Accelya Kale Solutions Limited

32nd Annual Report 2017-18

accelya

Corporate Office & Development Center

Thane

3rd Floor, Modi House, Naupada,
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Thane (W) - 400 602, India
Tel: +91-22-6780 8888
Fax: +91-22-6780 8899

Development Center

Pune

Accelya Enclave,
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Global Offices

USA

2035 Lincoln Highway,
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UK

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Accelya Managed Service Centers

Mumbai

Akruti Trade Centre, Road No. 7 ,
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602, Akruti Centre Point,
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Goa

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Bardez, Alto Porvorim,
Goa, India
Tel: +91-832-651 1526

Contents

Board of Directors

John Johnston	Chairman
Neela Bhattacherjee	Managing Director
K.K. Nohria	Director
Sekhar Natarajan	Director
Nani Javeri	Director
Sangeeta Singh	Director
Vipul Jain (*)	Director

(*) Mr. Vipul Jain resigned as Director with effect from 9th August, 2017

Auditor
B S R & Co., LLP
Chartered Accountants

Company Secretary
Ninad Umranikar

Bankers
State Bank of India
ICICI Bank Ltd.

Registered Office
Accelya Enclave, 685/2B & 2C,
1st Floor, Sharada Arcade,
Satara Road, Pune - 411 037.
Tel. No. +91 20 6608 3777
Fax No. +91 20 2423 1639
Website : https://w3.accelya.com
Investor : https://w3.accelya.com/investor-relations
CIN : L74140PN1986PLC041033

Registrar and Share Transfer Agent
M/s. Karvy Computershare Private Limited,
Karvy Selenium Tower B, Plot 31-32,
Gachibowli Financial District,
Nanakramguda, Hyderabad - 500 032
Phone : +91 - 40 - 6716 2222
Fax : +91 - 40 - 2300 1153
Toll Free No.: 1800-345-4001

Dear Shareholders,

It is always a pleasure writing to you. Let's start with the Company's financial performance.

The total revenues for FY 2018 stood at ₹ 3,859.24 million and the net profit after tax was at ₹ 891.79 million. I am pleased to share that we continued the practice of rewarding our shareholders with dividends. This year, the total dividend is ₹ 46 per share, including ₹ 32 per share recommended as final dividend.

The FY 2018 was primarily dedicated to innovation and strengthening of our product portfolio.

Following the combination of Accelya and Mercator, the Company's focus was on integrating our revenue accounting portfolio. I say it with pride that our product management team has done a commendable job in successfully launching the new version of our revenue accounting solution. We have now commenced the rollout to our customers and the feedback has been encouraging. Our efforts in the next few months will continue to be on implementing this for all our customers.

We also remain focused on our cost management portfolio, in which we have continued to invest during the year. As a result, over 30 airlines today benefit from our miscellaneous billing, cost management and flight profitability solutions.

For years we have been committed to providing critical solutions to airlines and travel companies, by partnering with key industry bodies. I am happy to share that during the year, we renewed our contract with IATA to maintain and support their Simplified Invoicing & Settlement (SIS) platform until 2027.

With the proliferation of digitalisation, there has been an increasing concern to businesses as well as individuals about cyber security and data protection. Your Company has specific programs to address both. As you may know, the EU General Data Protection Regulation (GDPR) was introduced during the year. This is aimed at unifying the data protection laws across Europe - to protect the EU citizens' data security and to reshape the way organisations across the region approach data privacy. I can confidently state that all our products and services meet the new privacy standards according to the GDPR regulations and we continue to invest in this area.

I thank each one of you for your continued support and look forward to the same in the next year.

Yours truly,

Neela Bhattacherjee
Managing Director

(Amount in ₹ Million)

	2017-18	2016-17	2015-16	2014-15	2013-14
INCOME STATEMENT					
Operating Revenue	3,439.34	3,324.05	3,097.15	2,722.76	2,832.06
Operating EBITDA	1,551.47	1,595.57	1,365.46	1,159.71	1,410.68
Profit Before Tax	1,408.17	1,452.15	1,232.69	1,114.74	1,284.93
Profit After Tax	947.16	947.47	806.91	757.15	873.27
BALANCE SHEET					
Net Worth	1,738.75	1,730.95	1,517.60	945.59	803.18
Borrowings	-	-	-	-	-
Net Fixed Assets	407.76	361.92	350.80	290.94	329.62
Cash and cash equivalents	23.49	17.29	10.94	52.53	98.58
Current Assets	1,328.64	1,350.56	976.24	986.08	951.30
Current Liabilities	610.21	535.18	391.64	864.36	964.68
Capital Employed	1,738.75	1,730.95	1,517.60	945.59	803.18
FINANCIAL INDICATORS					
Operating EBITDA Margin	45%	48%	44%	43%	50%
Current Ratio	2.18	2.52	2.49	1.14	0.99
Net Worth per share (₹)	116.49	115.97	101.67	63.35	53.81
Dividend per share (₹)	46.00	51.00	45.00	36.00	49.00
Market price per share	1163.80	1,328.00	1,144.95	999.50	680.45
Basic Earnings per share (₹)	63.46	63.48	54.06	50.73	58.51

To,

The Members,

Your Directors are pleased to present the thirty second report on the business and operations of the Company for the year ended 30th June, 2018.

FINANCIAL RESULTS (STANDALONE) ₹ in Million

Particulars	2017-18	2016-17
Revenue		
- Revenue from operations	3,439.34	3,324.05
- Other Income	164.01	217.11
Total income	**3,603.35**	**3,541.16**
Total expenses	2,195.18	2,089.01
Profit before Tax	**1,408.17**	**1,452.15**
Tax expenses		
- Current Tax	516.98	480.34
- Tax expense (reversal) / provision for earlier years	(4.90)	4.67
Deferred Tax	(51.07)	19.67
Net Profit for the period	**947.16**	**947.47**
Other comprehensive income	4.73	(3.70)
Total comprehensive income for the year (net of tax)	**951.89**	**943.77**
Profit brought forward from previous year	1016.00	802.65
Profit available for appropriation	**1,967.89**	**1,746.42**
Appropriations:		
- Interim dividend	208.97	164.19
- Dividend distribution tax on interim dividend	42.54	33.42
- Final equity dividend	597.05	447.79
- Dividend distribution tax on final dividend	121.55	91.16
- Dividend distribution Tax Credit	(26.03)	(6.14)
- Balance Carried Forward to Balance Sheet	1023.81	1016.00

DIVIDEND

The Company had declared and paid an interim dividend of ₹ 14 per equity share during the year.

Your Directors are pleased to recommend a final dividend of ₹ 32 per equity share for the financial year ended 30th June, 2018. The total dividend for 2017-18 is ₹ 46 per equity share (previous year ₹ 51 per equity share).

OPERATING RESULTS

During the year under review, your Company's operating revenues increased marginally by 3.47% from ₹ 3,324.05 million to ₹ 3,439.34 million. The total expenditure for the year stood at ₹ 2,195.18 million as against ₹ 2,089.01 million, an increase of 5.08% over the previous year.

The Company registered profit after tax of ₹ 947.16 million for the year 2017-18 as against ₹ 947.47 million in the previous year, a negligible decrease of ₹ 0.31 million.

BUSINESS OPERATIONS

Throughout the year, the Company experienced good traction in its revenue accounting and cost management solutions. Some of the highlights include:

- Accelya Kale leveraged the combined expertise of its REVERA and RAPID solutions and launched an enhanced version 20 of its accounting solutions.
- Accelya Kale has already implemented this enhanced upgrade version 20 for 11 of its customers. Other implementations are underway and will be the key focus in FY 2018-19.
- Accelya Kale processes 2 billion transactions per annum on its revenue accounting platforms.
- FinesseCost™, our cost management solution, added three new customers this year. With these additions, FinesseCost has a total of nine airline customers.

SUBSIDIARIES

Pursuant to the provisions of section 129(3) of the Companies Act, 2013 ("the Act"), a statement containing salient features of financial statements of Kale Softech Inc. and Zero Octa UK Limited, in Form AOC-1 is attached to the financial statements.

The Company does not have any subsidiaries in India. The financial statements of the subsidiary companies shall be available for inspection by any shareholder at the registered office of the Company and of the subsidiary companies concerned. These documents can be requested by any shareholder of the Company. Further, in line with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in accordance with the Accounting Standard 21 (AS-21), the Consolidated Financial Statements prepared by the Company include financial information of its subsidiaries.

BOARD OF DIRECTORS

Five meetings of the Board of Directors were held during the year, the details of which are given in the Corporate Governance Report. The maximum interval between any two meetings was well within the maximum allowed gap of 120 days.

The Independent Directors of your Company have given the declaration of independence to your Company stating that they meet the criteria of independence as mentioned under Section 149 (6) of the Act.

The details of familiarization programme and Annual Board Evaluation process for Directors have been provided under the Corporate Governance Report.

The policy on appointment of directors, key managerial personnel, senior management and other employees and remuneration policy is annexed herewith as Annexure "A".

Re-appointment of Ms. Neela Bhattacherjee as Managing Director

The term of Ms. Neela Bhattacherjee (DIN 01912483) as Managing Director expired on 30th June, 2018. The Board of Directors, at its meeting held on 28th June, 2018, on the recommendation of the Nomination & Remuneration Committee, re-appointed Ms. Neela Bhattacherjee as Managing Director for a period of 3 years with effect from 1st July, 2018. The re-appointment is subject to the approval of the members at the ensuing Annual General Meeting. Members are requested to approve the resolution for re-appointment of and remuneration payable to Ms. Neela Bhattacherjee as Managing Director.

The board recommends the special resolution for re-appointment of Ms. Neela Bhattacherjee as Managing Director of the Company.

John Johnston

Mr. John Johnston (DIN 07258586) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Mr. John Johnston is the CEO of Accelya Group. He is based out of Luxembourg. He has work experience of more than 40 years.

Mr. John Johnston is the chief executive officer of the Accelya group.He has more than 25 years of experience in information technology and communications industry. For last 20 years Mr. John Johnston has been serving the airline industry and has held senior executive positions in several countries. He has provided senior management and consulting services to a number of global airlines. Before joining Accelya, Mr. John Johnston was the CEO of Luxembourg based CHAMP Cargosystems S.A.

Companies in which Mr. John Johnston is a Director	
Accelya Kale Solutions Limited	Accelya Holding World SLU
Kale Softech Inc.	Accelya UK Limited
Zero Octa UK Limited	Accelya Portugal - Unipessoal Lda
Accelya America S.A. de C.V	Canary Topco Limited
Accelya Lux Sarl	Sky Bidco SLU

Mr. Johnston does not hold any equity shares in the Company.

The Board recommends the resolution for re-appointment of Mr. John Johnston as Non-Executive Non-Independent Director of the Company, liable to retire by rotation.

Dr. K. K. Nohria

Dr. K. K. Nohria (DIN 00060015) was appointed as an independent director of the Company for a period of 5 years from 25th September, 2014 until 24th September, 2019.

Pursuant to the proposed amendment in Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (Notification No. SEBI/LAD-NRO/GN/2018/10 dated 9th May, 2018), the appointment or continuance of non-executive director who has attained the age of seventy-five years requires a special resolution to be passed by the shareholders. Since Dr. Nohria is above seventy-five years of age, it is proposed to pass a special resolution for his continuance as an independent director of the Company. Having regard to the qualifications, rich experience, contribution and expert knowledge of Dr. K. K. Nohria to the Company, his continuance of appointment as an Independent Director will be in the best interest of the Company.

The Board recommends the resolution for continuance of Dr. K. K. Nohria as an Independent Director of the Company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not given any loans or guarantees covered under the provisions of the Act.

Information regarding investments covered under the provisions of section 186 of the Act is detailed in the financial statements.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors state that:

a. in the preparation of the annual accounts for the year ended 30th June, 2018, the applicable accounting standards have been followed and there are no material departures from the same;

b. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 30th June, 2018 and of the profit of the Company for the year ended on that date;

c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. the annual accounts have been prepared on a going concern basis;

e. the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

f. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

HUMAN RESOURCE

The Board has not granted any stock options during the year under review. During the year the Company also did not have any options in force. Therefore the details required to be given under the SEBI (Employee Stock Option Scheme and Stock Purchase Scheme) Guidelines, 1999 are not being given.

During the year, the Company had cordial relations with its employees.

Disclosures with respect to the remuneration of Directors and employees as required under section 197 of the Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been appended as Annexure "B".

Details of employee remuneration as required under provisions of section 197 of the Act and Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are available at the Registered Office of the Company during working hours before 21 days of the Annual General Meeting and shall be made available to any shareholder on request.

POLICIES

Your Company has formulated Policy on Related Party Transactions, Policy for determining material subsidiaries, CSR Policy and Whistle Blower Policy in terms of the legal requirements. These policies are available on the website of the Company at https://w3.accelya.com/accelyakale-policies

RELATED PARTY TRANSACTIONS

All contracts/transactions entered into by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis.

No material Related Party Transactions, i.e. transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statements, were entered during the year by your Company.

Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable.

All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions for transactions which are of repetitive nature and entered in the ordinary course of business and are at arm's length.

All Related Party Transactions are subjected to independent review by a reputed accounting firm to establish compliance with the requirements of Related Party Transactions under the Act and SEBI Listing Regulations.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In accordance with the requirements of section 135 of the Act, your Company has constituted a Corporate Social Responsibility Committee ("CSR Committee"). The composition and terms of reference of the CSR Committee is provided in the Corporate Governance Report.

Annual report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed herewith as Annexure "C".

VIGIL MECHANISM

The Company has adopted a Whistle Blower Policy, as part of vigil mechanism to provide a framework to promote responsible and secure whistle blowing process. It protects employees wishing to raise a concern about serious irregularities within the Company or its employees.

Protected disclosures can be made by a whistle blower through an email or by a phone call to the Ombudsperson appointed under the Policy.

No personnel of the Company has been denied access to the audit committee.

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and Rules made thereunder, your Company has constituted Internal Complaints Committees.

The Company has not received any complaint of sexual harassment during the financial year 2017-18.

RISK MANAGEMENT

The Company has constituted a Risk Management Committee. The details of Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report.

The Company has a robust Risk Management framework to identify, evaluate and mitigate risks. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage.

The risk framework defines the risk management approach across the enterprise at various levels.

AUDITORS

Statutory Auditors

M/s. B S R & Co. LLP were appointed as Statutory Auditors of your Company at the Annual General Meeting held on 10th October, 2017 for a term of one year.

The term of B S R & Co. LLP expires at the conclusion of the forthcoming Annual General Meeting.

M/s. B S R & Co. LLP have been the Auditors of the Company since 2010-11 and have completed a term of eight years.

As per the provisions of section 139 of the Act, no listed company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. It is proposed to appoint M/s. B S R & Co. LLP as auditors of the Company for a period of 1 year to hold office from the conclusion of the ensuing AGM till the conclusion of the 33rd AGM on a remuneration as may be fixed by the Board of Directors of the Company.

The Report given by the Auditors on the financial statements of the Company is part of the Annual Report.

There is no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

Secretarial Auditor

Pursuant to the provisions of section 204 of the Act and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed C. S. Kelkar & Associates, Practising Company Secretaries to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is annexed herewith as "Annexure D".

EXTRACT OF ANNUAL RETURN

Extract of Annual Return of the Company is annexed herewith as Annexure "E".

CORPORATE GOVERNANCE

A report on Corporate Governance is set out separately, which forms part of this report.

FIXED DEPOSITS

During the year your Company has not accepted fixed deposits from the public.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are annexed hereto as Annexure "F".

ACKNOWLEDGMENT

Your directors extend their gratitude to all investors, clients, vendors, banks, financial institutions, regulatory and governmental authorities and stock exchanges for their continued support during the year. The directors place on record their appreciation of contribution made by the employees at all levels for their dedicated and committed efforts during the year.

For and on behalf of the Board of Directors

John Johnston	**Neela Bhattacherjee**
Chairman	**Managing Director**
(DIN : 07258586)	(DIN : 01912483)

Place : Mumbai
Date : 3rd August, 2018

Annexure 'A'

Policy on Appointment of Directors, Key Managerial Personnel, Senior Management & Other Employees and Remuneration Policy

1. Term of Appointment of Directors

A. Maximum Tenure of Independent Directors

i) An independent director shall hold office for a term up to five consecutive years on the Board of the Company and shall be eligible for re-appointment for another term of up to five consecutive years on passing of a special resolution by the Company.

Provided that a person who has already served as an independent director for five years or more in the Company as on 1st October, 2014 shall be eligible for appointment, on completion of his present term, for one more term of up to five years only.

Every independent director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an independent director, give a declaration that he meets the criteria of independence mentioned in (5) (A) below.

ii) An independent director who completes his above mentioned term shall be eligible for appointment as independent director in the Company only after the expiration of three years of ceasing to be an independent director in the Company.

B. Term of Other Directors

Not less than two-thirds of the total number of directors of the Company shall be persons whose period of office is liable to determination by retirement of directors by rotation and be appointed by the Company in general meeting.

For the purpose of determining directors liable to retire by rotation, "total number of directors" shall not include independent directors on the Board of the Company.

2. Appointment of Key Managerial Personnel and Persons in Senior Management

The Committee shall appoint Key Managerial Personnel and persons in Senior Management and shall approve the terms and conditions of their appointment including their remuneration. The Committee shall strive to appoint a person best suited for the job in terms of talent, qualification and experience required for the position.

Senior Management shall mean personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the Board of Directors and includes functional heads.

3. Criteria for Determining Qualifications of Directors

For a person to qualify as a director he shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, human resource, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the Company's business.

4. Positive Attributes

a) Integrity

A director, Key Managerial Personnel and a person in Senior Management shall be a person of integrity and shall uphold highest standards of probity.

b) Commitment

A director, Key Managerial Personnel and a person in Senior Management shall devote sufficient time and attention to his professional obligations for informed and balanced decision making.

c) **Compatibility**

A director should be able to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company.

5. **Criteria for Determining Independence of Directors**

An independent director shall be a director other than a managing director or a whole-time director or a nominee director,—

(a) who is a person of integrity and possesses relevant expertise and experience;

(b) (i) who is or was not a promoter of the Company or its holding, subsidiary or associate company;

(ii) who is not related to promoters or directors in the Company, its holding, subsidiary or associate company;

(c) who has or had no pecuniary relationship with the Company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;

(d) none of whose relatives has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;

(e) who, neither himself nor any of his relatives—

(i) holds or has held the position of a key managerial personnel or is or has been employee of the Company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;

(ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—

(A) a firm of auditors or company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate company; or

(B) any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate company amounting to ten per cent. or more of the gross turnover of such firm;

(iii) holds together with his relatives two per cent or more of the total voting power of the Company; or

(iv) is a Chief Executive or director, by whatever name called, of any nonprofit organisation that receives twenty-five per cent or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the Company; or

(f) who possesses the qualifications prescribed in (1) above.

6. **Evaluation of Performance of Independent Directors**

Every independent director shall self-evaluate his performance and shall submit a report on his self-evaluation to the Chairman of the Company.

The Chairman shall review the performance of the independent director and provide feedback as appropriate.

PART B

Remuneration Policy

1. Objective

The Nomination and Remuneration Committee of the Board of Directors ("the Committee") of Accelya Kale Solutions Limited (the "Company" or "AKSL") has adopted the following policy and procedures with regard to remuneration to the directors, key managerial personnel and other employees of the Company. The Committee may review and amend this policy from time to time.

In determining the remuneration & compensation, the Company shall take into consideration individual performance of the employee and company performance determined through the process of annual appraisals.

The remuneration and compensation policy of the Company aims to attract, retain and motivate employees.

The remuneration to the managing director, key managerial personnel and senior management involves a balance between fixed and variable pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

This policy is intended to ensure that all necessary approvals are obtained and all reporting requirements are duly complied with in respect of remuneration of directors and key managerial personnel of the Company.

2. Effective Date

This Policy is effective from 1st April 2014.

3. Remuneration

A. Independent Directors and Non-Executive Non-Independent Directors

a) Commission

Independent directors and non-executive non-independent directors of the Company may be paid such remuneration as the Board of Directors may decide from time to time, subject to the approval of the shareholders of the Company. The independent directors and non-executive non-independent directors may be paid remuneration by way of commission subject to the ceiling of 1% of the net profits of the Company as computed under the applicable provisions of the Companies Act, 2013 ("the Act").

The percentages aforesaid shall be exclusive of any sitting fees payable to independent directors and non-executive non-independent director for attending meetings of the Board of Directors or of any committee thereof and re-imbursement of out of pocket expenses incurred by the independent directors.

b) Re-imbursement of out of pocket expenses

The Company may reimburse out-of-pocket expenses incurred by the independent directors and non-executive non-independent directors for attending the meetings.

c) Sitting Fees

The Board of Directors of the Company may decide from time to time, sitting fees payable to independent directors and non-executive non-independent directors for attending meetings of the Board or committees thereof.

The sitting fees shall not exceed rupees one hundred thousand (₹ 100,000) per independent director and non-executive non-independent director per meeting of the Board or committee thereof.

The independent directors and non-executive non-independent directors shall not participate in the meeting on any discussion relating to the remuneration payable to them.

The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

B. Remuneration to Managing Director

The Managing Director shall be paid remuneration in accordance with industry standards.

Based on the industry standards, the Managing Director of the Company may be paid such remuneration as the Board of Directors may decide, from time to time, on the recommendation of the Nomination & Compensation Committee, subject to the approval of the shareholders of the Company.

