-
Expenses that are not deductible in determining taxable profit	79.37	2.32
Loss on which credit not taken	-	408.76
Total income tax expense / (benefit) recognised in the statement of profit and loss	(34.43)	(29.90)

* Enacted Income tax rate of 30.73% for the year ended 31st March , 2018 has been determined by using income tax rate of 34% till 31st December, 2017 & 21% from 1st January, 2018 onwards.

c) **Deferred tax assets/ (liabilities) in relation to:**

Particulars	As at March 31,2018	As at March 31,2017
Property, plant and equipment	62.13	84.47
Intangible Assets	21.22	(72.70)
Total	83.35	11.77

The "Tax Cuts and Jobs Act of 2017" was enacted on December 22, 2017 with an effective date of January 1, 2018 which resulted into a reduction in the corporate tax rate from 35% to 21%. The Group has evaluated the impact on the current and deferred tax items recorded in the books and have accordingly booked a one-time charge of USD 52,111.

20 Related Party Disclosures

Key Management Personnel (KMP):
- Atul Kanagat, Chairman
- John Owen, Director (from 1st June 2017)
- Prahlad Koti (upto 1st June 2017)
- R. Venkatraman
- Robert Hart King, CEO

Enterprise where KMP has control:
- Mastek Limited, Ultimate Holding Company
- Mastek UK Limited, Holding Company
- Trans American Information Systems Private Limited, Fellow Subsidiary Company
- IndigoBlue Consulting Limited, Fellow Subsidiary Company

i) **Transaction with Key managerial person**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Short Term employee benefits	405.49	352.02
Share based payment transactions	28.00	-
Total compensation paid to key management personnel	**433.49**	**352.02**

ii) **Transaction with Enterprises :**

Nature of Transaction	Name of Enterprises	For the year ended March 31, 2018	For the year ended March 31, 2017
Finance Cost - Guarantee Commission	Mastek Limited	240.00	65.10
Employee stock compensation expenses	Mastek Limited	24.07	18.29
Consultancy and sub-contracting charges	Mastek Limited	1,642.56	-
Income from Technology Services	Mastek UK Limited	(143.60)	(100.79)
Other reimbursable expense recovered	Mastek UK Limited	-	118.93
Proceeds from issue of shares	Mastek UK Limited	1,600.00	4,000.00
Share Application Money pending allotment	Mastek UK Limited	2,800.00	-
Working capital advance received	Mastek UK Limited	-	100.00
Consultancy and sub-contracting charges	Trans American Information Systems Private Limited	5,273.35	1,346.25

iii) **Closing Balances are given below:**

Balance as at	Name of Enterprises	For the year ended March 31, 2018	For the year ended March 31, 2017
Trade Receivable	Mastek UK Limited	6.99	-
Trade payable	Mastek Limited	629.23	65.10
Trade payable	Trans American Information Systems Private Limited	886.46	27.23
Trade payable	Mastek UK Limited	9.63	36.74
Other current liabilities	Mastek UK Limited	-	100.00

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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.

22 Acquisition of shares of Trans American Information Systems INC and Taistech LLC

During the financial year 2017, Digility Inc., acquired 100% equity shares of Trans American Information Systems Inc. ("TA USA") and 100% membership interest of Taistech LLC ("TA LLC") on December 22, 2016 for a total consideration of $ 20,780, including a contingent consideration of $ 8,530, payable over a period of three years linked to certain financial targets. The fair value of the contingent consideration liability was established by applying a discount rate of 5.5% .The purchase price has been allocated , as set below to assets acquired and liabilities assumed in business combination.

Component	Purchase price allocated
Property,plant and machinery	50
Net current assets	3,270
Intangible assets	4,590
Total	**7,910**
Goodwill	12,870
Total purchase price	**20,780**

The intangible assets are amortized over a period of one to fifteen years as per management's estimate of its useful life, based on the life over which economic benefits are expected to be realized.
The undiscounted contingent consideration liability can range between $ 7600 to $ 10440.