The Managing Director may be paid remuneration which shall not exceed five per cent of the net profits of the Company.

Provided that if, in any financial year, the Company has no profits or its profits are inadequate, the Company may pay to its Managing Director, by way of remuneration any sum in accordance with the provisions of Schedule V to the Act and if it is not able to comply with such provisions, it may pay remuneration to the Managing Director after obtaining previous approval of the Central Government.

C. Remuneration to Key Managerial Personnel and Senior Management

Remuneration and compensation to key managerial personnel and persons in senior management shall be competitive and in accordance with industry benchmarks.

The remuneration and compensation shall involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

D. Remuneration to other employees

In determining the remuneration and compensation to employees other than those mentioned above, the Company shall take into consideration individual performance of the employee and company performance determined through the process of annual appraisals.

4. Disclosures

This policy shall be disclosed in the Board's report.

In addition to the above, the following shall be disclosed in the Board's report:

i) The ratio of remuneration of each director to the median employee's remuneration.

ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary, in the financial year;

iii) The percentage increase in the median remuneration of employees in the financial year;

iv) The number of permanent employees on the rolls of the Company;

v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

(vi) Affirmation that the remuneration is as per the remuneration policy of the Company

In the event of any clause in the "Policy on Appointment of Directors, Key Managerial Personnel, Senior Management & Other Employees and Remuneration Policy" undergoes a change as a result of any statutory amendment to any law referred therein, such clause shall automatically stand amended without referring to the Board.

Annexure 'B'

Statement of Disclosure of Remuneration under section 197 of Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

i) The ratio of remuneration of each director to the median employee's remuneration, the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary during the financial year 2017-18.

Sr. No.	Name of the Director / KMP	Designation	Ratio of remuneration of each Director to median remuneration of Employees	Percentage increase in remuneration
1	Neela Bhattacherjee	Managing Director	36:1	20%
2	Gurudas Shenoy	Chief Financial Officer	Not Applicable	18%
3	Ninad Umranikar	Company Secretary	Not Applicable	29% (*)

(*) includes one time special incentive.

Note:

One Non-Executive Director and all Independent Directors of the Company are entitled for sitting fees and commission as per the statutory provisions and within the limits approved by the shareholders. The details of remuneration of Non-Executive Director and Independent Directors are provided in the Corporate Governance Report. The ratio of remuneration and percentage increase for the Non-Executive Director and Independent Directors is therefore not considered for the purpose above.

ii) The percentage increase in the median remuneration of employees in the financial year 2017-18 was 9.48%.

iii) The Company has 1,533 permanent employees on the rolls of the Company as on 30th June, 2018.

iv) Average percentage increase made in the salaries of Employees other than the managerial personnel in the financial year was 9.56% whereas the increase in the managerial remuneration was 18.40%.

v) It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

Annexure 'C'

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2017-18
[Pursuant to Companies (Corporate Social Responsibility Policy) Rules, 2014]

Corporate Social Responsibility is the continuing commitment by a business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large.

With a continued focus on empowering communities in need, we supported Catalysts for Social Action (CSA), an Indian NGO (non-governmental, social development organisation) whose vision is to build a nation where children in need of care and protection are nurtured into a happy and contributing member of society.

1. **CSA Introduction**

   CSA works with **3600+** children in **60+** child care institutions across **4** states – Maharashtra, Goa, Odisha & Madhya Pradesh

   I. **Project SAMBHAV**

   The objectives of the project are:

   - Ensure basic living conditions are in place
   - Improve development inputs to children
   - Better rehabilitation outcomes
   - Enhance Child Care Institution (CCI) capability

     16 CCIs received in-depth support and close to **1550+** children benefitted through various interventions that were undertaken.

   Highlights from support provided last year –

   - Health & Hygiene – Health check ups were done twice in the year, children were de-wormed & treated for various ailments reported. Close to **1350+** children were inoculated for Typhoid under CSA vaccination drive. All children were provided with hygiene kits comprising of bath soaps, washing bars, toothpaste & toothbrush.
   - Nutrition – Children were provided with supplementary nutrition based on requirements. Almost **87%** children were reported to have normal BMI levels.
   - Education – To improve learning outcomes of children and help them build grade appropriate competencies, **31** tuition teachers were appointed to provide children with after school support. Education assessments conducted in-house reveal close to **30%** improvement in Language & Maths competencies.
   - Education – 138 children appeared for the SSC Board exams, **81%** children passed their exams. 21 children appeared for the HSC exams, **90%** children passed their exams.
   - Life Skills – Life skills sessions done with **320+** children in 14+ age group. Overall improvement of **29%** in life skills competencies. Children are more self-aware, confident, voice opinions, work as a team & have lesser conflicts.

- Aftercare / Livelihood – Under the Preparatory program, computer labs were set up in few CCIs & children received computer certification; career orientation & exposure visits were conducted with 16+ age group children across all locations.
- Aftercare / Livelihood – **61** children have been supported either for higher education or skill training.
- CCI Evaluation – Based on an Impact Assessment tool developed by CSA, CCIs are rated on various parameters related to child care practices prevalent at the CCIs – overall improvement is **21%** in comparison to last year's scores.

II. Project CAP (Adoption Support Program)

Various initiatives were undertaken under this program –

- Adoption Helpline – Supported approx. 550 inquiries/year of Adoptive Parents & helped them in understanding application & documentation process
- Grassroots Level Workshops – Trained **1970+** Anganwadi / grassroot level workers on adoption process & how to identify children in need of care and protection and reporting structure. As a result, **7** children were reported back to the Child Welfare Committee – **3 declared legally free** & **2** have been adopted and for **4** children, the legally free process is underway
- Making Children Legally Free for Adoption – Assessing parental contact of children in CCI's and reporting them to the respective authority to make them legally free for adoption; last year, **989** children were investigated across CCIs & **18** children declared free for adoption.

2. Composition of the CSR Committee

Please refer to the Corporate Governance Report for the composition of the CSR Committee.

		(₹ in million)
3.	**Average Net Profit of the Company for the last 3 financial years**	**1,359.15**
4.	**Prescribed CSR expenditure**	**25.53**
5.	**Details of CSR spent during the financial year 2017-18**	
a.	Total amount to be spent for the financial year	25.53
b.	Total amount spent during the year	25.53
c.	Amount unspent	NIL

Manner in which the amount was spent during the financial year 2017-18 is detailed below:

(₹ in million)

Sr. No.	BUDGET HEAD	Sector in which the project is covered (*)	States Covered	Amount Outlay	Amount spent on projects	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1	**Project - SAMBHAV**		Maharashtra, Goa, Odisha				**CSA**
	Health, Hygiene, Nutrition, Sanitation & Day to Day Essentials, Recreation	(i)		5.50	5.54	5.54	
	Infrastructure	(ii)		0.68	0.81	0.81	
	Education (School fees, uniforms, bags & books, tuition, lifeskills training)	(ii)		3.73	3.84	3.84	
	Vocation (training programs, exit preparation)	(ii)		1.25	2.10	2.10	
	CCI Capacity Building (CCI staff - caretakers etc., awareness & training programs)	(ii)		1.06	0.81	0.81	
	Module Devt. (Education continued and Vocation & Aftercare)	(ii)		0.45	0.48	0.48	
	CSA Field staff (Implementation & Monitoring)	(i) & (ii)		1.71	1.71	1.71	
	Travelling and Miscellaneous Expenses	(i) & (ii)		0.15	0.10	0.10	
	Sub Total			**14.53**	**15.40**	**15.40**	
2	Adoption Project	(iii)	Maharashtra, Goa, Odisha	1.00	0.14	0.14	**CSA**
3	Corporate Expenses	(iii)		1.00	1.00	1.00	**CSA**
4	Corpus Fund	-		9.00	9.00	9.00	**CSA**
	GRAND TOTAL			**25.53**	**25.53**	**25.53**	

Note (*):

(i) eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;

(ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;

(iii) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

(iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;

6. CSR Committee Responsibility Statement

The CSR Committee confirms that the implementation and monitoring of the CSR activities of the Company are in compliance with the CSR objectives and CSR Policy of the Company.

For and on behalf of the Board of Directors

Nani Javeri	**Neela Bhattacherjee**
Chairman of CSR Committee	**Managing Director**
DIN : 02731854	DIN : 01912483

Place : Mumbai
Date : 3rd August, 2018

Annexure 'D'

Form No. MR-3
SECRETARIAL AUDIT REPORT
For the financial year ended on 30th June, 2018
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Accelya Kale Solutions Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Accelya Kale Solutions Limited** ('the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year 1st July, 2017 to 30th June, 2018, ("the financial year") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 30th June, 2018, according to the provisions of:

   i) The Companies Act, 2013 (the Act) and the rules made thereunder to the extent notified;

   ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rule made thereunder;

   iii) The Depositories Act, 1996 and the Regulations & Bye-Laws framed thereunder;

   iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.

   v) The following Regulations & Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act').

      a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

      b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

      c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

      d. The Securities and Exchange Board of India (Share based Employee Benefits Regulations), 2014;

      e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

      f. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

      g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

      h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and;

      i. The Securities and Exchange Board of India (Listing Obligation Disclosures Requirements) Regulations, 2015

Other laws applicable specifically to the Company, namely:

1) Software Technology Parks of India – Rules & Regulations

2) Information Technology Act, 2000

We have also examined the compliance with the applicable clauses of the following:

1) Secretarial Standards issued by The Institute of Company Secretaries of India

2) The listing agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited

3) Provisions of the Memorandum and Articles of Association of the Company

During the period under review, in our opinion, Company has complied with the Company Law Provisions, MCA Regulations, SEBI Regulations, Depositories Regulations and FEMA regulations. E- forms filed with MCA under the provisions of the Companies Act, were filed within prescribed time limit.

We further report that

Based on the information provided by the Company and records maintained by the Company, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Woman Director and Independent Directors. Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee are properly constituted. The changes in the Directorships during the period under review were carried out in the compliances with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at the Board meetings and committee meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or the Committee of the Board of Directors, as the case may be.

We further report that during the audit period there were no events, namely:

i. Public/Right/sweat equity;

ii. Redemption/ Buy-back of security;

iii. Major decision taken by the members in pursuance to section 180 of the Companies Act, 2013;

iv. Merger/amalgamation/reconstruction, etc.; and

v. Foreign technical collaborations.

For C.S. Kelkar & Associates
Company Secretaries

C S Kelkar
Partner
C. P. No. : 1891
Membership No.: 2784

Date : 26th July, 2018
Place : Pune

Annexure 'E'

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended 30th June, 2018

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS

1.	CIN	L74140PN1986PLC041033
2.	Registration Date	25th September, 1986
3.	Name of the Company	Accelya Kale Solutions Limited
4.	Category/Sub-category of the Company	Public Company / Subsidiary of Foreign Company limited by shares
5.	Address of the Registered office & contact details	Accelya Enclave, 685 / 2B & 2C, 1st Floor, Sharada Arcade, Satara Road, Pune 411 037 Tel : 020-66083777 E-mail : accelyakale.investors@accelya.com Website : https://w3.accelya.com
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. Karvy Computershare Private Limited, Unit : Accelya Kale Solutions Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda Hyderabad - 500 032 Phone : +91 - 40 - 67162222 Fax : +91 - 40 - 23001153 Toll Free no.: 1800-345-4001 E-mail : einward.ris@karvy.com Website : www.karvy.com

II. **Principal Business Activities of the Company** (All the business activities contributing 10% or more of the total turnover of the company shall be stated)

Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
Computer programming, consultancy and related activities	620	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
1	Accelya Holding World S.L. Avenida Diagonal, 567, 3rd Planta, Barcelona 08029, Spain	Not Applicable	Holding	74.66	2(46)
2	Kale Softech Inc. 2035 Lincoln Hwy, Ste 1150, Edison, NJ 08817, USA	Not Applicable	Subsidiary	100	2(87)
3	Zero Octa UK Limited Acre House, 11/15 William Road, London, NW13ER	Not Applicable	Subsidiary	100	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A) Category-wise Share Holding

Category of Shareholders	No. of Shares Held at the Beginning of the Year				No. of Shares Held at the End of the Year				% Change During the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Promoter and Promoter Group									
Indian									
Individual /HUF	-	-	-	-	-	-	-	-	-
Central Govt. / State Govt(s)	-	-	-	-	-	-	-	-	-
Bodies Corporate	-	-	-	-	-	-	-	-	-
Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Sub-Total A(1) :	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Foreign									
Individuals (NRIs / Foreign Individuals)	-	-	-	-	-	-	-	-	-
Bodies Corporate	11,143,466	-	11,143,466	74.66	11,143,295	-	11,143,295	74.66	-
Institutions	-	-	-	-	-	-	-	-	
Qualified Foreign Investor	-	-	-	-	-	-	-	-	
Others	-	-	-	-	-	-	-	-	
Sub-Total A(2)	**11,143,466**	**-**	**11,143,466**	**74.66**	**11,143,295**	**-**	**11,143,295**	**74.66**	**-**
Total A=A(1)+A(2)	**11,143,466**	**-**	**11,143,466**	**74.66**	**11,143,295**	**-**	**11,143,295**	**74.66**	**-**
Public Shareholding									
Mutual Funds /UTI	330,527	-	330,527	2.21	283,146	-	283,146	1.90	(0.31)
Financial Institutions / Banks	6,676	400	7,076	0.05	10,645	200	10,845	0.07	0.02
Central Govt. / State Govt(s)	-	-	-	-	-	-	- -	-	
Venture Capital Funds	-	-	-	-	-	-	-	-	
Insurance Companies	-	-	-	-	-	-	-	-	
Foreign Portfolio Investors	836,331	50	836,381	5.60	744,959	50	745,009	4.99	(0.61)
Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Sub-Total B(1)	**1,173,534**	**450**	**1,173,984**	**7.86**	**1,038,750**	**250**	**1,039,000**	**6.96**	**(0.90)**

Category of Shareholders	No. of Shares Held at the Beginning of the Year				No. of Shares Held at the End of the Year				% Change During the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Non-Institutions									
Bodies Corporate	441,287	300	441,587	2.96	493,328	250	493,578	3.30	0.34
Individuals									
(i) Individuals holding nominal share capital upto ₹ 1 lakh	1,609,788	137,908	1,747,696	11.71	1,839,001	95,113	1,934,114	12.96	1.25
(ii) Individuals holding nominal share capital in excess of ₹ 1 lakh	160,794	-	160,794	1.08	40,000	-	40,000	0.27	(0.81)
Others									
IEPF	-	-	-	-	41,521	-	41,521	0.28	0.28
Foreign Nationals	8,032	7,500	15,532	0.10	2,220	7,500	9,720	0.06	(0.04)
Clearing Members	1,099	-	1,099	0.01	1,896	-	1,896	0.01	-
Non Resident Indians	233,411	7,672	241,083	1.61	216,661	5,422	222,083	1.49	(0.12)
Trusts	1,020	-	1,020	0.01	1,054	-	1,054	0.01	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Sub-Total B(2)	**2,455,731**	**153,380**	**2,608,811**	**17.48**	**2,635,681**	**108,285**	**2,743,966**	**18.38**	**0.90**
Total B=B(1)+B(2)	3,628,965	153,830	3,782,795	25.34	3,674,431	108,535	3,782,966	25.34	-
Total (A+B)	14,772,431	153,830	14,926,261	100.00	14,817,726	108,535	14,926,261	100.00	0.00
Shares held by custodians, against which Depository Receipts have been issued	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A+B+C) :	**14,772,431**	**153,830**	**14,926,261**	**100.00**	**14,817,726**	**108,535**	**14,926,261**	**100.00**	**0.00**

B) Shareholding of Promoter

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share-holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Accelya Holding World S.L.	11,143,295	74.66	-	11,143,295	74.66	-	-
2	Canary Topco Limited	171	0.001	-	-	-	0	(0.001)

C) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	11,143,466	74.6568	11,143,295	74.6556
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):			Refer Note – I below	
	At the end of the year	11,143,466	74.6568	11,143,295	74.6556

Note – I

Sr. No.	Name	Shareholding at the beginning of the Year		Dates	Increase / (Decrease) in share-holding	Reason	Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Accelya Holding World S.L.	11,143,295	74.6556	01/07/2017				
				30/06/2018	-	-	11,143,295	74.6556
2	Canary Topco Limited	171	0.0011	07/06/2018	(171)	Sale	-	-
				30/06/2018	-	-	-	-

D) **Shareholding Pattern of top ten Shareholders (Other than Directors and Promoters)**

Sr. No.	Name	Shareholding at the beginning of the Year		Dates	Increase / (Decrease) in share-holding	Reason	Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Valuequest India Moat Fund Limited	470,163	3.15	30/06/2017			470,163	3.15
				30/06/2018			470,163	3.15
2	SBI Magnum Balanced Fund	305,624	2.05	30/06/2017			305,624	2.05
				01/09/2017	8,500	Purchase	314,124	2.10
				01/09/2017	-8,500	Sale	305,624	2.05
				22/09/2017	-24,227	Sale	281,397	1.89
				29/09/2017	-2,441	Sale	278,956	1.87
				13/10/2017	-81	Sale	278,875	1.87
				15/12/2017	3,413	Purchase	282,288	1.89
				19/01/2018	-1,441	Sale	280,847	1.88
				02/02/2018	-21,000	Sale	259,847	1.74
				06/04/2018	-8,507	Sale	251,340	1.68
				18/05/2018	239,533	Purchase	490,873	3.29
				18/05/2018	-239,427	Sale	251,446	1.68
				15/06/2018	31,700	Purchase	283,146	1.90
				30/06/2018			283,146	1.90
3	VLS Finance Limited	282,418	1.89	30/06/2017			282,418	1.89
				05/01/2018	-5,452	Sale	276,966	1.86
				12/01/2018	-1,033	Sale	275,933	1.85
				19/01/2018	-933	Sale	275,000	1.84
				02/02/2018	218	Purchase	275,218	1.84
				20/04/2018	-904	Sale	274,314	1.84
				27/04/2018	-4,211	Sale	270,103	1.81
				04/05/2018	1,300	Purchase	271,403	1.82
				30/06/2018			271,403	1.82

Sr. No.	Name	Shareholding at the beginning of the Year		Dates	Increase / (Decrease) in share-holding	Reason	Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
4	Premier Investment Fund Limited	132,114	0.89	30/06/2017			132,114	0.89
				01/09/2017	1,500	Purchase	133,614	0.90
				22/09/2017	-710	Sale	132,904	0.89
				27/10/2017	-6,834	Sale	126,070	0.84
				31/10/2017	-3,123	Sale	122,947	0.82
				12/01/2018	3,294	Purchase	126,241	0.85
				26/01/2018	-5,880	Sale	120,361	0.81
				11/05/2018	-2,310	Sale	118,051	0.79
				18/05/2018	-6,711	Sale	111,340	0.75
				25/05/2018	-8,197	Sale	103,143	0.69
				01/06/2018	-4,180	Sale	98,963	0.66
				08/06/2018	-17,382	Sale	81,581	0.55
				15/06/2018	-18,268	Sale	63,313	0.42
				29/06/2018	-3,885	Sale	59,428	0.40
				30/06/2018			59,428	0.40
5	Somerset Emerging Markets Small Cap Fund LLC	120,548	0.81	30/06/2017			120,548	0.81
				02/02/2018	-1,675	Sale	118,873	0.80
				09/02/2018	-2,754	Sale	116,119	0.78
				16/02/2018	-2,512	Sale	113,607	0.76
				23/02/2018	-5,196	Sale	108,411	0.73
				02/03/2018	-2,769	Sale	105,642	0.71
				09/03/2018	-1,202	Sale	104,440	0.70
				16/03/2018	-1,866	Sale	102,574	0.69
				23/03/2018	-666	Sale	101,908	0.68
				30/03/2018	-2	Sale	101,906	0.68
				06/04/2018	-2,176	Sale	99,730	0.67
				13/04/2018	-530	Sale	99,200	0.66
				20/04/2018	-2,739	Sale	96,461	0.65
				27/04/2018	-8,536	Sale	87,925	0.59
				15/06/2018	-24,774	Sale	63,151	0.42
				22/06/2018	-1,576	Sale	61,575	0.41
				29/06/2018	-1,529	Sale	60,046	0.40
				30/06/2018			60,046	0.40

Sr. No.	Name	Shareholding at the beginning of the Year		Dates	Increase / (Decrease) in share-holding	Reason	Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
6	Old Well Emerging Markets Master Fund, L.P.	0	0.00	30/06/2017			0	0.00
				28/07/2017	3,944	Purchase	3,944	0.03
				04/08/2017	1,427	Purchase	5,371	0.04
				11/08/2017	2,414	Purchase	7,785	0.05
				18/08/2017	659	Purchase	8,444	0.06
				25/08/2017	1,426	Purchase	9,870	0.07
				01/09/2017	3,226	Purchase	13,096	0.09
				08/09/2017	4,920	Purchase	18,016	0.12
				15/09/2017	233	Purchase	18,249	0.12
				22/09/2017	2,208	Purchase	20,457	0.14
				29/09/2017	3,460	Purchase	23,917	0.16
				06/10/2017	2,234	Purchase	26,151	0.18
				13/10/2017	4,558	Purchase	30,709	0.21
				20/10/2017	1,360	Purchase	32,069	0.21
				17/11/2017	1,442	Purchase	33,511	0.22
				24/11/2017	3,571	Purchase	37,082	0.25
				01/12/2017	499	Purchase	37,581	0.25
				08/12/2017	2,035	Purchase	39,616	0.27
				15/12/2017	2,957	Purchase	42,573	0.29
				12/01/2018	902	Purchase	43,475	0.29
				09/02/2018	20,983	Purchase	64,458	0.43
				06/04/2018	8,820	Purchase	73,278	0.49
				30/06/2018			73,278	0.49
7	BIRLA SUN LIFE INSURANCE COMPANY LIMITED	5,410	0.04	30/06/2017			5,410	0.04
				21/07/2017	415	Purchase	5,825	0.04
				20/10/2017	1,600	Purchase	7,425	0.05
				27/10/2017	7,221	Purchase	14,646	0.10
				24/11/2017	3,304	Purchase	17,950	0.12
				19/01/2018	4,303	Purchase	22,253	0.15
				04/05/2018	4,966	Purchase	27,219	0.18
				11/05/2018	2,950	Purchase	30,169	0.20
				15/06/2018	11,000	Purchase	41,169	0.28
				30/06/2018			41,169	0.28

Sr. No.	Name	Shareholding at the beginning of the Year		Dates	Increase / (Decrease) in share-holding	Reason	Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
8	JATINDER AGARWAL	1	0.00	30/06/2017			1	0.00
				08/09/2017	4,583	Purchase	4,584	0.03
				15/09/2017	3,916	Purchase	8,500	0.06
				22/09/2017	5,501	Purchase	14,001	0.09
				29/09/2017	13,499	Purchase	27,500	0.18
				13/10/2017	7,250	Purchase	34,750	0.23
				31/10/2017	5,250	Purchase	40,000	0.27
				10/11/2017	26,501	Purchase	66,501	0.45
				10/11/2017	-26,501	Sale	40,000	0.27
				30/06/2018			40,000	0.27
9	SEXTANT AUTOUR DU MONDE	0	0.00	30/06/2017			0	0.00
				15/06/2018	6,685	Purchase	6,685	0.04
				22/06/2018	17,652	Purchase	24,337	0.16
				29/06/2018	7,663	Purchase	32,000	0.21
				30/06/2018			32,000	0.21
10	NATIONAL WESTMINSTER BANK PLC AS DEPOSITARY OF PFS	26,688	0.18	30/06/2017			26,688	0.18
				19/01/2018	-801	Sale	25,887	0.17
				02/02/2018	-360	Sale	25,527	0.17
				09/02/2018	-591	Sale	24,936	0.17
				16/02/2018	-540	Sale	24,396	0.16
				23/02/2018	-1,116	Sale	23,280	0.16
				02/03/2018	-594	Sale	22,686	0.15
				09/03/2018	-258	Sale	22,428	0.15
				16/03/2018	-401	Sale	22,027	0.15
				23/03/2018	-142	Sale	21,885	0.15
				30/03/2018	-1	Sale	21,884	0.15
				06/04/2018	-467	Sale	21,417	0.14
				13/04/2018	-115	Sale	21,302	0.14
				20/04/2018	-587	Sale	20,715	0.14
				27/04/2018	-1,833	Sale	18,882	0.13
				15/06/2018	-5,321	Sale	13,561	0.09
				22/06/2018	-339	Sale	13,222	0.09
				29/06/2018	-328	Sale	12,894	0.09
				30/06/2018			12,894	0.09

Sr. No.	Name	Shareholding at the beginning of the Year		Dates	Increase / (Decrease) in share-holding	Reason	Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
11	KARVANSARAI TRAVEL AND LIFESTYLE PRIVATE LIMITED	24,323	0.16	30/06/2017			24,323	0.16
				30/06/2018			24,323	0.16
12	NIMIS SAVAILAL SHETH	19,700	0.13	30/06/2017				
				25/08/2017	-2,700	Sale	17,000	0.11
				22/12/2017	17,000	Purchase	34,000	0.23
				22/12/2017	-17,000	Sale	17,000	0.11
				30/06/2018			17,000	0.11
13	CHURCH COMMISSIONERS FOR ENGLAND RE SOMERSET	19,246	0.13	30/06/2017				
				07/07/2017	19,246	Purchase	38,492	0.26
				07/07/2017	-19,246	Sale	19,246	0.13
				02/02/2018	-267	Sale	18,979	0.13
				09/02/2018	-437	Sale	18,542	0.12
				16/02/2018	-399	Sale	18,143	0.12
				23/02/2018	-826	Sale	17,317	0.12
				02/03/2018	-440	Sale	16,877	0.11
				09/03/2018	-191	Sale	16,686	0.11
				16/03/2018	-299	Sale	16,387	0.11
				23/03/2018	-106	Sale	16,281	0.11
				06/04/2018	-348	Sale	15,933	0.11
				13/04/2018	-84	Sale	15,849	0.11
				20/04/2018	-438	Sale	15,411	0.10
				27/04/2018	-1,364	Sale	14,047	0.09
				15/06/2018	-3,959	Sale	10,088	0.07
				22/06/2018	-251	Sale	9,837	0.07
				29/06/2018	-245	Sale	9,592	0.06
				30/06/2018			9,592	0.06
14	GEETA N SHETH	18,000	0.12	30/06/2017			18,000	0.12
				30/06/2018			18,000	0.12

E) **Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Name of Director	Shareholding at the beginning of the year		Shares purchased / (sold) during the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	John Johnston	-	-	-	-	-	-
2	Neela Bhattacherjee	2,089	0.01	-	-	2,089	0.01
3	K. K. Nohria	-	-	-	-	-	-
4	Sekhar Natarajan	-	-	-	-	-	-
5	Nani Javeri	-	-	-	-	-	-
6	Sangeeta Singh	-	-	-	-	-	-

Sr. No.	Name of Key Managerial Personnel	Shareholding at the beginning of the year		Shares purchased / (sold) during the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Gurudas Shenoy – Chief Financial Officer	2,165	0.01	-	-	2,165	0.01
2	Ninad Umranikar – Company Secretary	4,595	0.01	-	-	4,595	0.01

V) **Indebtedness -** Indebtedness of the Company including interest outstanding / accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year	-	-	-	-
* Addition	-	-	-	-
* Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Neela Bhattacherjee	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	16,145,834	16,145,834
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	39,600	39,600
	(c) Profits in lieu of salary under section 17 (3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission		
	- as % of profit	-	-
	- others, specify...	-	-
5	Others, please specify	-	-
	Total	**16,185,434**	**16,185,434**

B. Remuneration to other directors

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of Directors						Total
		Sekhar Natarajan	K. K. Nohria	Nani Javeri	Sangeeta Singh	John Johnston	Vipul Jain*	
		Independent Directors				Non-Executive Directors		
1	Fee for attending board & committee meetings	350,000	350,000	525,000	525,000	-	25,000	1,775,000
2	Commission	100,000	100,000	100,000	100,000	-	-	400,000
3	Others, please specify	-	-	-	-	-	-	-
	Total	**450,000**	**450,000**	**625,000**	**625,000**	**-**	**25,000**	**2,175,000**

* Resigned on 9th August, 2017

C. Remuneration to Key Managerial Personnel Other Than Managing Director / Manager / Whole-time Director

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		CS	**CFO**	**Total**
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4,445,276	8,451,795	12,897,071
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	39,600	39,600
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	others, specify…	-	-	-
5	Others, please specify	-	-	-
	Total	**4,445,276**	**8,491,395**	**12,936,671**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties / punishment / compounding of offences for breach of any section of Companies Act against the Company or its Directors or other officers in default, if any, during the year.

For and on behalf of the Board of Directors

John Johnston **Chairman** (DIN : 07258586)	**Neela Bhattacherjee** **Managing Director** (DIN : 01912483)

Place: Mumbai
Date: 3rd August, 2018

Annexure 'F'

Conservation of Energy

The range of activities of your Company require minimal energy consumption and every endeavour has been made to ensure optimal utilization of energy and avoid wastage through automation and deployment of energy-efficient equipment.

Your Company takes adequate measures to reduce energy consumption by using efficient computer terminals and by using latest technology. The impact of these efforts has enhanced energy efficiency. As energy cost forms a very small part of total expenses, the financial impact of these measures is not material and measured.

Technology Absorption

Your Company, in its endeavour to obtain and deliver the best, adopts the best technology in the field, upgrades itself continuously.

Research and Development (R&D)

Your Company has a well-equipped Research and Development team carrying on research and development activities.

The total expenditure incurred on Research and Development during the year 2017-18 was ₹ 108.99 million.

Foreign exchange earning and outgo

During the year 2017-18, the foreign exchange earnings stood at ₹ 3,055.36 million and foreign exchange outgo stood at ₹ 304.82 million.

For and on behalf of the Board of Directors

John Johnston	**Neela Bhattacherjee**
Chairman	**Managing Director**
(DIN : 07258586)	(DIN : 01912483)

Place: Mumbai
Date: 3rd August, 2018

Report on Corporate Governance

The importance of maintaining high ethical standards by the corporate sector for ensuring its long term sustainable growth has been universally accepted. It is in this context that development of best practices of corporate governance and rating of companies is increasingly becoming very relevant.

Your Company believes that good corporate governance enhances accountability and increases shareholder value. Corporate Governance is a set of guidelines to fulfill its responsibilities to all its stakeholders i.e. investors, customers, vendors, government, employees. Good corporate governance has been an integral part of the Company's philosophy. The Company believes that good corporate governance should be an internally driven need and is not to be looked upon as an issue of compliance dictated by statutory requirements. The Company is focused on good governance, which is a key driver of sustainable growth and enhanced shareholder value.

Board Composition

As on 30th June, 2018, the Company has six directors consisting of a non-Executive Chairman, one Managing Director, four independent directors.

Board Meetings

Five Board Meetings were held during the financial year 2017-18.

Name of Director	Designation	Category	Directorships / Board Committees (Number)		
			Other Directorships	Committee Membership*	Committee Chairmanship*
Ms. Neela Bhattacherjee	Managing Director	Executive	-	1	-
Dr. K. K. Nohria	Director	Independent and Non-Executive	13	7	3
Mr. Sekhar Natarajan	Director	Independent and Non-Executive	5	3	3
Mr. Nani Javeri	Director	Independent and Non-Executive	4	3	1
Ms. Sangeeta Singh	Director	Independent and Non-Executive	6	5	-
Mr. John Johnston	Director	Non-Executive	9	-	-

* Includes only Audit Committee and Stakeholders Relationship Committee as per Regulation 26 of the Listing Regulations, 2015.

Dates of Board Meetings

9th August, 2017	• 2nd November, 2017	• 2nd February, 2018	• 26th April, 2018	• 28th June, 2018

Attendance at Board Meetings and Last Annual General Meeting

Name of Director	No. of Board Meetings Attended	Attendance at AGM held on 10th October, 2017
Mr. John Johnston	3	Yes
Ms. Neela Bhattacherjee	5	Yes
Mr. Vipul Jain (#)	1	No
Dr. K. K. Nohria	4	Yes
Mr. Sekhar Natarajan	4	Yes
Mr. Nani Javeri	5	Yes
Ms. Sangeeta Singh	5	Yes

(#) Resigned as Director with effect from 9th August, 2017.

Familiarisation Programme

The Company presents to the Independent Directors on a quarterly basis, information on business performance, operations, financials, working capital, fund flows, compliances, contribution towards CSR activities etc.

Such presentations provide an opportunity to the Independent Directors to understand the Company's strategy, business model, operations, service and product offerings, markets, organisation structure, finance, human resources etc.

The Independent Directors are given a copy of latest Annual Report, the Code of Conduct for Directors & Senior Management and Code of Conduct under SEBI (Prohibition of Insider Trading) Regulations.

The Company issues Appointment Letters to Independent Directors containing therein, term of appointment, roles, duties & responsibilities, code of conduct, remuneration, performance evaluation process etc.

The Independent Directors are provided updates on changes/developments in the business scenario and changes in statutes/legislations. The Familiarisation programme is available on the website of the Company on the following link: https://w3.accelya.com/accelyakale-policies

Board Committees

Currently Board has six committees

i) Audit Committee

ii) Stakeholders Relationship Committee

iii) Nomination and Remuneration Committee

iv) Share Transfer Committee

v) Corporate Social Responsibility Committee

vi) Risk Management Committee

None of the Directors of the Company is a member of more than ten committees or acts as a Chairman of more than five committees across all companies in which he is a Director. In accordance with Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the purpose of determination of limit, chairpersonship and membership of the Audit Committee and the Stakeholders' Relationship Committee alone is considered.

Composition of Committees

i) Audit Committee

Five meetings of the Committee were held during the financial year 2017-18.

Name of Director	Category	No. of Meetings Attended
Mr. Sekhar Natarajan(*)	Independent Director	4
Dr. K. K. Nohria	Independent Director	4
Mr. Nani Javeri	Independent Director	5
Ms. Sangeeta Singh	Independent Director	5

(*) Chairman of the Committee

Terms of Reference

a) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

b) Recommendation for appointment, remuneration and terms of appointment of auditors of the company;

c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013

ii. Changes, if any, in accounting policies and practices and reasons for the same

iii. Major accounting entries involving estimates based on the exercise of judgment by management

iv. Significant adjustments made in the financial statements arising out of audit findings

v. Compliance with listing and other legal requirements relating to financial statements

vi. Disclosure of any related party transactions

vii. Qualifications in the draft audit report

e) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

g) Review and monitor the auditor's independence and performance, and effectiveness of audit process;

h) Approval or any subsequent modification of transactions of the company with related parties;

i) Scrutiny of inter-corporate loans and investments;

j) Valuation of undertakings or assets of the company, wherever it is necessary;

k) Evaluation of internal financial controls and risk management systems;

l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

m) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

n) Discussion with internal auditors of any significant findings and follow up there on;

o) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

p) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

r) To review the functioning of the Whistle Blower mechanism;

s) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

t) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

ii) Stakeholders Relationship Committee

Four meetings of the Committee were held during the financial year 2017-18.

Name of Director	Category	No. of Meetings Attended
Mr. Sekhar Natarajan(*)	Independent Director	4
Dr. K.K Nohria	Independent Director	4
Mr. Nani Javeri	Independent Director	4
Ms. Sangeeta Singh	Independent Director	4

(*) Chairman of the Committee

Terms of Reference

To monitor redressal of investor complaints received from stock exchanges, SEBI and shareholders.

Name and Designation of Compliance Officer

Ninad G. Umranikar – Company Secretary

iii) Nomination and Remuneration Committee

Two meetings of the Committee was held during the financial year 2017- 18.

Name of Director	Category	No. of Meetings Attended
Ms. Sangeeta Singh(*)	Independent Director	2
Mr. John Johnston	Non-Executive Non-Independent Director	1
Mr. Sekhar Natarajan	Independent Director	1
Dr. K. K. Nohria	Independent Director	1
Mr. Nani Javeri	Independent Director	2

(*) Chairperson of the Committee.

Terms of Reference

i) identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.

ii) formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

iii) while formulating the policy under (ii) above, ensure that—

(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;

(b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

Remuneration Policy

Remuneration to Managing Director is paid in accordance with the provisions of the Companies Act, 2013. Commission is paid to Managing Director and to independent non-executive directors at a specified percentage of the net profits of the Company. Sitting Fees are paid to independent non-executive directors for attending every meeting of the Board of Directors or committee thereof (other than share transfer committee).

Remuneration to Managing Director

Ms. Neela Bhattacherjee was paid ₹ 16,185,434 as remuneration for the period from 1st July, 2017 to 30th June, 2018.

The remuneration payable to Ms. Neela Bhattacherjee may be revised from time to time, during her tenure as managing director, subject to such consents, sanctions as may be necessary for such revision in remuneration.

Stock Options

Ms. Neela Bhattacherjee was not granted any stock options during the year.

Service Contract, Notice Period and Severance Fees

Ms. Neela Bhattacherjee has been re-appointed as Managing Director for a period of 3 years from 1st July, 2018. Ms. Bhattacherjee may resign by giving 3 months' notice in writing to the Company without any severance fees.

Remuneration to Non-Executive Directors

Commission - ₹ 400,000 /-

Sitting Fees - ₹ 1,775,000 /-

Commission of ₹ 100,000/- is paid to each independent director and non-executive director (other than Mr. John Johnston) subject to a maximum of 1% of the net profit of the Company. A sum of ₹ 25,000/- is paid to each independent director and non-executive director (other than Mr. John Johnston and) for attending a meeting of the Board of Directors or Committee thereof (apart from Share Transfer Committee Meeting).

Stock Options to Non – Executive Directors

The non–executive directors were not given any stock options during the year.

No. of equity shares held by Non – Executive Directors

As on 30th June, 2018, none of the non–executive directors held any equity share in the Company.

iv) Share Transfer Committee

Name of Director	Category
Mr. John Johnston(*)	Non-Executive Non-Independent Director
Ms. Neela Bhattacherjee	Managing Director
Mr. Gurudas Shenoy	Chief Financial Officer
Mr. Ninad Umranikar	Company Secretary

(*) Chairman of the Committee
23 meetings of the Committee were held during the financial year 2017-18.

Terms of Reference

Committee approves the share transfers, transposition, etc. based on the reports obtained from the Registrar and Share Transfer Agent.

v) Corporate Social Responsibility Committee

Four meetings of the Committee were held during the financial year 2017-18.

Name of Director	Category	No. of Meetings Attended
Mr. Nani Javeri(*)	Independent Director	4
Ms. Sangeeta Singh	Independent Director	4
Mr. John Johnston	Non-executive Director	3

(*) Chairman of the Committee

Terms of reference

a) To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013;

b) To recommend the amount of expenditure to be incurred on the activities referred to in clause (a) and;

c) To monitor the Corporate Social Responsibility Policy of the Company from time to time.

vi) Risk Management Committee

One meeting of the Committee was held during the financial year 2017-18.

Name of Director	Category	No. of meetings attended
Mr. Sekhar Natarajan(*)	Independent Director	1
Dr. K. K. Nohria	Independent Director	1
Mr. Nani Javeri	Independent Director	1
Ms. Sangeeta Singh	Independent Director	1

(*) Chairman of the Committee

Terms of reference

a) Annually review and approve the Risk Management Policy and associated frameworks, policies and practices of the Company.

b) Evaluate significant risk exposures of the Company and assess management's actions to mitigate the exposures in a timely manner.

c) Access to any internal information necessary to fulfill its oversight role.

d) Have authority to obtain advice and assistance from internal or external legal, accounting or other advisors.

Quorum

Quorum for Board as well as Committee Meetings is one third or two directors / members of committees, as the case may be, whichever is higher.

Disclosures

There are no materially significant related party transactions i.e. transaction, material in nature, with its promoters, directors, their relatives or the management, subsidiaries of the Company etc. having potential conflict with the interests of the Company at large.

No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

Pursuant to the requirement of Regulation 30 of SEBI Listing Regulations, the Company would like to inform that the Company has not entered into any agreement(s) with media companies and / or their associates which has resulted / will result in any kind of shareholding in the Company and consequently any other related disclosures viz., details of nominee(s) of the media companies on the Board of the Company, any management control or potential conflict of interest arising out of such agreements, etc. are not applicable.

Meeting of Independent Directors

One meeting of Independent Directors was held during the year to discuss the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

One meeting of the Independent Directors was held during the financial year 2017-18.

Name of Director	Category	No. of meetings attended
Mr. Sekhar Natarajan(*)	Independent Director	1
Dr. K. K. Nohria	Independent Director	1
Mr. Nani Javeri	Independent Director	1
Ms. Sangeeta Singh	Independent Director	1

(*) Chairman of the Committee

Means of communication

Half yearly report sent to each household of Shareholder:	No
Quarterly results:	
Which newspapers normally published in:	Financial Express & Loksatta
Any website where displayed:	https://w3.accelya.com
Whether it also displays official news releases and presentations made to institutional investors or to analysts:	Yes
Whether MD&A is a part of annual report or not:	Yes

Compliance with Governance Framework

The Board of Directors periodically reviews the compliance of applicable laws and steps taken by the Company to rectify instances of non-compliance, if any. The Company is in compliance with all mandatory requirements of SEBI Listing Regulations. The Company has also adopted the following non-mandatory requirements to the extent mentioned below:

- **Separate posts of Chairman and CEO:** The positions of the Chairman and the CEO are separate. The Non-Executive Chairman of the Company does not maintain office at the Company's expenses.
- **Shareholders rights:** The quarterly results alongwith the press release are uploaded on the website of the Company.
- **Audit qualifications:** Company's financial statements are unqualified.
- **Reporting of Internal Auditor:** The Internal Auditor of the Company directly reports to the Audit Committee on functional matters.
- **Risk Management Committee:** The Board has formulated a Risk Management Committee.
- **Disclosure of commodity price risk and commodity hedging activities:** The Company is not dealing in commodities and hence disclosure relating to commodity price risk and commodity hedging activities is not required.

Shareholder Information

The additional information to shareholders, which forms part of the Corporate Governance Report, is annexed hereto.

General Body Meetings

Particulars of Annual General Meetings held during last three years:

Year 2015 Annual General Meeting dated 30th September, 2015 – at Mahratta Chambers of Commerce, Industries and Agriculture, Pune- 411 002 at 12 noon.

One Special Resolution was passed at the 29th Annual General Meeting held on 30th September, 2015

Year 2016 Annual General Meeting dated 5th October, 2016 – at Sumant Moolgaokar Auditorium, 'A Wing', Ground Floor, Mahratta Chamber of Commerce, Industries and Agriculture, Trade Tower, ICC Complex, 403, Senapati Bapat Road, Pune 411 016 at 12 noon.