23 Financial Instrument

The carrying value and fair value of financial instruments by categories as at March 31, 2018 and March 31, 2017 is as follows:

Particulars	Carrying Value		Fair Value	
	March 31,2018	March 31, 2017	March 31,2018	March 31, 2017
Financial Assets				
Amortised Cost				
Loans	35.88	35.88	35.88	35.88
Trade Receivables	8,652.58	5,330.30	8,652.58	5,330.30
Cash and Cash Equivalents	2,089.70	1,063.25	2,089.70	1,063.25
Other financials assets	845.92	46.00	845.92	46.00
Total Assets	11,624.08	6,475.43	11,624.08	6,475.43
Financial Liabilities				
Amortized Cost				
Loans and borrowings	10,600.00	10,000.00	10,600.00	10,000.00
Trade payables	2,321.66	2,130.62	2,321.66	2,130.62
Other liabilities	191.00	421.41	191.00	421.41
FVTPL				
Contingent Consideration	8,385.49	8,502.86	8,385.49	8,502.86
Total Liabilities	21,498.15	21,054.89	21,498.15	21,054.89

24 Fair Value hierarchy

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

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

Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis as at March 31, 2018 and March 31, 2017

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2018:

Particulars	Date of valuation	Total	Fair value measuring using		
			Level 1	Level 2	Level 3
Financial liabilities designated at FVTPL					
Contingent consideration	March 31, 2018	8,385.49	-	-	8,385.49

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2017:

Particulars	Date of valuation	Total	Fair value measuring using		
			Level 1	Level 2	Level 3
Financial liabilities designated at FVTPL					
Contingent consideration	March 31, 2017	8,502.86	-	-	8,502.86

25 Financial Risk Management

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Board of Directors agrees policies for managing each of these risks, which are summarised below:

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Business and Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counter party credit risk is to prevent losses in financial assets. The Group assesses the credit quality of the counterparties, taking into account their financial position, past experience, analysis of historical bad debts, ageing of accounts receivable and other factors.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Significant portion of Group receivable are in US geography where Group's historical experience in terms of actual bad debt is minimal.

The following table gives details in respect of revenues generated from top customer and top 5 customers:

Particular	For the year ended	
	March 31,2018	March 31, 2017
Revenue from Top Customer	3,880.46	497.27
Revenue from Top 5 Customer	12,103.64	2,289.99

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Also, the Group has unutilized credit limits with banks. The Group's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The Working Capital position of the Group is given Below

Particulars	As At	
	March 31, 2018	March 31, 2017
Cash and Cash equivalents	2,002.20	975.75
Bank balances	87.50	87.50
Total	2,089.70	1,063.25

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2018 and March 31, 2017:

Particulars	As at March 31, 2018	
	Less than 1 Year	1 Year and above
Borrowing	3,099.60	7,500.40
Trade Payable	2,321.66	-
Other Financial Liability	5,306.74	3,269.75

Particulars	As at March 31, 2017	
	Less than 1 Year	1 Year and above
Borrowing	-	10,000.00
Trade Payable	2,130.62	-
Other Financial Liability	3,170.27	5,754.00

26 Capital Management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confi dence and to sustain future development of the business. The Group monitors the return on capital. The Group's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

Particulars	As At	
	March 31,2018	March 31,2017
Total Equity Attributable to the Equity Share Holders of Group	6,646.70	2,733.12
As percentange of total Capital	39%	21%
Current Loan and Borrowing	3,099.60	-
Non Current Loan and Borrowing	7,500.40	10,000.00
Total Loan and Borrowing	10,600.00	10,000.00
As a percentange of total Capital	61%	79%
Total Capital(Borrowing and Equity)	17,246.70	12,733.12

27 First-time adoption of Indian Accounting Standard (Ind AS)

The Group's consolidated financial statements for the year ended March 31, 2018 are prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015.