No Special Resolution was passed at the 30th Annual General Meeting held on 5th October, 2016

Year 2017 Annual General Meeting dated 10th October, 2017 – at Sumant Moolgaokar Auditorium, 'A Wing', Ground Floor, Mahratta Chamber of Commerce, Industries and Agriculture, Trade Tower, ICC Complex, 403, Senapati Bapat Road, Pune 411 016 at 12 noon.

No Special Resolution was passed at 31st Annual General Meeting held on 10th October, 2017

DECLARATION

Pursuant to Regulation 26(3) of SEBI Listing Regulations, I hereby declare that all Board members and senior management personnel have affirmed compliance with the code of conduct.

Date : 3rd August, 2018
Place : Mumbai

Neela Bhattacherjee
Managing Director

Certificate of Corporate Governance

To
The Members
Accelya Kale Solutions Limited

I have examined the compliance of conditions of Corporate Governance by Accelya Kale Solutions Limited ("the Company"), for the year ended on June 30, 2018, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchange(s).

The compliance of the conditions of Corporate Governance is a responsibility of the Management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanation given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in chapter IV Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to Listing Agreement of the said Company with stock exchange(s).

I further state that compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Nilesh A. Pradhan & Co.,
Practicing Company Secretary

Nilesh A. Pradhan
Proprietor
C. P. No.: 3659
FCS No.: 5445

Date: 3rd August, 2018
Place: Mumbai

Safe Harbor Statement

Certain statements in this Annual Report concerning Accelya Kale's future growth prospects are forward-looking statements, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements.

The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, Accelya Kale's ability to manage growth, intense competition in IT services including those factors which may affect cost advantage, wage increases in India, ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, ability to manage international operations, reduced demand for technology in key focus areas, disruptions in telecommunication networks, ability to successfully complete and integrate potential acquisitions, liability for damages on service contracts, the success of the subsidiaries of Accelya Kale, withdrawal of governmental fiscal incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of intellectual property and general economic conditions affecting industry. Accelya Kale may, from time to time, make additional written and oral forward-looking statements, including reports to shareholders. The Company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the Company.

The following discussion and analysis should be read in conjunction with the Company's audited Financial Statement and the notes thereon.

INDUSTRY OUTLOOK:

For the global airline industry, 2017 was a good year. More people than ever traveled — approximately 4.1 billion. The air cargo business also posted growth of 9.7%, the strongest since 2010.

Airlines made a net profit of $38 billion in 2017. For a third year in a row, the return on invested capital (9%) exceeded the cost of capital. With that trend continuing into 2018, it appears that the industry is finally able to deliver normal levels of profitability consistently.

The International Air Transport Association (IATA) has made the following forecast for the airline industry in 2018:

- The airline industry is expected to transport approximately 4.3 billion passengers and 62.5 million metric tons of cargo in 2018 compared to 4.1 billion passengers and 59.9 million metric tons of cargo in 2017.
- The airline industry's revenue is estimated at $824 billion with profit of $38.4 billion
- An improvement in net margin to 4.7% (up from 4.6% in 2017)
- Airlines are expected to make average net profit per departing passenger of $8.90 (up from $8.45 in 2017)

Strong demand, efficiency and reduced interest payments will help airlines improve net profitability in 2018 despite rising costs. 2018 is expected to be the fourth consecutive year of sustainable profits with a return on invested capital (9.4%) exceeding the industry's average cost of capital (7.4%).

Source: The International Air Transport Association (IATA) https://www.iata.org/pressroom/pr/Pages/2017-12-05-01.aspx

https://www.iata.org/publications/pages/annual-review.aspx

ACCELYA GROUP'S STRATEGY:

Accelya is a leading provider of technology products and services to the travel and transport industry. Accelya harnesses the power of technology, data and industry expertise to help airline and travel companies manage their financial processes and gain insights into their business performance. Accelya's solutions and services enable them to anticipate, adapt and accelerate to stay at the leading edge of change in a challenging environment.

Accelya partners with airlines right from the time a ticket or an air waybill is issued, all the way through its entire life cycle, until the data is converted into actionable decision support. Accelya's expertise spans across Financial Solutions, Commercial Solutions, Industry Solutions and Cargo Solutions. These cover critical airline processes like BSP Processing, Revenue Accounting, Audit & Revenue Recovery, Payment Management, Cost Management, Cargo Operations, Revenue Management, Business Intelligence and Analytics.

Accelya's strength lies in its unique business model where platforms are offered on a hosted environment along with "Service Cubes" which are optional services provided through 'Accelya Managed Services' (AMS) centers. Customers can also choose to fully outsource their business processes to Accelya.

Accelya's pay-per-use business model further helps airlines avoid upfront capital investments and releases cash flow for other priorities. It also provides Accelya with annuity revenue streams ensuring forward revenue visibility.

ACCELYA KALE'S MAJOR OFFERINGS:

The Company partners with airlines to better manage cost, revenue leakages, risk, cash flow, profitability and overall business performance.

Revenue Accounting and Assurance: Revenue Accounting is a complex business process in an airline as it is responsible for accurate and timely revenue declaration, ensuring interline payments are build correctly and all audit compliances are adhered with. In addition, crucial strategic decisions are made using revenue accounting data in an airline.

With over 25 years of experience and a leadership position in revenue accounting the company enables leading global airlines to streamline and simplify their revenue accounting processes.

Accelya Kale's revenue assurance services cover a wide gamut of audit services spanning the entire ticket lifecycle from original booking through to the completion of the journey. This is supported by comprehensive recovery services — from raising of Agent Debit Memos (ADMs) to fund collection.

Cost Management: Accelya Kale's cost management solutions allow airlines to better optimize their costs and reduce overpayments to suppliers. FinesseCost efficiently manages airline Direct Operating Costs (DOC) and streamlines the payables process, by automatically processing invoices from various vendors such as airports, ATC and fuel companies. FinesseMBS is a SIS-compliant miscellaneous (non - transport) billing solution that streamlines miscellaneous receivables and payables.

Profitability: Accelya Kale's FinesseFPS is a multi-dimensional analytical tool which accurately assigns measures and analyses costs and revenues at a flight level to report flight profitability.

Industry Partnerships: Accelya Kale partners with industry bodies to provide strategic solutions that simplify airline processes.

- Accelya Kale maintains and supports IATA's Simplified Invoicing and Settlement (SIS) platform.
- NFP (Neutral Fare Proration) and First & Final with RASS (Revenue Accounting Settlement Services) are powered by Accelya Kale's industry recognised APEX® Proration Engine.

ACCELYA KALE UPDATES:

Throughout the year, the Company has continued to invest in and has seen good traction across its solution portfolio. Some of the key updates include:

- The Company successfully launched the new version of its revenue accounting solution and has commenced roll out to its customers
- WOW Air selected the Company's cost management solution
- Qantas Airways Group went live with Aviation charges using the Company's cost management solution
- American Airlines went live with the Company's SIS compliant billing management solution
- Singapore Airlines went live with the Company's cost management and budgeting solution

- The Company renewed its contract with IATA to maintain and support IATA's Simplified Invoicing Settlement (SIS) platform until 2027.

ACCELYA KALE'S STRENGTHS AND OPPORTUNITIES:

Accelya Kale is a part of the Accelya Group. The Group has revenues of $200+ million and over 350 airline customers worldwide.

Business Focus and Expertise

The Company commands a significant advantage in terms of business domain knowledge and emerging industry changes. Years of experience have provided the Company with a strong base of Intellectual Property and Intellectual Capital. This advantage helps Accelya Kale to provide solutions which simplify airline financial processes and address their challenges.

Neutral Service Provider

Accelya Kale is a neutral service provider and is not governed by any competing airlines. The Company's platforms and processes are independent of any airline strategic roadmap. Confidentiality and security of customer data are of utmost importance to the Company.

Data Protection

The Company takes data privacy very seriously and has relevant controls and compliances in place including PCI DSS 3.2 and ISO 27001 : 2015. All of the Company's products and services meet the new privacy standards as per the EU General Data Protection Regulation (GDPR) regulations.

Single Vendor Accountability

Accelya Kale has pioneered the concept of platform-based outsourcing in the airline industry. The Company takes complete accountability of the outcome as per the Service Level Agreements (SLAs). It also takes the responsibility for maintaining and upgrading the platform, processes and people skills in line with industry best practices and client requirements.

Relationship with Customers

Accelya Kale values long-term relationship with its customers. The ability to forge effective and lasting partnerships with large, global airlines is the Company's strength. Over the years, Accelya Kale's airline customers have extended their association with the Company.

Pay-as-you-use Model

Accelya Kale offers its solutions on a pay-per-use model. It enables airlines to have a low capex and variable costs. At the same time, this model ensures the Company annuity revenue streams resulting in revenue visibility and foundation for growth. A win-win for customers and the Company.

Shareholders' funds

Shareholders' funds increased from ₹ 1,730.95 million to ₹ 1,738.75 million during the year 2017-18.

Equity

As at 30th June, 2018, Share Capital and Securities Premium stood at ₹ 149.27 million and ₹ 316.98 million respectively.

Presently, Accelya Kale has 14,926,261 shares (Previous Year 14,926,261) of ₹ 10 each fully paid up.

Profit and Loss Account

Accelya Kale's retained earnings as at 30th June, 2018 amounted to ₹ 1,022.78 million. The Board has recommended a final dividend of ₹ 32 per share for the financial year 2017-2018 at the Board Meeting held on 3rd August, 2018.

As at 30th June, 2018, Accelya Kale's book value per share increased to ₹ 116.49 per share as compared to ₹ 115.97 per share as at 30th June, 2017.

General Reserves Account

As at 30th June, 2018, General Reserve stood at ₹ 239.15 million. There is no change to this balance in the current year.

Capital Redemption Reserve

As at 30th June, 2018, Capital redemption Reserve stood at ₹ 9.54 million. There is no change to this balance in the current year.

Investment

Accelya Kale's Investments at cost, as at 30th June, 2018 stood at ₹ 474.15 million. There is no change to this balance in the current year.

Fixed Assets

Product Development

During the period, product development cost amounting to ₹ 109 million has been capitalised as intangible assets.

Other Fixed Assets

Accelya Kale added ₹ 82.29 million to the gross block comprising of ₹ 51.85 million in plant & machinery and computer equipment ₹ 27.67 million in purchase of Software, and balance ₹ 2.77 million in other assets.

Sale / Disposal of Assets

During the year, Accelya Kale sold/ disposed of assets with a Gross Book value of ₹ 64.19 million and depreciated Net Value of ₹ 64.11 million. The sold assets included old plant & machinery and computer equipment and vehicles.

Accelya Kale's Gross Block as at 30th June, 2018 stood at ₹ 1,561.15 million as compared to ₹ 1,434.06 million as at 30th June, 2017. The corresponding Net Block as at 30th June, 2018 was ₹ 403.4 million as compared to ₹ 355.5 million as at 30th June, 2017.

Trades Receivables

Accelya Kale's Net Receivables as at 30th June, 2018 amounted to ₹ 525.12 million as compared to ₹ 569.44 million as at 30th June, 2017. These debtors are considered good and realisable.

The need for provisions is assessed based on various factors including collectability of specific dues, risk perceptions of the industry in which the customer operates and general economic factors which could affect the customer's ability to settle and finally depending on the management's perception of the risk. The total provision for doubtful debts as at 30th June 2018 stood at ₹ 14.43 million compared to ₹ 8.92 million as at 30th June, 2017.

Trade receivables as a percentage of total revenue was 14.57% as at 30th June, 2018 as against 16.08% as at 30th June, 2017.

Non-current Liabilities

As at 30th June, 2018 Accelya Kale's non-current liabilities amounted to ₹ 68.44 million as compared to ₹ 67.30 million as at 30th June, 2017.

Current Liabilities

As at 30th June, 2018 Accelya Kale's current liabilities amounted to ₹ 610.21 million as compared to ₹ 535.18 million as at 30th June, 2017.

Result of Operations

Sale of services

For the year ended 30th June, 2018, Accelya Kale recorded operating income of ₹ 3,439.34 million.

Operating Profit

Accelya Kale reported profit before exceptional items and tax of ₹ 1,408.17 million for the year ended 30th June, 2018.

Profit after Tax

Accelya Kale recorded PAT of ₹ 947.16 million for the year ended 30th June, 2018.

Dividend

Accelya Kale recommended a final dividend of ₹ 32 per share amounting to ₹ 575.8 million (including Dividend Tax ₹ 98.18 million).

IPR Assets and Amortisation

As a value innovator, Accelya Kale has always believed in developing its own Intellectual Property (IP) and over the years has invested significant amount of resources in this development. All these products have been viewed as the best of the breed products by the industry and highly appreciated by the customers.

Details of IPR assets and amortisation are as follows:

Product IPR	₹ Million
Opening Net Block	57.98
Additions	109.00
Deletions (Net)	21.87
Closing Net Block	145.11

RISKS, CONCERNS AND RISK MITIGATION:

Increasing Competition

New providers and existing technology vendors are constantly foraying into the airline IT and finance domain.

Accelya Kale is constantly investing in people, solutions and processes to ensure maximum value to its customers.

The company's in-depth knowledge of the industry and its requirements makes Accelya Kale the partner of choice for airlines.

Uncertain Economic Environment

The airline industry is amongst the first to be impacted by any major economic or political situations. Accelya Kale is in a good position to mitigate this risk.

The Company has a global customer base. The Company has long term contracts with its customers which generates annuity revenues and provides good visibility on business.

Regulatory Risk

Proposed legislation in certain countries in which Accelya Kale operates, may restrict airlines in those countries from outsourcing work to the Company, or may limit its ability to send employees to certain client sites.

Accelya Kale has employees of different nationalities which helps in mitigating this risk to a certain extent.

Cyber Security and Data Privacy Risk

Global cyber security and data privacy threats are ever increasing. Accelya Kale has relevant controls and compliances in place to address these. The Company's Privacy Management Program covers continuous risk analysis and mitigation for all its products, services and processes.

Currency Volatility

Being a global organization dealing with global customers, volatility in currency exchange movements may affect the results of Accelya Kale's operations.

The Company has currency hedging policies and practices in place which are regularly reviewed to mitigate this risk.

Resource Availability

Accelya Kale is in an industry driven by domain knowledge and intellectual property and the Company's success depends in large part on its ability to attract and retain talent.

A strong HR process to identify competency and skill gaps on a continuous basis, a well-defined hiring program, and competency development of the Company's employees continue to be key areas of strategic focus for Accelya Kale.

NDC and ONE Order Initiatives

IATA is currently working on NDC and ONE Order initiatives which may have an impact on airline financial processes.

The Company is actively participating in NDC and ONE Order forums and has representatives on IATA working groups to identify opportunities and challenges that may have an impact on its business.

Human Capital

At Accelya we are committed to enable a forward thinking team that is driven to innovate. Our human capital model is built around creating systems and processes that enable us to unlock people and organizational potential, while keeping a focus on continuous improvement by keeping track of important people metrics.

Some of these key metrics imperative to our business are shared below. It is our endeavor to…

Attract qualified talent…

Educational Qualifications

Post Graduates	Engineering /Other Graduates	IATA Certified / Diploma holders	Undergraduates
19%	66%	10%	5%

…With deep experience in our domain & technology…

Total Experience

Less than 2 years	2-5 years	5-10 years	More than 10 years
9%	15%	29%	47%

….and encourage practices of inclusion and diversity to bring forth the best in our people….

Gender Diversity

Men	Women
61%	39%

…while making all efforts to retain the best people and enable them grow in their roles

Attrition

Attrition for FY 17-18: 10.62%

Voluntary attrition for last 3 years:

Year	ITS	AMS	Others
2015-16	15.81%	20.92%	15.87%
2016-17	22.12%	8.41%	12.04%
2017-18	20.13%	8.65%	11.25%

For the last year, some of the key programs that we were focused on are summarized below:

Accelya Knowledge Circle (AKC): Online learning platform with world class content - Coursera

It's our endeavor to develop and retain top talent and create an agile organization, this year we defined a learning and development strategy that focuses on empowering our teams that operates with high standards of alignment, accountability, expertise, transparency & collaboration. Accelya Knowledge Circle is our Learning & Development initiative, which provides holistic learning and development opportunities and solutions. As a first step of AKC we have tied up with global leader in online learning – **Coursera**.

Coursera enables Accelya to access the world's best education, partnering with top universities and organizations to offer a wide range courses online that represent the state of the art in business training.

The coursera catalogue has 85 courses. These courses are bifurcated into five paths – Technology & Innovation, Business Acumen, Commercial Acumen, Leading leads & Communication Skills. As per the needs of the organization we will keep on augmenting our catalogue.

Courses are allocated based on learning and growth needs of employees. Tests and assignments ensure content is retained and learnings are applied to real life scenarios. The platform also helps track tangible skill development for various high demand skills. Coursera courses have received great feedback from our employees with more and more employee getting on the platform, completing a wide variety of courses and helps in creating agile teams.

DRIVE: Global Performance Management Process

This year was our first year of implementing the global harmonized performance management framework. DRIVE is designed to help position Accelya as the undisputed leader in the industry. DRIVE sits at the intersection of our individual, team and organizational performance, reward & development.

Drive establishes the process for performance-based pay. It links compensation directly to specific business goals and management objectives. This framework is designed to retain top performing employees, motivate the desired performance and control costs.

Pulse – Integrated Global HRMS for Employees

One of the core focus of our team over the last year has been to leverage technology to streamline HR processes and reduce overheads in terms of time and manpower. With this objective, we have partnered with a leading HRMS provider to offer an integrated global HRMS platform based on Oracle FUSION HCMS.

This tool enables employee self-service (ESS) and manager self-service (MSS) for many HR processes, enabling them to complete relevant actions online for themselves and their teams. The tool also provides access to important Organization information and policies. It is our endeavour to ensure technology is continuously leveraged for a better employee experience.

This platform will be the enabler in harmonizing the HR processes across the globe. This system would ensure that we are using the latest technology and empower managers & employees in people processes.

Independent Auditor's Report

To the Members of
Accelya Kale Solutions Limited

Report on the Audit of the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Accelya Kale Solutions Limited ('the Company'), which comprise the Balance Sheet as at 30 June 2018, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'the standalone Ind AS financial statements').

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibility

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

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

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 30 June 2018, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
   d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards prescribed under Section 133 of the Act;
   e) On the basis of written representations received from the directors of the Company as on 30 June 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 30 June 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and
   g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 42 to the standalone Ind AS financial statements;
      (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 38 and 48 to the standalone Ind AS financial statements;
      (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and
      (iv) The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 30 June 2018. However amounts as appearing in the audited standalone financial statements for the year ended 30 June 2017 have been disclosed.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Rajiv Shah
Partner
Membership No: 112878

Place : Mumbai
Date : 3 August 2018

Annexure A to the Independent Auditor's Report

With reference to the Annexure A referred to in the Independent Auditor's Report to the members of the Company on the standalone Ind AS financial statements for the year ended 30 June 2018, we report the following:

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

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified annually. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification during the year.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties included in fixed assets are held in the name of the Company.

(ii) The Company is a service company, primarily rendering Information technology services and Information technology enabled services. Accordingly, it does not hold any physical inventories. Accordingly, paragraph 3(ii) of the order is not applicable.

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

(iv) The Company has not granted any loan, investment, guarantee and security to parties covered under Section 185 and 186 of the Act. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.

(v) According to information and explanations given to us, the Company has not accepted any deposits from the public as per the provisions of Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Act for any of the services rendered by the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Goods and Service Tax, duty of Customs, duty of Excise, Value added tax, Cess and other statutory dues have been generally regularly deposited during the year with the appropriate authorities. As explained to us, the Company did not have any dues on account of excise duty.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Goods and Service Tax, duty of Customs, Value added tax, Cess and other material statutory dues were in arrears as at 30 June 2018 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income-tax, Sales tax, Service tax, Goods and Service tax, duty of Customs and Value added tax, which have not been deposited with the appropriate authorities on account of any dispute except as follows:

Name of the statute	Nature of the dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Sales Tax	Disallowance of Software services and maintenance of software	7,120,739*	2001-02	Maharashtra Sales Tax Tribunal
*Net of amount deposited with authorities amounting to ₹ 750,000				
Service Tax	Under Reverse Charge Mechanism	56,904,736**	2011-12 to 2014-15	CESTAT
** Net of amount deposited with authorities amounting to ₹ 2,217,068				

(viii) The Company does not have any loans or borrowings from any financial institution, banks, Government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable to the Company.

(ix) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

(x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) According to the information and explanations given to us, in our opinion, the Company is not a Nidhi Company as prescribed under Section 406 of the Act. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the financial statements as required under Ind AS 24, Related Party Disclosures, specified under Section 133 of the Act, read with relevant rules issued thereunder.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) According to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Rajiv Shah
Partner
Membership No: 112878

Place : Mumbai
Date : 3 August 2018

Annexure B to the Independent Auditor's Report

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

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

We have audited the internal financial controls with reference to financial statements of Accelya Kale Solutions Limited ("the Company") as of 30 June 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial control system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 30 June 2018, based on the internal controls with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Rajiv Shah
Partner
Membership No: 112878

Place : Mumbai
Date : 3 August 2018

Balance sheet as at 30 June 2018	Note	30 June 2018 ₹	30 June 2017 ₹	1 July 2016 ₹
ASSETS				
Non-current assets				
Property, plant and equipment	4	**208,516,612**	237,635,420	186,715,307
Capital work in progress	4	**4,357,652**	6,425,100	429,270
Other intangible assets	5	**194,883,001**	117,862,699	163,527,502
Intangible assets under development	5	**-**	-	125,000
Financial assets				
Investments	6	**474,154,544**	474,154,544	474,154,544
Loans	7	**31,746,264**	40,131,873	39,148,167
Other financial assets	8	**13,071,339**	23,573,580	20,754,101
Deferred tax assets (net)	9	**50,463,421**	-	19,063,948
Other non-current assets	10	**102,161,272**	75,472,197	75,892,731
Non-current tax assets (net)	11	**9,412,582**	7,603,913	20,267,460
Total non-current assets		**1,088,766,687**	982,859,326	1,000,078,030
Current assets				
Financial assets				
Investments	12	**327,423,513**	380,244,014	241,338,977
Trade receivables	13	**525,117,646**	569,435,054	362,756,184
Loans	14	**11,180,309**	-	-
Cash and cash equivalents	15	**23,485,995**	17,289,035	10,940,144
Other bank balances	16	**37,602,738**	31,095,886	27,488,553
Other financial assets	17	**315,651,282**	282,654,211	284,877,201
Other current assets	18	**88,181,013**	69,846,138	48,834,948
Total current assets		**1,328,642,496**	1,350,564,338	976,236,007
TOTAL ASSETS		**2,417,409,183**	2,333,423,664	1,976,314,037
EQUITY AND LIABILITIES				
Equity				
Equity share capital	19	**149,268,660**	149,268,660	149,268,660
Other equity	20	**1,589,481,750**	1,581,678,017	1,368,327,652
Total equity		**1,738,750,410**	1,730,946,677	1,517,596,312
Non-current liabilities				
Financial liabilities				
Other financial liabilities	21	**27,151,082**	6,131,927	3,269,201
Deferred tax liabilities (net)	9	**-**	608,248	-
Provisions	22	**37,609,292**	50,149,458	49,062,697
Other non-current liabilities	23	**3,683,510**	10,407,956	14,744,891
Total non-current liabilities		**68,443,884**	67,297,589	67,076,789
Current liabilities				
Financial liabilities				
Trade payables	24	**172,210,283**	131,450,374	89,065,217
Other financial liabilities	25	**248,981,615**	205,808,942	159,728,038
Provisions	26	**24,043,181**	31,280,248	30,213,994
Current tax liabilities (net)	27	**75,194,091**	72,627,857	68,595,035
Other current liabilities	28	**89,785,719**	94,011,977	44,038,652
Total current liabilities		**610,214,889**	535,179,398	391,640,936
TOTAL EQUITY & LIABILITIES		**2,417,409,183**	2,333,423,664	1,976,314,037
Significant accounting policies	3			

The notes referred to above form an integral part of the financial statements
As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Rajiv Shah
Partner
Membership No: 112878

Place : Mumbai
Date : 3rd August 2018

For and on behalf of Board of Directors
Accelya Kale Solutions Limited
CIN: L74140PN1986PLC041033

John Johnston
Chairman
DIN: 07258586

Neela Bhattacherjee
Managing Director
DIN: 01912483

Gurudas Shenoy
Chief Financial Officer

Ninad Umranikar
Company Secretary
Membership No: ACS14201

Place : Mumbai
Date : 3rd August 2018

Statement of Profit and Loss for the year ended 30 June 2018	Note	**30 June 2018 ₹**	30 June 2017 ₹
Revenue			
Revenue from operations	*29*	**3,439,340,111**	3,324,046,189
Other income	*30*	**164,014,682**	217,111,232
Total income		**3,603,354,793**	3,541,157,421
Expenses			
Employee benefit expenses	*31*	**1,287,416,746**	1,306,321,737
Operating and other expense	*32*	**764,465,436**	639,266,501
Depreciation and amortization expense	*33*	**143,302,872**	143,420,250
Total expenses		**2,195,185,054**	2,089,008,488
Profit before tax		**1,408,169,739**	1,452,148,933
Tax expenses:			
Current tax	*35*	**516,973,963**	480,335,337
Tax expense (reversal) / provision for earlier year's	*35*	**(4,895,904)**	4,674,349
Deferred tax	*35*	**(51,071,669)**	19,672,196
Profit for the period		**947,163,349**	947,467,051
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligation		**4,723,409**	(3,699,245)
Income tax related to items that will not be reclassified to profit or loss		-	-
Items that will be reclassified to profit or loss		-	-
Total comprehensive income for the period		**951,886,758**	943,767,806
Earnings per equity share (face value of ₹ 10 each)			
Basic and diluted	*34*	63.46	63.48
Significant accounting policies	*3*		

The notes referred to above form an integral part of the financial statements
As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Rajiv Shah
Partner
Membership No: 112878

Place : Mumbai
Date : 3rd August 2018

For and on behalf of Board of Directors
Accelya Kale Solutions Limited
CIN: L74140PN1986PLC041033

John Johnston
Chairman
DIN: 07258586

Neela Bhattacherjee
Managing Director
DIN: 01912483

Gurudas Shenoy
Chief Financial Officer

Ninad Umranikar
Company Secretary
Membership No: ACS14201

Place : Mumbai
Date : 3rd August 2018

Statement of Changes in Equity
for the year ended 30 June 2018

A Equity share capital

	Number of shares	Amount
Balance as at 1 July 2016	149,268,660	1,492,686,600
Changes in equity share capital during 2016-17	-	-
Balance as at 30 June 2017	**149,268,660**	**1,492,686,600**
Changes in equity share capital during 2017-18	-	-
Balance as at 30 June 2018	**149,268,660**	**1,492,686,600**

B Other equity

Particulars	Attributable to the owners of the Company					
	Reserves & Surplus				Items of OCI	Total
	Capital redemption reserve	Securities premium	General reserve	Retained earnings	Other items of OCI	
Balance at 1 July, 2016	**9,538,260**	**316,984,098**	**239,151,558**	**802,653,736**	**-**	**1,368,327,652**
Profit for the year	-	-	-	947,467,051	-	947,467,051
Other comprehensive income (OCI) for the year	-	-	-	-	(3,699,245)	(3,699,245)
Total comprehensive income for the year	**-**	**-**	**-**	**947,467,051**	**(3,699,245)**	**943,767,806**
Other changes						
Interim dividend	-	-	-	(164,188,871)	-	(164,188,871)
Dividend distribution tax on interim dividend	-	-	-	(33,425,000)	-	(33,425,000)
Dividend distribution tax credit	-	-	-	6,143,326	-	6,143,326
Final equity dividend	-	-	-	(447,787,830)	-	(447,787,830)
Dividend distribution tax on final dividend	-	-	-	(91,159,066)	-	(91,159,066)
Balance at 30 June, 2017	**9,538,260**	**316,984,098**	**239,151,558**	**1,019,703,346**	**(3,699,245)**	**1,581,678,017**

Particulars	Attributable to the owners of the Company					
	Reserves & Surplus				Items of OCI	Total
	Capital redemption reserve	Securities premium	General reserve	Retained earnings	Other items of OCI	
Balance at 1 July, 2017	**9,538,260**	**316,984,098**	**239,151,558**	**1,019,703,346**	**(3,699,245)**	**1,581,678,017**
Profit for the year	-	-	-	947,163,349	-	947,163,349
Other comprehensive income for the year	-	-	-	-	4,723,409	4,723,409
Total comprehensive income for the year	**-**	**-**	**-**	**947,163,349**	**4,723,409**	**951,886,758**
Other changes						
Interim dividend	-	-	-	(208,967,654)	-	(208,967,654)
Dividend distribution tax on interim dividend	-	-	-	(42,540,897)	-	(42,540,897)
Dividend distribution tax credit	-	-	-	26,021,387	-	26,021,387
Final equity dividend	-	-	-	(597,050,440)	-	(597,050,440)
Dividend distribution tax on final dividend	-	-	-	(121,545,421)	-	(121,545,421)
Balance at 30 June, 2018	**9,538,260**	**316,984,098**	**239,151,558**	**1,022,783,670**	**1,024,164**	**1,589,481,750**

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Rajiv Shah
Partner
Membership No: 112878

Place : Mumbai
Date : 3rd August 2018

For and on behalf of Board of Directors
Accelya Kale Solutions Limited
CIN: L74140PN1986PLC041033

John Johnston
Chairman
DIN: 07258586

Neela Bhattacherjee
Managing Director
DIN: 01912483

Gurudas Shenoy
Chief Financial Officer

Ninad Umranikar
Company Secretary
Membership No: ACS14201

Place : Mumbai
Date : 3rd August 2018

Cash flow statement **for the year ended 30 June 2018**	**30 June 2018** **₹**	30 June 2017 ₹
Cash flows from operating activities		
Net profit before tax	**1,408,169,739**	1,452,148,933
Adjustments for:		
Depreciation and amortization	**143,302,872**	143,420,250
Profit on sale of fixed assets	**(531,728)**	(733,389)
Provision for doubtful debts charge	**5,514,580**	1,994,411
Credit balances written back	**(7,466,244)**	(12,363,032)
Unrealised exchange (gain)/ loss	**(12,921,468)**	2,219,738
Interest on bank deposits	**(497,534)**	(286,420)
Mark to market loss/ (gain) on forward contract	**161,766,914**	(81,123,816)
Dividend income from mutual fund	**(12,182,510)**	(9,806,538)
Dividend income from subsidiary	**(127,821,200)**	(30,177,000)
Operating cash flow before working capital changes	**1,557,333,421**	1,465,293,137
Decrease/ (Increase) in trade receivables	**39,601,568**	(207,210,403)
(Increase) in other assets	**(40,497,540)**	(29,298,803)
(Increase)/ Decrease in unbilled revenue	**(139,239,871)**	86,785,068
Increase in trade payables and other financial liabilities	**53,906,962**	90,868,849
Cash generated from operations	**1,471,104,540**	1,406,437,848
Taxes paid, net	**(511,320,494)**	(468,313,317)
Net cash provided by operating activities (A)	**959,784,046**	938,124,531
Cash flows from investing activities		
Purchase of fixed assets	**(203,701,256)**	(103,205,771)
Proceeds from sale of fixed assets	**614,155**	896,708
Interest received on bank deposits	**258,109**	240,834
Dividend received from subsidiaries	**127,821,200**	30,177,000
Dividend received on mutual fund investments	**12,182,510**	9,806,538
Purchase of investments in a mutual fund units	**(2,551,179,607)**	(2,352,405,056)
Sale of investments in a mutual fund units	**2,604,000,000**	2,213,500,018
Investment in bank deposits having maturity more than 3 months	**(18,859,927)**	(3,647,443)
Margin money deposits matured	**18,633,700**	3,423,069
Net cash (used in) investing activities (B)	**(10,231,116)**	(201,214,103)

Cash flow statement (contd.) **for the year ended 30 June 2018**	**30 June 2018** **₹**	30 June 2017 ₹
Cash flow from financing activities		
Dividend paid (including dividend distribution tax thereon)	**(944,083,025)**	(730,417,441)
Net cash (used) by financing activities (C)	**(944,083,025)**	(730,417,441)
Net (decrease) / increase in cash and cash equivalents (A+B+C)	**5,469,905**	6,492,987
Effect of exchange differences on cash and cash equivalents held in foreign currency	**727,055**	(144,096)
Cash and cash equivalents at the beginning of the year	**17,289,035**	10,940,144
Cash and cash equivalents at the end of the year	**23,485,995**	17,289,035
Note to Cash flow statement:		
(a) Components of cash and cash equivalents		
Balance with banks		
in current accounts	**5,946,609**	13,866,070
in EEFC accounts	**2,539,386**	3,422,965
Bank deposit with maturity less than 3 months	**15,000,000**	-
Total cash and cash equivalents	**23,485,995**	17,289,035

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Rajiv Shah
Partner
Membership No: 112878

Place : Mumbai
Date : 3rd August 2018

For and on behalf of Board of Directors
Accelya Kale Solutions Limited
CIN: L74140PN1986PLC041033

John Johnston
Chairman
DIN: 07258586

Neela Bhattacherjee
Managing Director
DIN: 01912483

Gurudas Shenoy
Chief Financial Officer

Ninad Umranikar
Company Secretary
Membership No: ACS14201

Place : Mumbai
Date : 3rd August 2018

Notes to the financial statements

1. Reporting entity

Accelya Kale Solutions Limited ("Accelya" or "the Company") is a software solutions provider to the global Airline and Travel industry.

Accelya delivers world class software products, managed processes, technology and hosting services. Accelya's industry solutions are driven by active partnerships with industry bodies and customers, and significant domain knowledge. Its customised approach in deploying these solutions supports clients with best fit solutions to match their requirements.

2. Basis of preparation

a) Statement of compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

The financial statements up to year ended 30 June 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

Accordingly, the transition to Ind AS has been carried out from the accounting principles generally accepted in India ("Indian GAAP") which is considered as the "Previous GAAP" for purposes of Ind AS 101. An explanation of how the transition to Ind AS has affected the Company's equity and its net profit or loss is provided in Note 51. These financial statements are the first financial statements of the Company under Ind AS.

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

b) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities including defined benefit plans - plan assets measured at fair value.

c) Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in prospectively.

The areas involving critical estimates and judgements are:

(i) Estimation of useful life of property, plant and equipment (refer note 3(a))

(ii) Estimation of defined benefit obligation (refer note 3(i))

(iii) Impairment of trade receivables (refer note 3(g)(I))

(iv) Provisions and contingent liabilities (refer note 3(l))

Notes to the financial statements *(continued)*

3. Summary of significant accounting policies

a. Property, plant and equipment

Property, plant and equipments are stated at cost of acquisition, including any attributable cost for bringing the asset to its working condition for its intended use, less accumulated depreciation/ amortisation and impairment loss.

Property, plant and equipment not ready for the intended use on the date of Balance Sheet are disclosed as "Capital work-in-progress". Depreciation on Property, plant and equipment is provided pro rata for the period of use based on management's best estimate of useful lives of the assets.

Depreciation/ amortization for the year is recognised in the Statement of Profit and Loss.

The useful life of the assets considered for depreciation is summarized below:

Building	30 years
Plant and machinery and computer equipment	3 to 6 years
Furniture and fixtures, Equipment and other assets	4 to 6 years
Software acquired/ developed	3 to 5 years
Vehicles	5 years
Leasehold improvements	To be amortized over the lesser of the period of lease and the useful life of the asset

For each class of assets, based on internal assessment and independent technical evaluation carried out by external valuer, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II to the Companies Act, 2013.

The useful lives are reviewed by the management at each financial year-end and revised, if appropriate. In case of a revision, the unamortised depreciable amount is changed over the revised remaining useful life.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the company.

b. Intangible assets

Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment loss, if any.

Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates. An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use.

Losses arising from retirement and gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss.

Research and Development cost

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable and the Company has intention and the ability to complete and use or sell the software and the costs can be measured reliably.

Notes to the financial statements *(continued)*

c. *Impairment of non-financial asset*

Property, plant and equipment and intangible assets are reviewed at each reporting date to determine if there is any indication of impairment. For assets in respect of which any such indication exists and for intangible assets mandatorily tested annually or at period end for impairment, the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets (cash generating unit or "CGU") that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its net selling price. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Impairment losses are recognised in the Statement of Profit and Loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists or has decreased, the assets or CGU's recoverable amount is estimated. For assets other than goodwill, the impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Impairment loss recognised for goodwill is not subsequently reversed.

d. *Revenue recognition*

Revenue is derived primarily from transaction processing and sale of software license, related implementation and maintenance service.

Revenues from transaction processing service i.e. airline ticket and coupon processing charges, is recognized based on the rates fixed in the contract with customers based on the work completed and where there is no uncertainty as to measurability or collectability of that amount.

Arrangements with customers for software development and related implementation services are classified as fixed-price contracts. Revenue from maintenance services are on a time- and -material basis.

Revenue from the sale of user licenses for software applications is recognized on transfer of the title in the user license, except in cases of multiple element contracts which require significant implementation services, where revenue for the entire arrangement is recognized over the implementation period based upon the percentage-of-completion.

Revenue from fixed-price contracts where there is no uncertainty as to measurement or collectability of consideration is recognized based on the percentage of completion. Percentage of completion is measured as a proportion of time spent on the contract till the balance sheet date to the total estimated time to complete the contract. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Cost and estimated earnings in excess of billings are classified as unbilled revenue while billing in excess of cost and estimated earnings are classified as unearned revenue. Provision for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the current estimates.

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last billing to the balance sheet date is recognized as unbilled revenue.

Revenue from client training, support and other services arising due to the sale of software products, is recognized as the related services are performed.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the company, and the amount of the dividend can be measured reliably.

e. Leases

Operating lease

Lease rentals under an operating lease are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term.

Finance Lease

Assets acquired under finance lease are recorded as an asset and liability at the inception of the lease and are recorded at an amount equal to lower of fair value of the leased asset and the present value of the future minimum lease payments.

f. Foreign currency transactions and balances

i. Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian Rupee (INR), which is the Company's functional and presentation currency.

ii. Foreign currency Transactions and Balances

Transactions denominated in foreign currency are recorded at the exchange rates prevailing on the date of transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the Statement of Profit and Loss for the year.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated into Indian rupees at the closing exchange rates on that date. The resultant exchange differences are recognised in the Statement of Profit and Loss.

g. Financial Instruments:

I. Financial Assets:

Classification

On initial recognition the Company classifies financial assets as measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement

All financial assets are initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

Cash and cash equivalent

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term (with

Notes to the financial statements *(continued)*

an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Financial assets at amortised cost

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

i) the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

ii) contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR.

The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

Financial assets included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

The Company has elected to continue with the carrying value of all its equity investments as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as the deemed cost as at the transition date pursuant to the exemption under Ind AS 101.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

Notes to the financial statements *(continued)*

i) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

ii) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

II. Financial Liabilities

Classification

The Company classifies all financial liabilities as measured at amortised cost, except for financial liabilities measured at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value with changes in fair value being recognised in the Statement of Profit and Loss.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortised cost (loans and borrowings, and payables).

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses are recognised in the Statement of Profit and Loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or

Notes to the financial statements *(continued)*

modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments

The Company uses derivative financial instruments, such as foreign exchange forward contracts to manage its exposure to foreign exchange risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

h. Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and long positions at a bid price and liabilities and short positions at an ask price. The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received.

i. Employee benefit

a. Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense at an undiscounted amount in the Statement of Profit and Loss as the related service is rendered by employees.

b. Post-employment benefits

Defined Contribution Plan

The Company's contributions during the year to Provident Fund administered by government authority are recognized in the Statement of profit and loss.

Notes to the financial statements *(continued)*

Defined Benefit Plan

The Company's net obligation in respect of gratuity is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value, and the fair value of any plan assets is deducted. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation by an independent actuary using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government securities as at the Balance Sheet date. Actuarial gains and losses are recognized in other comprehensive income.

c. Compensated absences

Provision for compensated absences cost has been made based on actuarial valuation by an independent actuary at balance sheet date.

The employees of the Company are entitled to compensated absences. The employees can carry-forward a portion of the unutilized accrued compensated absence and utilize it in future periods or receive cash compensation at termination of employment for the unutilized accrued compensated absence. The Company records an obligation for compensated absences in the period in which the employee renders the services that increase this entitlement. The Company measures the expected cost of compensated absence as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date.

j. Income taxes

Income-tax expense comprises current tax and deferred tax charge or credit. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current taxes

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and set off the liability on a net basis or simultaneously.

Deferred taxes

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be applied to deferred tax assets when they are realised or deferred tax liabilities when they are settled, using tax rates enacted or substantively enacted at the reporting date.

Notes to the financial statements *(continued)*

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

k. Earnings per share ('EPS')

Basic and diluted earnings per share are computed by dividing the net profit attributable to equity shareholders for the year, by the weighted average number of equity shares outstanding during the year.

The number of shares used in computing diluted earnings per share comprises of weighted average number of shares considered for deriving basic earning per share, and also the weighted average number of equity shares which may be issued on conversion of all dilutive potential shares, unless the results would be anti – dilutive.

l. Provisions and contingent liabilities

Provisions are recognized when the Company recognizes that it has a present obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Onerous contracts

Provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at lower of the expected cost of terminating the contract and the expected net cost of fulfilling the contract.

m. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The CODM assesses the financial performance and position of the company, and makes strategic decisions. The company operates in one reportable business segment i.e. software solutions.

Recent accounting developments

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration

On 28 March 2018, the Ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration, which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in foreign currency.

This amendment will come into force effective 1 April 2018 (1 July 2018 for the Company). The Company is in the process of evaluating the impact on account of the same.

Notes to the financial statements *(continued)*

Ind AS 115, Revenue from Contract with Customers

On 28 March 2018, the MCA notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach – under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8, Accounting policies, Changes in Accounting, Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognised at the date of initial application (cumulative catch up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after 1 April 2018 (1 July 2018 for the Company). The Company will adopt the standard with all related amendments following the retrospectively cumulative effect method. Under this transition method, the cumulative effect related to contracts with customers not completed at the date of initial application, will be recognised as an adjustment to the opening balance of retained earnings of the annual reporting period.

The Company has completed its evaluation of the possible impacts of Ind AS 115 and does not expect them to be material on its financial statements.