The adoption of Ind AS was carried out in accordance with Ind AS 101, using April 1, 2017 as the transition date. Ind AS 101 requires that all Ind AS standards and interpretations that are effective for the Ind AS Consolidated Financial Statements for the year ended March 31, 2018, be applied consistently and retrospectively for all fiscal years presented.

All applicable Ind AS have been applied consistently and retrospectively wherever required. The resulting difference between the carrying amounts of the assets and liabilities in the consolidated financial statements under both Ind AS and Indian GAAP as of the Transition Date have been recognized directly in equity at the Transition Date.

In preparing these consolidated financial statements, the Group has availed itself of certain exemptions and exceptions in accordance with Ind AS 101 as explained below:

a) Exception from full restropective application:

1. Estimates exception: Upon an assessment of the estimates made under previous GAAP, the management is of the opinion that there was no need to revise such estimates under Ind AS, except where estimates were required by Ind ASs and not required by previous GAAP.

b)Exemption from restropective application:

1. Share-based payment exemption: The Ultimated Holding Company has availed exemption available under Ind AS 101 on application of Ind AS 102, "Share Based Payment", to equity instruments that vested before the date of transition to Ind ASs.

2.Business combination exemption: The Group has applied the exemption as provided in Ind AS 101 from application of Ind AS 103, "Business Combinations" to business combinations made prior to April 1, 2016.

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DIGILITY INC.

3. The Group has elected to continue with the carrying value of all its property, plant and equipment as recognised in consolidated financial statements as at April 1, 2016 (transition date) to Ind AS measured as per the Previous GAAP and use that as its deemed cost as at the transition date.
On transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as at April 1, 2016, measured as per the Previous GAAP, and use that carrying value as the deemed cost or such intangible assets.

c) Reconciliations:
The following reconciliations provide a quantification of the effect of significant differences arising from the transition from Indian GAAP to Ind AS in accordance with Ind AS 101:

i) equity as at March 31, 2017;
ii) total comprehensive loss for the year ended March 31, 2017;

i) equity as at March 31, 2017

Particulars	Notes	As at March 31,2017
Equity under previous GAAP		3,001.37
Business Combination		(308.30)
Others		40.05
Equity as per Ind AS		2,733.12
Comprising:		
Paid up Equity Share Capital		40.00
Other Equity		2,693.12

Particulars	Notes	As at March 31,2017
Net loss as per Previous GAAP		(998.86)
Business Combination	1	(308.30)
Finance Costs	2(a)	28.44
Employee Benefit Expenses	3	(18.29)
Deferred tax		29.90
Net loss for the period as per IND AS		**(1,267.11)**
Other Comprehensive loss		-
Total Comprehensive loss		(1,267.11)

Notes
1. Business combination
Under Ind AS, the acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date. This has resulted in the recognition of intangible assets and consequent amortisation of such intangible assets in the statement of profit and loss. Under previous GAAP, the assets and liabilities of the acquiree are recognised at their book values.
Further, under Ind AS, contingent consideration payable on business combination is recognised on the date of acquisition at fair value and revalued susequently on each reporting date for change in fair value, if any. While under previous GAAP it was accounted at cost as and when liability is probable.

2. The Ind AS adjustments are either non cash adjustments or are regrouping among the cash flows from operating, investing and financing activities.Consequently, Ind AS adoption has no impact on the net cash flow for the year ended 31st March, 2017 as compared with the previous GAAP.

28 Leases
1 Operating Lease

	As at March 31,2018	As at March 31,2017
Lease payment		
Future minimum lease payment under non-cancellable operating lease (in respect of properties):		
Due within one year	410.54	360.26
Due later than one year but not later than five years	801.86	1,151.28
Due later than five year	-	450.00
Total Minimum lease payment	1,212.40	1,961.54

For and on behalf of the Board of Directors of **Digility Inc.**

John Owen
Director
Date: May 29, 2018

WALKER CHANDIOK & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

DIGILITY INC.