Notes to the financial statements *(continued)*

4 Property, plant and equipment

	Building ₹	Plant and machinery and computer equipment ₹	Furniture and fixtures ₹	Vehicles ₹	Leasehold improvements ₹	Total ₹
Gross carrying amount						
As at 1 July 2016	63,259,128	486,145,917	58,392,237	10,362,433	21,659,953	639,819,668
Additions during the year	-	119,747,239	6,078,441	-	2,763,814	128,589,494
Deletions/ disposals	-	49,027,153	561,920	852,912	-	50,441,985
As at 30 June 2017	63,259,128	556,866,003	63,908,758	9,509,521	24,423,767	717,967,177
Additions during the year	-	51,854,130	2,654,488	-	107,601	54,616,219
Deletions/ disposals	-	61,882,928	-	2,310,436	-	64,193,364
As at 30 June 2018	**63,259,128**	**546,837,205**	**66,563,246**	**7,199,085**	**24,531,368**	**708,390,032**
Accumulated depreciation						
As at 1 July 2016	36,722,460	343,729,688	45,232,357	8,021,358	19,398,498	453,104,361
Charge for the year	2,108,638	67,136,773	5,202,015	529,236	2,529,400	77,506,062
Deletions/ disposals	-	48,888,727	537,027	852,912	-	50,278,666
As at 30 June 2017	38,831,098	361,977,734	49,897,345	7,697,682	21,927,898	480,331,757
Charge for the year	2,108,638	74,825,187	5,601,109	529,236	588,430	83,652,600
Deletions/ disposals	-	61,800,501	-	2,310,436	-	64,110,937
As at 30 June 2018	**40,939,736**	**375,002,420**	**55,498,454**	**5,916,482**	**22,516,328**	**499,873,420**
Net carrying amount						
As at 30 June 2017	24,428,030	194,888,269	14,011,413	1,811,839	2,495,869	237,635,420
As at 30 June 2018	**22,319,392**	**171,834,785**	**11,064,792**	**1,282,603**	**2,015,040**	**208,516,612**

	Capital work in progress
As at 1 July 2016	429,270
Additions	6,425,100
Assets capitalisation during the year	429,270
As at 30 June 2017	6,425,100
Additions	4,357,652
Assets capitalisation during the year	6,425,100
As at 30 June 2018	**4,357,652**

Notes to the financial statements *(continued)*

5 Other intangible assets

	Internally developed software ₹	Acquired software ₹	Total ₹
Gross carrying amount			
As at 1 July 2016	369,885,972	333,880,867	703,766,839
Purchase/ internal development	14,550,523	5,698,862	20,249,385
Deletions/ disposals	-	7,924,086	7,924,086
As at 30 June 2017	384,436,495	331,655,643	716,092,138
Purchase/ internal development	108,996,060	27,674,514	136,670,574
Deletions/ disposals	-	-	-
As at 30 June 2018	**493,432,555**	**359,330,157**	**852,762,712**
Accumulated amortisation			
As at 1 July 2016	295,571,089	244,668,248	540,239,337
Charge for the year	30,881,128	35,033,060	65,914,188
Deletions/ disposals	-	7,924,086	7,924,086
As at 30 June 2017	326,452,217	271,777,222	598,229,439
Charge for the year	21,869,530	37,780,742	59,650,272
Deletions/ disposals	-	-	-
As at 30 June 2018	**348,321,747**	**309,557,964**	**657,879,711**
Net carrying amount			
As at 30 June 2017	57,984,278	59,878,421	117,862,699
As at 30 June 2018	**145,110,808**	**49,772,193**	**194,883,001**

	Intangible assets under development
As at 1 July 2016	125,000
Additions	14,425,523
Assets capitalisation during the year	14,550,523
As at 30 June 2017	-
Additions	108,996,060
Assets capitalisation during the year	108,996,060
As at 30 June 2018	-

Notes to the financial statements *(continued)*

6 Non-current investments
Unquoted investments

	30 June 2018	30 June 2017	1 July 2016
	₹	₹	₹
Investment in equity instruments of subsidiaries			
1,300,000 (30 June 2017: 1,300,000; 1 July 2016: 1,300,000) Class A voting common stock of Kale Softech Inc. of USD 0.01 each fully paid up	**57,979,585**	57,979,585	57,979,585
1,11,000 (30 June 2017: 1,11,000; 1 July 2016: 1,11,000) ordinary shares of Zero Octa UK Ltd of GBP 0.01 each fully paid up	**416,114,959**	416,114,959	416,114,959
Investments in Shares of Co-operative Banks carried at fair value through profit or loss			
Rupee Co-operative Bank Limited (unquoted)			
5,000 (30 June 2017: 5,000; 1 July 2016: 5,000) equity shares of ₹10 each fully paid up	**50,000**	50,000	50,000
Saraswat Co-operative Bank Limited (unquoted)			
1,000 (30 June 2017: 1,000; 1 July 2016: 1,000) equity shares of ₹10 each fully paid up	**10,000**	10,000	10,000
	474,154,544	474,154,544	474,154,544
All units are in absolute numbers			
Aggregate value of unquoted investments	**474,154,544**	474,154,544	474,154,544

7 Loans - non current

	30 June 2018	30 June 2017	1 July 2016
	₹	₹	₹
Lease deposits	**31,746,264**	40,131,873	39,148,167
	31,746,264	40,131,873	39,148,167

8 Other non-current financial assets

	30 June 2018	30 June 2017	1 July 2016
	₹	₹	₹
Other deposits	**11,891,735**	7,536,783	4,341,861
Margin money deposit	**370,075**	630,866	617,123
Interest accrued on bank deposits	**104,254**	171,385	196,707
Derivative asset - forward contracts	**705,275**	15,234,546	15,598,410
	13,071,339	23,573,580	20,754,101

Margin money deposit

Margin money deposit represents deposit with banks for issue of bank guarantees to various authorities amounting to ₹ 370,075 (30 June 2017: ₹ 630,866; 1 July 2016: ₹ 617,123) which are due to mature after twelve months of the reporting date.

Notes to the financial statements *(continued)*

9 Deferred tax assets

	30 June 2018 ₹	30 June 2017 ₹	1 July 2016 ₹
Deferred tax assets			
Provision for compensated absences	**17,255,560**	22,353,608	22,566,114
Provision for doubtful debts	**5,043,748**	3,086,765	2,656,099
Difference between tax and book value of fixed assets	**770,487**	-	-
Mark to market loss on derivative instruments	**15,826,633**	1,593,051	534,223
Deferred Rent	**3,885,744**	4,963,989	5,102,912
Provision on service tax / GST refund	**3,750,261**	-	-
Others	**10,782,938**	25,456,402	6,878,275
	57,315,371	57,453,815	37,737,623
Deferred tax liabilities			
Difference between tax and book value of fixed assets	**-**	(10,377,966)	(1,059,008)
Mark to market gain on derivative instruments	**(3,132,603)**	(45,005,373)	(15,871,215)
Others	**(3,719,347)**	(2,678,724)	(1,743,452)
	(6,851,950)	(58,062,063)	(18,673,675)
Total	**50,463,421**	(608,248)	19,063,948

Note: For movement of deferred tax assets / (liabilities), please refer to note no. 35

10 Other non-current assets

	30 June 2018 ₹	30 June 2017 ₹	1 July 2016 ₹
Advances recoverable in cash or kind	**71,316,904**	40,543,948	38,850,280
Service tax refund receivable	**18,180,586**	18,180,586	17,875,311
Discount in advance	**9,397,619**	11,591,569	10,741,968
Prepaid expenses	**3,266,163**	5,156,094	8,425,172
	102,161,272	75,472,197	75,892,731

Discount in advance
Discount in advance represent discount given to customer to be amortised over the period of contract.

11 Non-current tax assets (net)

	30 June 2018 ₹	30 June 2017 ₹	1 July 2016 ₹
Advance income-tax (net of provision for tax of ₹ 882,936,397, 30 June 2017: ₹ 428,858,473, 1 July 2016: ₹ 707,746,278)	**9,412,582**	7,603,913	20,267,460
	9,412,582	7,603,913	20,267,460

Notes to the financial statements *(continued)*

12 Current investments
Non-trade, unquoted investments

	30 June 2018 ₹	30 June 2017 ₹	1 July 2016 ₹
Investments in Mutual Fund carried at fair value through profit or loss			
HDFC			
89,946.983 Liquid Fund Div Reinvest of ₹ 1019.82 (30 June 2017: 77,235.819 Liquid Fund Div Reinvest of ₹ 1019.82; 1 July 2016: 87,426.547 Liquid Fund Div Reinvest of ₹ 1019.82) (net asset value of unquoted investment)	**91,729,732**	78,766,633	89,159,341
ICICI Prudential			
607,591.507 Liquid Fund Div Reinvest of ₹ 100.1482 (30 June 2017: 625,825.963 Liquid Fund Div Reinvest of ₹ 100.0989; 1 July 2016: 525,691.147 Liquid Fund Div Reinvest of ₹ 100.0989) (net asset value of unquoted investment)	**60,849,196**	62,644,490	52,621,106
Birla Sun Life			
753,085.860 Liquid fund Div reinvest of ₹ 100.2169 (30 June 2017: 1,223,809.486 Liquid fund Div reinvest of ₹ 100.195; 1 July 2016: 993,647.686 Liquid fund Div reinvest of ₹ 100.1950) (net asset value of unquoted investment)	**75,471,930**	122,619,591	99,558,530
SBI Premier			
99,050.740 Liquid fund Div reinvest of ₹ 1003.25 (30 June 2017: 115,836.830 Liquid fund Div reinvest of ₹ 1003.25; 1 July 2016: Nil) (net asset value of unquoted investment)	**99,372,655**	116,213,300	-
Total	**327,423,513**	380,244,014	241,338,977
All units are in absolute numbers			
Aggregate value of unquoted investments	**327,423,513**	380,244,014	241,338,977

Notes to the financial statements *(continued)*

13 Trade receivables

	30 June 2018 ₹	30 June 2017 ₹	1 July 2016 ₹
Trade receivables			
Unsecured, considered good	**525,117,646**	569,435,054	362,756,184
Considered doubtful	**14,433,803**	8,919,331	6,924,920
	539,551,449	578,354,385	369,681,104
Allowance for credit loss (refer to note 38)	**14,433,803**	8,919,331	6,924,920
Net trade receivables	**525,117,646**	569,435,054	362,756,184
Of the above, trade receivables from related parties are as below:			
Total trade receivables from related parties	**120,271,175**	143,365,014	75,221,569
Allowance for credit loss	**-**	-	-
Net trade receivables	**120,271,175**	143,365,014	75,221,569

14 Loans

	30 June 2018 ₹	30 June 2017 ₹	1 July 2016 ₹
Lease deposits	**11,180,309**	-	-
	11,180,309	-	-

15 Cash and bank balances

	30 June 2018 ₹	30 June 2017 ₹	1 July 2016 ₹
Cash and cash equivalents			
Balances with bank			
On current accounts	**5,946,609**	13,866,070	10,234,415
In EEFC accounts	**2,539,386**	3,422,965	705,729
Bank deposit with maturity less than 3 months	**15,000,000**	-	-
	23,485,995	17,289,035	10,940,144

Notes to the financial statements *(continued)*

16 Other bank balances

	30 June 2018	30 June 2017	1 July 2016
	₹	₹	₹
Margin money deposits	**4,120,718**	3,633,700	3,423,069
Unclaimed dividend *	**33,482,020**	27,462,186	24,065,484
	37,602,738	31,095,886	27,488,553

* The Company can utilize this balance only towards settlement of unclaimed dividend.

Margin money deposits

Margin money deposit represents deposit with banks for issue of bank guarantees to various authorities amounting to ₹ 4,120,718 (30 June 2017: ₹ 3,633,700; 1 July 2016: ₹ 3,423,069) which are due to mature within twelve months of the reporting date.

Due after 12 months (refer note 8)	**370,075**	630,866	617,123

17 Other current financial assets

	30 June 2018	30 June 2017	1 July 2016
	₹	₹	₹
Deposits	-	-	56,000
Interest accrued on bank deposits	**495,063**	188,507	117,599
Derivative asset - forward contracts	**8,259,364**	114,808,720	30,261,550
Unbilled revenue (refer to note 40 and 45)	**306,896,855**	167,656,984	254,442,052
	315,651,282	282,654,211	284,877,201

18 Other current assets

	30 June 2018	30 June 2017	1 July 2016
	₹	₹	₹
Advances recoverable in cash or kind	**9,761,099**	5,190,246	6,409,770
Service tax refund receivable	**26,740,516**	18,825,315	3,112,816
Prepaid expenses	**48,787,623**	43,103,093	37,367,786
Discount in advance	**2,891,775**	2,727,484	1,944,576
	88,181,013	69,846,138	48,834,948

Discount in advance

Discount in advance represent discount given to customer to be amortised over the period of contract.

Notes to the financial statements *(continued)*

19 Equity share capital

	30 June 2018	30 June 2017	1 July 2016
	₹	₹	₹
Authorised			
20,200,000 (30 June 2017: 20,200,000; 1 July 2016: 20,200,000) equity shares of ₹10 each	**202,000,000**	202,000,000	202,000,000
Issued, subscribed and paid-up			
14,926,261 (30 June 2017: 14,926,261; 1 July 2016: 14,926,261) equity shares of ₹10 each fully paid up	**149,262,610**	149,262,610	149,262,610
Forfeited shares	**6,050**	6,050	6,050
Total issued, subscribed and paid-up	**149,268,660**	149,268,660	149,268,660

a. **Reconciliation of the shares outstanding at the beginning and at the end of the year**

Equity shares

	30 June 2018		30 June 2017	
	Number of shares	₹	Number of shares	₹
At the beginning and end of the year	**14,926,261**	**149,262,610**	14,926,261	149,262,610

b. **Rights, preference and restriction attached to equity shares**

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shareholders are entitled to receive dividend as declared from time to time. The voting right of an equity shareholder on a poll (not on show of hands) is in proportion to its share of the paid-up equity capital of the Company. Voting right cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. During the year the Company has declared interim dividend of ₹ 14 per equity share of ₹10 each. For the year ended 30 June, 2018, the Board of Directors have recommended a final dividend of ₹ 32 per equity share of ₹10 each. This is subject to approval of shareholders.

Failure to pay any amount called up on shares may lead to forfeiture of the shares.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

c. **Shares held by holding Company**

Out of equity shares issued by the Company, shares held by its holding Company are as follows

	30 June 2018	30 June 2017
	₹	₹
Accelya Holding World S.L.U		
11,143,295 (30 June 2017: 11,143,295; 1 July 2016: 11,143,295) equity shares of ₹10 each fully paid	**111,432,950**	111,432,950

d. **Details of shareholders holding more than 5% shares in the Company**

	30 June 2018		30 June 2017	
	Number of shares	% of total shares in the class	Number of shares	% of total shares in the class
Equity shares of ₹10 each fully paid				
Accelya Holding World S.L.U	**11,143,295**	**74.66**	11,143,295	74.66

Notes to the financial statements *(continued)*

20 Other equity

	30 June 2018	30 June 2017	1 July 2016
	₹	₹	₹
Reserves and surplus			
Capital redemption reserve	**9,538,260**	9,538,260	9,538,260
Securities premium account	**316,984,098**	316,984,098	316,984,098
General reserve	**239,151,558**	239,151,558	239,151,558
Retained earnings	**1,023,807,834**	1,016,004,101	802,653,736
	1,589,481,750	1,581,678,017	1,368,327,652
(i) Capital redemption reserve			
At the commencement and end of the year	**9,538,260**	9,538,260	9,538,260
(ii) Securities premium account			
At the commencement and end of the year	**316,984,098**	316,984,098	316,984,098
(iii) General reserve			
At the commencement and end of the year	**239,151,558**	239,151,558	239,151,558
(iv) Retained earnings			
At the commencement of the year	**1,016,004,101**	802,653,736	230,648,751
Add: Net profit for the year	**947,163,349**	947,467,051	835,915,261
Items of other comprehensive income recognised directly in retained earnings			
- Remeasurement of post-employment benefit obligation	**4,723,409**	(3,699,245)	-
Less: Appropriations			
Interim dividend (current year amount per share ₹ 14, previous year amount per share ₹ 11)	**208,967,654**	164,188,871	223,893,915
Dividend distribution tax on interim dividend	**42,540,897**	33,425,000	44,096,700
Dividend distribution tax credit	**(26,021,387)**	(6,143,326)	(4,080,339)
Final equity dividend (current year amount per share ₹ 40, previous year amount per share ₹ 30)	**597,050,440**	447,787,830	-
Dividend distribution tax on final dividend	**121,545,421**	91,159,066	-
Total appropriations	**944,083,025**	730,417,441	263,910,276
Balance at the end of the year	**1,023,807,834**	1,016,004,101	802,653,736
Total reserve and surplus	**1,589,481,750**	1,581,678,017	1,368,327,652

(i) Capital redemption reserve

Capital redemption reserve was created on account of buy-back of equity share capital.

(ii) Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

(iii) General reserve

Amount in general reserve is transferred from profit and loss upon distribution of dividend and is used from time to time to transfer profit from retained earnings for appropriate purposes.

Notes to the financial statements *(continued)*

21 Other non-current financial liabilities

	30 June 2018	30 June 2017	1 July 2016
	₹	₹	₹
Derivative liability - forward contracts	**26,170,285**	4,603,130	1,543,640
Deposit received	**980,797**	1,528,797	1,725,561
	27,151,082	6,131,927	3,269,201

22 Provisions

	30 June 2018	30 June 2017	1 July 2016
	₹	₹	₹
Provision for employee benefits			
- Compensated absences (refer to note 36)	**37,609,292**	50,149,458	49,062,697
	37,609,292	50,149,458	49,062,697

23 Other non-current liabilities

	30 June 2018	30 June 2017	1 July 2016
	₹	₹	₹
Deferred rent liability	**3,683,510**	10,407,956	14,744,891
	3,683,510	10,407,956	14,744,891

24 Trade payables

	30 June 2018	30 June 2017	1 July 2016
	₹	₹	₹
- Total outstanding dues of micro and small enterprises (refer to note 44)	**-**	-	-
- Total outstanding dues of creditors other than micro and small enterprises	**172,210,283**	131,450,374	89,065,217
	172,210,283	131,450,374	89,065,217

Notes to the financial statements *(continued)*

25 Other current financial liabilities

	30 June 2018	30 June 2017	1 July 2016
	₹	₹	₹
Creditors for capital goods	**53,320,880**	67,802,791	16,298,853
Unclaimed dividends	**33,482,020**	27,462,186	24,065,484
Provision for salaries and incentives	**143,057,583**	110,543,965	119,363,701
Derivative liability - forward contracts	**19,121,132**	-	-
	248,981,615	205,808,942	159,728,038

There are no amounts due and outstanding to be credited to Investor Education and Protection Fund

26 Provisions

	30 June 2018	30 June 2017	1 July 2016
	₹	₹	₹
Provision for employee benefit			
- Compensated absences (refer to note 22 and 36)	**11,771,317**	14,441,413	15,703,612
- Gratuity (refer to note 36)	**11,271,864**	15,838,835	13,510,382
Provision for litigation	**1,000,000**	1,000,000	1,000,000
	24,043,181	31,280,248	30,213,994
Movement in provision for litigation			
Balance as at the commencement and end of the year	**1,000,000**	1,000,000	1,000,000

Provision for litigation represents provision made for probable liabilities/ claim arising out of pending disputes/ litigation with ex-employee. Such provisions are generally affected by numerous uncertainties and management considers such uncertainties while making an estimate of these amounts.

Notes to the financial statements *(continued)*

27 Current tax liabilities (net)

	30 June 2018 ₹	30 June 2017 ₹	1 July 2016 ₹
Provision for income tax (net of advance tax ₹ 569,788,267, 30 June 2017: ₹ 1,241,064,513, 1 July 2016: ₹ 762,871,033)	**75,194,091**	72,627,857	68,595,035
	75,194,091	72,627,857	68,595,035

28 Other current liabilities

	30 June 2018 ₹	30 June 2017 ₹	1 July 2016 ₹
Income received in advance	**58,735,015**	63,144,813	23,263,941
Provident fund contribution payable	**5,990,919**	5,930,057	5,409,544
Profession tax payable	**241,175**	255,350	253,675
Tax deducted at source payable	**11,839,164**	14,584,763	10,423,261
Local body tax payable	**-**	1,078,424	235,438
Value added tax payable	**10,071**	577,047	3,996
Payable to employee state insurance corporation	**268,111**	371,098	103,898
Goods & Services Tax/ Service tax payable	**5,264,855**	4,134,909	4,344,899
Deferred rent liability	**7,436,409**	3,935,516	-
	89,785,719	94,011,977	44,038,652

29 Revenue from operations

	Year ended 30 June 2018 ₹	Year ended 30 June 2017 ₹
Sale of services	**3,439,247,397**	3,323,292,655
Other operating revenue	**92,714**	753,534
	3,439,340,111	3,324,046,189

Notes to the financial statements *(continued)*

30 Other income

	Year ended 30 June 2018 ₹	Year ended 30 June 2017 ₹
Interest on bank deposits	**497,534**	286,420
Foreign exchange gain (net)	**-**	150,436,320
Interest on income tax refunds	**-**	795,791
Credit balances written back	**7,466,244**	12,363,032
Dividend from subsidiaries	**127,821,200**	30,177,000
Dividend from mutual funds	**12,182,510**	9,806,538
Profit on sale of asset, net	**531,728**	733,389
Unwinding of Interest Income	**2,903,551**	2,702,471
Miscellaneous income	**12,611,915**	9,810,271
	164,014,682	217,111,232

31 Employee benefits expenses

	Year ended 30 June 2018 ₹	Year ended 30 June 2017 ₹
Salaries, wages and bonus	**1,269,148,839**	1,230,101,657
Contribution to Provident and other fund	**42,290,313**	39,247,635
Staff welfare expenses	**40,379,742**	40,448,498
Gratuity (refer to note 36)	**15,497,488**	10,750,010
Less: Product development cost capitalized	**(79,899,636)**	(14,226,063)
	1,287,416,746	1,306,321,737

Notes to the financial statements *(continued)*

32 Operating and other expenses

	Year ended 30 June 2018 ₹	Year ended 30 June 2017 ₹
Advertisement and sales promotion	**39,688,142**	32,187,869
Auditor's remuneration (refer below)	**6,932,505**	6,683,962
Bank charges	**3,503,116**	3,892,849
Commission and brokerage	**8,833,258**	13,220,797
Communication charges	**26,307,524**	22,231,901
Computer consumables	**647,210**	660,010
Connectivity charges	**26,375,952**	26,611,629
Data processing charges	**17,555,610**	20,607,743
Director's commission	**400,000**	500,000
Director's sitting and committee fees	**1,775,000**	2,287,625
Contribution to corporate social responsibility (refer to note 46)	**25,530,230**	25,090,000
Insurance	**5,049,653**	3,377,755
Legal and professional fees	**19,088,160**	15,897,473
Management fees	**41,629,136**	28,574,818
Foreign exchange loss (net)	**21,284,917**	-
Membership and subscription	**11,000,530**	7,368,928
Power, fuel and water charges	**30,046,130**	31,868,267
Printing and stationery	**2,018,087**	2,198,858
Provision for doubtful debts	**5,514,580**	1,994,411
Bad debt written off	**-**	1,191,498
Rates and taxes	**2,696,337**	3,048,971
Recruitment expenses	**6,502,374**	6,455,788
Rent (refer to note 37)	**76,547,785**	76,629,753
Repair and maintenance :		
- Machinery	**5,361,315**	6,188,069
- Others	**20,178,448**	18,325,444
Software and maintenance	**83,103,815**	77,551,991
Technical consultants charges	**206,409,918**	125,036,171
Travelling and conveyance	**64,290,423**	54,053,725
Miscellaneous expenses	**35,291,705**	25,854,656
Less: Product development cost capitalized	**(29,096,424)**	(324,460)
	764,465,436	639,266,501
Auditor's remuneration		
Statutory audit fees	**6,300,000**	5,616,158
Other services (tax audit, certification and others)	**425,000**	776,717
Reimbursement of expenses	**207,505**	291,087
	6,932,505	6,683,962

Notes to the financial statements *(continued)*

33 Depreciation and amortisation expense

	Year ended 30 June 2018 ₹	Year ended 30 June 2017 ₹
Depreciation on tangible fixed assets	**83,652,600**	77,506,061
Amortization on intangible fixed assets	**59,650,272**	65,914,189
	143,302,872	143,420,250

34 Earning per equity share (EPS)

	Year ended 30 June 2018 ₹	Year ended 30 June 2017 ₹
Profit after tax attributable to equity shareholders (A)	**947,163,349**	947,467,051
Number of equity shares at the beginning of the year	**14,926,261**	14,926,261
Number of equity shares outstanding at the end of the year	**14,926,261**	14,926,261
Weighted average number of equity shares outstanding during the year (B)	**14,926,261**	14,926,261
Basic and diluted EPS:		
Basic earnings per share (A / B)	**63.46**	63.48
Diluted earnings per share (A / B)	**63.46**	63.48
Face value per share (₹)	**10.00**	10.00

35 Income taxes

	Year ended 30 June 2018 ₹	Year ended 30 June 2017 ₹
A. Amounts recognised in statement of profit or loss		
Current tax		
a) Current tax	**516,973,963**	480,335,337
b) Changes in estimates related to prior years #	**(4,895,904)**	4,674,349
c) Deferred tax:		
Attributable to:		
Origination and reversal of temporary difference	**(51,071,669)**	19,672,196
Income tax expense reported in the statement of profit or loss (a+b+c)	**461,006,390**	504,681,882

Changes in estimates related to prior years in current year is on account of reversal of excess tax provision for FY 2014-15 offset by additional tax provision for FY 2016-17. Changes in estimates related to prior years in previous year is on account of excess tax provision for FY 2012-13 and FY 2015-16.

B. Income tax recognised in other comprehensive income	**Nil**	Nil

Notes to the financial statements *(continued)*

35 Income taxes (Continued)

C. Reconciliation of effective tax rate

	30 June 2018 ₹	30 June 2017 ₹
Profit before tax	**1,408,169,739**	1,452,148,933
Tax using the Company's domestic tax rate	**488,299,612**	502,559,703
Changes in estimates related to prior years	**(4,895,904)**	4,674,349
Tax exempt income	**(4,224,203)**	(3,393,328)
Non-deductible expenses	**6,081,086**	6,105,391
Income chargeable at lower rate of tax	**(22,118,180)**	(5,221,828)
Others	**(2,136,021)**	(42,405)
Effective tax	**461,006,390**	504,681,882
Current tax	**516,973,963**	480,335,337
Current tax relating to previous years	**(4,895,904)**	4,674,349
Deferred tax	**(51,071,669)**	19,672,196
Tax expense reported in the statement of comprehensive income	**461,006,390**	504,681,882

D. Recognised deferred tax assets and liabilities

Movement in temporary differences: **(Amount in ₹)**

	Balance as at 1 July 2016	Recognised in OCI during 2016-17	Recognised in profit or loss during 2016-17	Balance as at 30 June 2017	Recognised in OCI during 2017-18	Recognised in profit or loss during 2017-18	Balance as at 30 June 2018
Deferred tax assets arising on account of:							
Provision for compensated absences	22,566,114	-	(212,506)	22,353,608	-	**(5,098,048)**	**17,255,560**
Allowance for doubtful debts	2,656,099	-	430,666	3,086,765	-	**1,956,983**	**5,043,748**
Mark to market loss on derivative instruments	534,223	-	1,058,828	1,593,051	-	**14,233,582**	**15,826,633**
Deferred Rent	5,102,912	-	(138,923)	4,963,989	-	**(1,078,245)**	**3,885,744**
Provision on service tax refund	-	-	-	-	-	**3,750,261**	**3,750,261**
Others	6,878,275	-	18,578,127	25,456,402	-	**(14,673,464)**	**10,782,938**
Less: Deferred tax liability arising on account of:							
Difference between tax and book value of fixed assets	(1,059,008)	-	(9,318,958)	(10,377,966)	-	**11,148,453**	**770,487**
Mark to market gain on derivative instruments	(15,871,215)	-	(29,134,158)	(45,005,373)	-	**41,872,770**	**(3,132,603)**
Others	(1,743,452)	-	(935,272)	(2,678,724)	-	**(1,040,623)**	**(3,719,347)**
Total	19,063,948	-	(19,672,196)	(608,248)	-	**51,071,669**	**50,463,421**

Notes to the financial statements *(continued)*

35 Income taxes (Continued)

E. Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom. This is long term capital loss which can only be set-off against future long term capital gain, which cannot be predicted.

(Amount in ₹)

	30 June 2018		30 June 2017	
	Gross amount	**Unrecognised tax effect**	Gross amount	Unrecognised tax effect
Tax losses (Long term capital loss)	**236,997,213**	**47,399,443**	241,865,181	48,373,036
Total	**236,997,213**	**47,399,443**	241,865,181	48,373,036

F. Tax losses carried forward

Tax losses for which no deferred tax asset was recognised expire as follows:

(Amount in ₹)

	30 June 2018	Expiry date	30 June 2017	Expiry date
Long term capital loss - FY 2008-09	**-**	-	4,867,968	2016-17
Long term capital loss - FY 2010-11	**44,437,818**	2018-19	44,437,818	2018-19
Long term capital loss - FY 2012-13	**3,920,131**	2020-21	3,920,131	2020-21
Long term capital loss - FY 2015-16	**188,639,264**	2023-24	188,639,264	2023-24

Notes to the financial statements *(continued)*

36 Employee benefits

Gratuity

The Company provides for gratuity, a defined benefit retirement plan (Gratuity Plan). The liability towards gratuity is carried out using projected unit benefit method. The Company provides the gratuity benefit through annual contributions to a fund managed by the Life Insurance Corporation of India (LIC). LIC administers the plan and determines the contribution required to be paid by the Company.

	30 June 2018 ₹	30 June 2017 ₹
Changes in present value of obligations		
a) Liability recognised in the balance sheet		
i) Present value of obligation		
Opening balance	**79,135,718**	64,779,645
Current service cost	**10,967,588**	9,710,450
Interest cost	**5,416,962**	4,984,490
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in demographic assumptions	**-**	-
- change in financial assumptions	**(6,850,961)**	3,804,270
- experience variance (i.e. Actual experiences assumptions)	**2,604,246**	729,719
Past service cost	**3,445,707**	-
Benefits paid	**(8,838,970)**	(4,872,856)
Closing balance (i)	**85,880,290**	79,135,718
ii) Fair value of plan assets		
Opening balance	**63,296,883**	51,269,263
Investment Income	**4,332,769**	3,944,930
Employer's contributions	**15,341,050**	12,120,802
Return on plan assets	**476,694**	834,744
Benefits paid	**(8,838,970)**	(4,872,856)
Closing balance (ii)	**74,608,426**	63,296,883
Net liability recognised in the balance sheet (i-ii)	**11,271,864**	15,838,835
b) Expenses recognised in statement of profit and loss		
Current service cost	**10,967,588**	9,710,450
Past Service Cost	**3,445,707**	-
Interest cost	**5,416,962**	4,984,490
Expected return on plan assets	**(4,332,769)**	(3,944,930)
Expenses recognised in statement of profit and loss	**15,497,488**	10,750,010
c) Expenses recognised in other comprehensive income		
Actuarial (gain)/ loss on obligations		
- change in demographic assumptions	**-**	-
- change in financial assumptions	**(6,850,961)**	3,804,270
- experience variance (i.e. Actual experiences assumptions)	**2,604,246**	729,719
Return on plan assets	**(476,694)**	(834,744)
Total	**(4,723,409)**	3,699,245

Notes to the financial statements *(continued)*

36 Employee benefits (Continued)

	30 June 2018 ₹	30 June 2017 ₹
d) Break up of Plan assets		
LIC of India - Insurer Managed Fund	**100.00%**	100.00%
e) Maturity Profile of Defined Benefit Obligation		
Expected cash flows over the next 5 years:		
Year 1	**15,146,624**	12,605,816
Year 2	**12,800,110**	10,768,031
Year 3	**12,254,170**	10,970,790
Year 4	**10,910,517**	9,736,652
Year 5	**10,016,499**	8,751,439
f) Principal actuarial assumptions		
Rate of discounting	**8.20%**	6.85%
Expected return on plan assets	**8.20%**	6.85%
Rate of increase in basic salary	**5.00%**	5.00%
Attrition rate	**13.00%**	13.00%
Weighted average duration (based on discounted cashflows)	**5 years**	6 years
Mortality	**Indian Assured Lives Mortality (2006-08) ultimate**	Indian Assured Lives Mortality (2006-08) ultimate
Normal retirement age	**58 years**	58 years

The Company estimates that the balance amount to be contributed to the gratuity fund during the financial year 2018-19 will be ₹ 21,356,060.

Sensitivity analysis

Significant actuarial assumptions for the detemination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

(Amount in ₹)

Particulars	30 June 2018		30 June 2017	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	**90,857,704**	**81,386,205**	84,083,327	74,698,036
Salary Growth Rate (- / + 1%)	**81,344,234**	**90,815,670**	74,867,455	83,767,536
Attrition Rate (- / + 50%)	**78,410,640**	**89,614,863**	74,814,997	81,062,342
Mortality Rate (- / + 10%)	**85,855,674**	**85,904,836**	79,119,202	79,152,185

Notes to the financial statements *(continued)*

36 Employee benefits (Continued)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Compensated absences

Compensated absences as at balance sheet date, determined on the basis of actuarial valuation based on the 'Projected unit credit method' is as below:

	30 June 2018	30 June 2017	1 July 2016
	₹	₹	₹
Current provisions (refer note 26)	**11,771,317**	14,441,413	15,703,612
Non-current provisions (refer note 22)	**37,609,292**	50,149,458	49,062,697
	49,380,609	64,590,871	64,766,309

	Year ended 30 June 2018	Year ended 30 June 2017
Principal actuarial assumptions		
Rate of discounting	**8.20%**	6.85%
Rate of increase in salary cost to company	**10.00%**	10.00%
Attrition rate	**13.00%**	13.00%
Weighted average duration (based on discounted cashflows)	**4 years**	4 years
Mortality	**Indian Assured Lives Mortality (2006-08) ultimate**	Indian Assured Lives Mortality (2006-08) ultimate
Normal retirement age	**58 years**	58 years

Provident Fund

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue. The amount recognized as an expense towards contribution to Provident Fund for the year aggregated to ₹ 35,450,036 (30 June 2017: ₹ 33,054,540).

37 Leases

Operating lease

The lease rental (including hire charges) for office premises, guest house and godown charged to statement of profit and loss aggregates to ₹ 76,547,785 (30 June 2017: ₹ 76,629,753).

Future minimum lease commitments in respect of non cancellable operating leases:

Due	**As at 30 June 2018**	As at 30 June 2017	As at 1 July 2016
	₹	₹	₹
Not later than one year	**69,851,215**	72,047,673	70,602,127
Later than one year and not later than five years	**34,615,359**	104,469,779	173,414,167
Later than five years	**-**	-	-

Notes to the financial statements *(continued)*

38 Financial instruments

Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosure are required):

(Amount in ₹)

30 June 2018	Note No.	Carrying amount				Fair value			
		FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets									
Investments in Shares of Co-operative Banks	6	60,000	-	-	60,000	-	-	60,000	60,000
Non current lease deposits	7	-	-	31,746,264	31,746,264	-	-	-	-
Derivative financial assets - non current	8	705,275	-	-	705,275	-	705,275	-	705,275
Other non-current financial assets	8	-	-	474,329	474,329	-	-	-	-
Other deposits	8	-	-	11,891,735	11,891,735	-	-	-	-
Current investments	12	327,423,513	-	-	327,423,513	327,423,513	-	-	327,423,513
Trade receivables	13	-	-	525,117,646	525,117,646	-	-	-	-
Current lease deposits	14	-	-	11,180,309	11,180,309	-	-	-	-
Cash and cash equivalents	15	-	-	23,485,995	23,485,995	-	-	-	-
Other bank balances	16	-	-	37,602,738	37,602,738	-	-	-	-
Derivative financial assets - current	17	8,259,364	-	-	8,259,364	-	8,259,364	-	8,259,364
Other current financial assets	17	-	-	307,391,918	307,391,918	-	-	-	-
		336,448,152	-	948,890,934	1,285,339,086	327,423,513	8,964,639	60,000	336,448,152
Financial liabilities									
Derivative financial liabilities - non current	21	26,170,285	-	-	26,170,285	-	26,170,285	-	26,170,285
Other non-current financial liabilities	21	-	-	980,797	980,797	-	-	-	-
Trade payables	24	-	-	172,210,283	172,210,283	-	-	-	-
Derivative financial liabilities - current	25	19,121,132	-	-	19,121,132	-	19,121,132	-	19,121,132
Other current financial liabilities	25	-	-	229,860,483	229,860,483	-	-	-	-
		45,291,417	-	403,051,563	448,342,980	-	45,291,417	-	45,291,417

Notes to the financial statements *(continued)*

38 Financial instruments (Continued)

Financial instruments – Fair values and risk management (Continued)

A. Accounting classification and fair values (Continued)

(Amount in ₹)

30 June 2017	Note No.	Carrying amount				Fair value			
		FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets									
Investments in Shares of Co-operative Banks	6	60,000	-	-	60,000	-	-	60,000	60,000
Non current lease deposit	7	-	-	40,131,873	40,131,873	-	-	-	-
Derivative financial assets - non current	8	15,234,546	-	-	15,234,546	-	15,234,546	-	15,234,546
Other non-current financial assets	8	-	-	802,251	802,251	-	-	-	-
Other deposits	8	-	-	7,536,783	7,536,783	-	-	-	-
Current investments	12	380,244,014	-	-	380,244,014	380,244,014	-	-	380,244,014
Trade receivables	13	-	-	569,435,054	569,435,054	-	-	-	-
Cash and cash equivalents	15	-	-	17,289,035	17,289,035	-	-	-	-
Other bank balances	16	-	-	31,095,886	31,095,886	-	-	-	-
Derivative financial assets - current	17	114,808,720	-	-	114,808,720	-	114,808,720	-	114,808,720
Other current financial assets	17	-	-	167,845,491	167,845,491	-	-	-	-
		510,347,280	-	834,136,373	1,344,483,653	380,244,014	130,043,266	60,000	510,347,280
Financial liabilities									
Derivative financial liabilities - non current	21	4,603,130	-	-	4,603,130	-	4,603,130	-	4,603,130
Other non-current financial liabilities	21	-	-	1,528,797	1,528,797	-	-	-	-
Trade payables	24	-	-	131,450,374	131,450,374	-	-	-	-
Other current financial liabilities	25	-	-	205,808,942	205,808,942	-	-	-	-
		4,603,130	-	338,788,113	343,391,243	-	4,603,130	-	4,603,130

Notes to the financial statements *(continued)*

38 Financial instruments (Continued)

Financial instruments – Fair values and risk management (Continued)

A. Accounting classification and fair values (Continued)

(Amount in ₹)

1 July 2016	Note No.	Carrying amount				Fair value			
		FVTPL	FVTOCI	Amotised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets									
Investments in Shares of Co-operative Banks	6	60,000	-	-	60,000	-	-	60,000	60,000
Non current lease deposits	7	-	-	39,148,167	39,148,167	-	-	-	-
Derivative financial assets - non current	8	15,598,410	-	-	15,598,410	-	15,598,410	-	15,598,410
Other non-current financial assets	8	-	-	813,830	813,830	-	-	-	-
Other deposits	8	-	-	4,341,861	4,341,861	-	-	-	-
Current investments	12	241,338,977	-	-	241,338,977	241,338,977	-	-	241,338,977
Trade receivables	13	-	-	362,756,184	362,756,184	-	-	-	-
Cash and cash equivalents	15	-	-	10,940,144	10,940,144	-	-	-	-
Other bank balances	16	-	-	27,488,553	27,488,553	-	-	-	-
Derivative financial assets - current	17	30,261,550	-	-	30,261,550	-	30,261,550	-	30,261,550
Other current financial assets	17	-	-	254,615,651	254,615,651	-	-	-	-
		287,258,937	-	700,104,390	987,363,327	241,338,977	45,859,960	60,000	287,258,937
Financial liabilities									
Derivative financial liabilities - non current	21	1,543,640	-	-	1,543,640	-	1,543,640	-	1,543,640
Other non-current financial liabilities	21	-	-	1,725,561	1,725,561	-	-	-	-
Trade payables	24	-	-	89,065,217	89,065,217	-	-	-	-
Other current financial liabilities	25	-	-	159,728,038	159,728,038	-	-	-	-
		1,543,640	-	250,518,816	252,062,456	-	1,543,640	-	1,543,640

B. Measurement of fair values

The financial instruments included in Level 2 of fair value hierarchy have been valued using quotes available for similar assets and liabilities in the active market. The investments included in Level 3 of fair value hierarchy have been valued using the cost approach to arrive at their fair value. The cost of unquoted investments approximate the fair value because there is a range of possible fair value measurements and the cost represents estimate of fair value within that range.

Notes to the financial statements *(continued)*

38 Financial instruments (Continued)

Financial instruments – Fair values and risk management (Continued)

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

i. Risk management framework

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimize potential adverse effects of market risk on its financial performance. The Company's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors and the Audit Committee is responsible for overseeing the Company's risk assessment and management policies and processes.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

Trade and other receivables

The Company'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. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. Financial Assets are written off when there is no reasonable expectation of recovery from the customer.

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows:

(Amount in ₹)

	As at 30 June 2018	As at 30 June 2017	As at 1 July 2016
Neither past due nor impaired	**-**	-	-
Past due but not impaired	**297,209,926**	378,329,306	227,137,674
Past due 1–90 days	**195,729,534**	148,163,011	101,357,309
Past due 91–180 days	**28,587,831**	31,018,315	30,879,865
Past due 181–270 days	**1,119,341**	2,525,418	1,145,121
Past due 271–365 days	**1,830,344**	3,967,391	1,706,535
Past due more than 365 days	**640,670**	5,431,613	529,680
	525,117,646	569,435,054	362,756,184

Notes to the financial statements *(continued)*

38 Financial instruments (Continued)

Financial instruments – Fair values and risk management (Continued)

C. Financial risk management (Continued)

ii. Credit risk (Continued)

Expected credit loss assessment:

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue. Further, management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk. The impairment loss as at 30 June, 2018 related to several customers that have defaulted on their payments to the Company and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

(Amount in ₹)

	As at 30 June 2018
Balance as at 1 July 2016	**6,924,920**
Impairment loss recognised during the year	**2,299,995**
Amounts written off during year	**(305,584)**
Balance as at 30 June 2017	**8,919,331**
Impairment loss recognised during the year	**6,814,467**
Amounts written off during year	**(1,299,995)**
Balance as at 30 June 2018	**14,433,803**

Cash and cash equivalents

The Company held cash and cash equivalents with credit worthy banks and financial institutions of ₹ 8,485,995 as at 30 June 2018. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be good.

Other than trade and other receivables, the Company has no other financial assets that are past due but not impaired.

iii. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation. The Company has obtained fund and non-fund based working capital lines from various banks. The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

Notes to the financial statements *(continued)*

38 Financial instruments (Continued)

Financial instruments – Fair values and risk management (Continued)

C. Financial risk management (Continued)

Exposure to liquidity risk

The table below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

* all non derivative financial liabilities
* Derivative financial instruments for which the contractual maturites are essential for understanding the timing of the cash flows.

(Amount in ₹)

	Contractual cash flows					
	Carrying amount	**1 year or less**	**1-2 years**	**2-5 years**	**More than 5 years**	**Total**
As at 30 June 2018						
Non-derivative financial liabilities						
Trade and other payables	172,210,283	172,210,283	-	-	-	172,210,283
Other current financial liabilities	229,860,483	229,860,483	-	-	-	229,860,483
Other non-current financial liabilities	980,797	-	-	-	980,797	980,797
Derivative financial liabilities						
Forward exchange contracts (gross settled)						
- Outflow	45,291,417	(689,746,063)	(656,889,044)	-	-	(1,346,635,107)
- Inflow		670,624,930	630,718,760	-	-	1,301,343,690
As at 30 June 2017						
Non-derivative financial liabilities						
Trade and other payables	131,450,374	131,450,374	-	-	-	131,450,374
Other current financial liabilities	205,808,942	205,808,942	-	-	-	205,808,942
Other non-current financial liabilities	1,528,797	548,000	-	-	980,797	1,528,797
Derivative financial liabilities						
Forward exchange contracts (gross settled)						
- Outflow	4,603,130	-	(137,855,560)	-	-	(137,855,560)
- Inflow		-	133,252,430	-	-	133,252,430
As at 1 July 2016						
Non-derivative financial liabilities						
Trade and other payables	89,065,217	89,065,217	-	-	-	89,065,217
Other current financial liabilities	159,728,038	159,728,038	-	-	-	159,728,038
Other non-current financial liabilities	1,725,561	196,764	-	-	1,528,797	1,725,561
Derivative financial liabilities						
Forward exchange contracts (gross settled)						
- Outflow	1,543,640	-	(292,628,640)	-	-	(292,628,640)
- Inflow		-	291,085,000	-	-	291,085,000

Notes to the financial statements *(continued)*

38 Financial instruments (Continued)

Financial instruments – Fair values and risk management (Continued)

C. Financial risk management (Continued)

iv. Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates and commodity prices) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short term and long-term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of its investments. Thus, the Company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

Currency risk

The fluctuation in foreign currency exchange rates may have potential impact on the profit and loss account and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the entity.

Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in U.S. dollar, GBP and Euro, against the respective functional currencies of the Company and its subsidiaries.

The Company, as per its risk management policy, uses foreign exchange and other derivative instruments primarily to hedge foreign exchange and interest rate exposure. The Company does not use derivative financial instruments for trading or speculative purposes.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

(Amount in ₹)

	EURO	AUD	GBP	USD	SGD	NZD	AED
As at 30 June 2018							
Trade receivables	**43,501,051**	**19,675,777**	**19,434,420**	**190,771,634**	**26,299,627**	-	-
EEFC accounts	**1,363,578**	-	**693,966**	**481,843**	-	-	-
Trade payables	**5,033,404**	**222,606**	**2,617,738**	**49,091,793**	**5,352,663**	**749,920**	**6,558,866**
Net statement of financial position exposure	**49,898,033**	**19,898,383**	**22,746,124**	**240,345,270**	**31,652,290**	**749,920**	**6,558,866**
Forward exchange contracts	**44,195,775**	-	**20,011,891**	**194,092,298**	-	-	-
Net exposure	**5,702,258**	**19,898,383**	**2,734,233**	**46,252,972**	**31,652,290**	**749,920**	**6,558,866**
As at 30 June 2017							
Trade receivables	85,064,186	37,804,205	24,720,683	249,879,943	15,551,110	-	-
EEFC accounts	177,935	-	2,721,844	523,187	-	-	-
Trade payables	(9,713,525)	(235,529)	(6,454,372)	(24,129,789)	(4,825,649)	(519,443)	(4,710,024)
Net statement of financial position exposure	75,528,596	37,568,676	20,988,155	226,273,341	10,725,461	(519,443)	(4,710,024)
Forward exchange contracts	94,177,031	-	28,989,625	276,523,781	-	-	-
Net exposure	(18,648,435)	37,568,676	(8,001,470)	(50,250,440)	10,725,461	(519,443)	(4,710,024)

Notes to the financial statements *(continued)*

38 Financial instruments (Continued)

Financial instruments – Fair values and risk management (Continued)

C. Financial risk management (Continued)

iv. Market risk (Continued)

Exposure to currency risk (Continued)

(Amount in ₹)

	EURO	AUD	GBP	USD	SGD	NZD	AED
As at 1 July 2016							
Trade receivables	37,533,951	17,494,856	13,445,240	138,775,107	1,118,373	-	-
EEFC accounts	181,682	-	341,208	182,839	-	-	-
Trade payables	(23,324,893)	(723,198)	(2,631,489)	(20,645,759)	-	(277,332)	(2,458,363)
Net statement of financial position exposure	14,390,740	16,771,658	11,154,959	118,312,187	1,118,373	(277,332)	(2,458,363)
Forward exchange contracts	40,872,474	-	15,903,290	147,397,202	-	-	-
Net exposure	(26,481,734)	16,771,658	(4,748,331)	(29,085,015)	1,118,373	(277,332)	(2,458,363)

Sensitivity analysis

A 10% strengthening / weakening of the respective foreign currencies with respect to functional currency of Company would result in increase or decrease in profit or loss and equity as shown in table below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. The following analysis has been worked out based on the exposures as of the date of statements of financial position.

(Amount in ₹)

Currency	**30 June 2018**				**30 June 2017**			
	Profit or loss		**Equity**		**Profit or loss**		**Equity**	
	Strengthening	**Weakening**	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
EUR	**570,226**	**(570,226)**	-	-	(1,864,844)	1,864,844	-	-
AUD	**1,989,838**	**(1,989,838)**	-	-	3,756,868	(3,756,868)	-	-
GBP	**273,423**	**(273,423)**	-	-	(800,147)	800,147	-	-
USD	**4,625,297**	**(4,625,297)**	-	-	(5,025,044)	5,025,044	-	-
SGD	**3,165,229**	**(3,165,229)**	-	-	1,072,546	(1,072,546)	-	-
NZD	**74,992**	**(74,992)**	-	-	(51,944)	51,944	-	-
AED	**655,887**	**(655,887)**	-	-	(471,002)	471,002	-	-

(Note: The impact is indicated on the profit/ loss and equity before tax basis)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The company has no borrowings from banks and financial institutions. The company has margin money deposit with bank at fixed interest rate. Any movement in the market interest rate is not expected to significantly impact the fair value of deposits.

Notes to the financial statements *(continued)*

38 Financial instruments (Continued)

Financial instruments – Fair values and risk management (Continued)

C. Financial risk management (Continued)

iv. Market risk (Continued)

Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Company has adequate cash and bank balances and has very low amount of debt. The company monitors its capital by a careful scrutiny of the cash and bank balances, and a regular assessment of any debt requirements. In the absence of any debt, the maintenance of debt equity ratio etc. may not be of any relevance to the Company.

39 Segmental reporting

Based on the "management approach" as defined in Ind AS 108-Operating Segments, the Chief Operating Decision Maker evaluates the Group's performance as a single business segment namely travel and transportation vertical.

In accordance with paragraph 4 of Ind AS 108 "Operating Segments", issued by the Central Government, the Company has presented segmental information only on the basis of the consolidated financial statements (refer note 40 of consolidated financial statements).

40 Related party transactions

(A) Related party disclosures

Related parties where control exists	Name	Holdings in %
Ultimate holding company	Canary Topco Ltd	
Holding company	Accelya Holding World S.L.U.	
Fellow subsidiaries	Accelya World S.L.U.	
	Accelya UK Limited	
	Accelya France SAS	
	Accelya America, S.A. de C.V.	
	Accelya Portugal Unipessoal Ltda.	
Subsidiaries	Kale Softech Inc	100%
	Zero Octa UK Limited	100%
Associate companies	Mercator Solutions FZE	
	Canary Travel and Logistics Solutions Pvt. Ltd.	
Key management personnel	John Johnston* - Chairman (w.e.f. 6 October, 2016)	
	Neela Bhattacherjee - Managing Director	
	Gurudas Shenoy - Chief Financial Officer	
	Ninad Umranikar - Company Secretary	
Other related parties	K.K. Nohria - Director	
	Sekhar Natarajan - Director	
	Nani Javeri - Director	
	Sangeeta Singh - Director	
	Vipul Jain ** - Director	
	Catalysts for Social Action #	

Note: * Mr. Philippe Lesueur resigned as Director and Chairman with effect from 5th October, 2016. Mr. John Johnston was appointed as Chairman with effect from 6th October, 2016.

** Mr. Vipul Jain resigned as Director with effect from 9th August, 2017

Ceased to be a related party with effect from 9th August, 2017

Notes to the financial statements *(continued)*

40 Related party transactions (Continued)

(B) Transactions with related parties

(Amount in ₹)

Nature of transactions	Year ended	Ultimate holding company	Holding	Fellow subsidiaries	Subsidiaries	Associate companies	Other related party	Key management personnel	Total
Services rendered by the Company	30 June 2018	-	16,581,838	415,927,372	936,307,242	44,156,954	-	-	1,412,973,406
	30 June 2017	-	12,183,960	338,142,404	853,144,462	-	-	-	1,203,470,826
Services received by the Company	30 June 2018	-	41,629,136	46,934,924	8,833,258	24,716,322	-	-	122,113,640
	30 June 2017	-	28,501,182	33,176,379	9,470,248	-	-	-	71,147,809
Claims raised for expenses	30 June 2018	-	7,425,132	28,752,182	5,621,468	9,353,816	-	-	51,152,598
	30 June 2017	-	12,675,863	19,908,913	6,024,168	-	-	-	38,608,944
Claims received for expenses	30 June 2018	-	27,806,797	5,486,394	40,980,716	5,511,363	-	-	79,785,270
	30 June 2017	-	6,608,370	1,383,179	34,525,433	-	-	-	42,516,982
Remuneration	30 June 2018	-	-	-	-	-	-	29,122,105	29,122,105
	30 June 2017	-	-	-	-	-	-	24,027,875	24,027,875
Sitting fees	30 June 2018	-	-	-	-	-	1,775,000	-	1,775,000
	30 June 2017	-	-	-	-	-	2,287,625	-	2,287,625
Commission	30 June 2018	-	-	-	-	-	400,000	-	400,000
	30 June 2017	-	-	-	-	-	500,000	-	500,000
Dividend received	30 June 2018	-	-	-	127,821,200	-	-	-	127,821,200
	30 June 2017	-	-	-	30,177,000	-	-	-	30,177,000
Dividend paid	30 June 2018	9,234	601,737,930	-	-	-	-	477,846	602,225,010
	30 June 2017	-	456,875,095	-	-	-	-	362,809	457,237,904
Contribution to Corporate Social Responsibility	30 June 2018	-	-	-	-	-	-	-	-
	30 June 2017	-	-	-	-	-	25,090,000	-	25,090,000

Notes to the financial statements *(continued)*

40 Related party transactions (Continued)

(B) Transactions with related parties (Continued)

(Amount in ₹)

Nature of transactions	Year ended	Ultimate holding company	Holding	Fellow subsidiaries	Subsidiaries	Associate companies	Other related party	Key management personnel	Total
Balances outstanding	**As at:**								
Payable	30 June 2018	-	13,945,403	12,781,439	8,866,219	5,848,370	-	-	41,441,431
	30 June 2017	-	6,755,278	20,404,436	8,145,112	-	-	-	35,304,826
	01 July 2016	-	16,957,041	3,907,663	5,198,449	-	-	-	26,063,153
Trade receivables	30 June 2018	-	4,891,847	48,737,968	55,845,487	10,795,873	-	-	120,271,175
	30 June 2017	-	6,169,713	49,526,421	87,668,880	-	-	-	143,365,014
	01 July 2016	-	2,307,941	27,324,763	45,588,865	-	-	-	75,221,569
Unbilled revenue	30 June 2018	-	3,666,431	54,460,332	66,358,233	14,404,486	-	-	138,889,482
	30 June 2017	-	1,346,134	40,746,000	41,199,539	-	-	-	83,291,673
	01 July 2016	-	2,816,970	19,316,282	95,439,346	-	-	-	117,572,598
Investment in subsidiary	30 June 2018	-	-	-	474,094,544	-	-	-	474,094,544
	30 June 2017	-	-	-	474,094,544	-	-	-	474,094,544
	01 July 2016	-	-	-	474,094,544	-	-	-	474,094,544

(C) Of the above items, transactions in excess 10% of the total related party transactions are as under

Nature of transaction	Year ended 30 June 2018 ₹	Year ended 30 June 2017 ₹
Services rendered by the Company		
Kale Softech Inc	**784,076,288**	720,546,439
Zero Octa UK Limited	**152,230,954**	132,598,023
Accelya World S.L.U.	**224,283,363**	196,043,883
Accelya Holding World S.L.U.	**16,581,838**	12,183,960
Accelya France SAS	**46,762,445**	50,465,652
Accelya UK Ltd	**126,703,297**	71,753,018
Accelya America, S.A. de C.V.	**4,087,381**	4,782,772
Accelya Portugal Unipessoal Ltda.	**14,090,886**	15,097,079
Mercator Solutions FZE	**44,156,954**	-

Notes to the financial statements *(continued)*

40 Related party transactions (Continued)

(C) Of the above items, transactions in excess 10% of the total related party transactions are as under (Continued)

(Amount in ₹)

Nature of transaction	Year ended 30 June 2018 ₹	Year ended 30 June 2017 ₹
Services received by the Company		
Kale Softech Inc	**8,833,258**	9,470,248
Accelya World S.L.U.	**22,624,765**	18,028,566
Accelya Holding World S.L.U.	**41,629,136**	28,501,182
Accelya UK Ltd	**24,310,159**	15,147,813
Mercator Solutions FZE	**24,716,322**	-
Claims raised for expenses		
Kale Softech Inc	**3,044,294**	4,140,128
Zero Octa UK Limited	**2,577,174**	1,884,040
Accelya World S.L.U.	**6,200,396**	7,866,313
Accelya Holding World S.L.U.	**7,425,132**	12,675,863
Accelya France SAS	**5,431,099**	2,542,531
Accelya UK Ltd.	**17,020,647**	9,392,243
Accelya Portugal Unipessoal Ltda.	**100,040**	107,826
Mercator Solutions FZE	**7,973,570**	-
Canary Travel and Logistics Solutions Pvt. Ltd.	**1,380,246**	-
Claims received for expenses		
Kale Softech Inc	**40,980,716**	30,132,676
Zero Octa UK Limited	**-**	4,392,757
Accelya World S.L.U.	**(773,199)**	1,127,097
Accelya Holding World S.L.U.	**27,806,797**	6,608,370
Accelya UK Ltd.	**6,259,593**	256,082
Mercator Solutions FZE	**5,511,363**	-
Dividend received		
Kale Softech Inc	**32,520,000**	30,177,000
Zero Octa UK Limited	**95,301,200**	-
Dividend paid		
Canary Topco Ltd	**9,234**	-
Accelya Holding World S.L.U.	**601,737,930**	456,875,095
Gurudas Shenoy	**116,910**	88,765
Neela Bhattacherjee	**112,806**	85,649
Ninad Umranikar	**248,130**	188,395

Notes to the financial statements *(continued)*

40 Related party transactions (Continued)

(C) Of the above items, transactions in excess 10% of the total related party transactions are as under (Continued)

Nature of transaction	Year ended 30 June 2018 ₹	Year ended 30 June 2017 ₹
Remuneration		
Neela Bhattacherjee	**16,185,434**	13,408,596
Gurudas Shenoy	**8,491,395**	7,184,979
Ninad Umranikar	**4,445,276**	3,434,300
Sitting fees		
K.K. Nohria	**350,000**	452,250
Sekhar Natarajan	**350,000**	502,750
Nani Javeri	**525,000**	603,250
Sangeeta Singh	**525,000**	603,250
Vipul Jain	**25,000**	126,125
Commission		
K.K. Nohria	**100,000**	100,000
Sekhar Natarajan	**100,000**	100,000
Nani Javeri	**100,000**	100,000
Sangeeta Singh	**100,000**	100,000
Vipul Jain	**-**	100,000
Contribution to Corporate Social Responsibility		
Catalysts for Social Action	**-**	25,090,000

	As at 30 June 2018 ₹	As at 30 June 2017 ₹	As at 1 July 2016 ₹
Balances outstanding:			
Payable			
Kale Softech Inc	**4,473,462**	3,752,355	5,198,449
Zero Octa UK Limited	**4,392,757**	4,392,757	-
Accelya World S.L.U.	**10,163,701**	13,950,065	1,934,953
Accelya Holding World S.L.U.	**13,945,403**	6,755,278	16,957,041
Accelya UK Ltd.	**2,617,738**	6,454,371	1,972,710
Mercator Solutions FZE	**5,848,370**	-	-
Trade receivables			
Kale Softech Inc	**43,011,695**	75,505,653	37,634,725
Zero Octa UK Limited	**12,833,792**	12,163,227	7,954,140
Accelya World S.L.U.	**30,355,373**	35,037,586	18,920,089

Notes to the financial statements *(continued)*

40 Related party transactions (Continued)

(C) Of the above items, transactions in excess 10% of the total related party transactions are as under (Continued)
Balances outstanding (continued)

	As at 30 June 2018 ₹	As at 30 June 2017 ₹	As at 1 July 2016 ₹
Accelya Holding World S.L.U.	**4,891,847**	6,169,713	2,307,941
Accelya UK Ltd	**12,226,721**	9,706,468	3,111,684
Accelya France SAS	**4,651,704**	3,158,220	5,080,711
Accelya America, S.A. de C.V.	**395,084**	375,597	212,279
Accelya Portugal Unipessoal Ltda.	**1,109,086**	1,248,550	-
Mercator Solutions FZE	**10,725,622**	-	-
Canary Travel and Logistics Solutions Pvt. Ltd.	**70,251**	-	-
Unbilled revenue			
Kale Softech Inc	**52,601,316**	28,957,270	87,652,605
Zero Octa UK Limited	**13,756,917**	12,242,269	7,786,741
Accelya World S.L.U.	**23,801,258**	7,616,124	10,707,296
Accelya Holding World S.L.U.	**3,666,431**	1,346,134	2,816,970
Accelya UK Ltd.	**19,632,535**	22,341,757	3,898,613
Accelya France SAS	**9,522,369**	9,132,474	4,584,516
Accelya America, S.A. de C.V.	**395,084**	387,157	125,857
Accelya Portugal Unipessoal Ltda.	**1,109,086**	1,268,488	-
Mercator Solutions FZE	**14,404,486**	-	-
Investment in subsidiary			
Kale Softech Inc	**57,979,585**	57,979,585	57,979,585
Zero Octa UK Limited	**416,114,959**	416,114,959	416,114,959

Key management personnel

	Year ended 30 June 2018 ₹	Year ended 30 June 2017 ₹
Managerial remuneration		
Short-term employment benefits	**28,246,836**	23,224,544
Post-employment benefits	**875,269**	803,331
Long-term employee benefits	**-**	-
Termination benefits	**-**	-
Employee share-based payments	**-**	-
Total compensation	**29,122,105**	24,027,875

Notes to the financial statements *(continued)*

40 Related party transactions (Continued)

The Company's management is of the opinion that its international transactions with related parties are at arms length and that the Company is in compliance with the transfer pricing legislation. Based on the above, the Company's management believes that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of the provision for tax.

41 Capital and other commitments

	30 June 2018 ₹	30 June 2017 ₹
Estimated amount of contracts remaining to be executed on capital account, to the extent not provided (net of advances)	**33,685,143**	11,663,414

42 Contingent liabilities

	30 June 2018 ₹	30 June 2017 ₹
Claims against the Company pertaining to Sales Tax with Maharashtra Sales Tax Tribunal - For F.Y. 2001-02 (disallowance of Software services and maintenance of software)	**7,870,739**	7,870,739
Contingent liability on account of rejection of refund of cenvat credit by Service Tax Department for which appeals have been filed. Claim against Company not acknowledge as debt.	**18,180,586**	18,180,586
Contingent liability on account of service tax demand and penalty by Service Tax authorities towards certain transactions were chargeable to tax under Reverse Charge Mechanism pertaining to financial year 2011-12 to 2014-15. The Company has filed an appeal against the same with CESTAT.	**59,121,804**	-

The Company has reviewed all its pending litigation and proceedings and has adequately provided where provision are required. The Company has disclosed contingent liabilities wherever applicable. The resolution of these legal proceedings is not likely to have a material and adverse effect on the results of operations or the financial position of the Company.

Notes to the financial statements *(continued)*

43 Net dividend remitted in foreign exchange

Year of remittance (ending on)

Period to which the dividend relates	2016-17 (Final dividend)	2015-16 (Final dividend)
Numbers of non-resident shareholders	18	17
Numbers of equity shares held on which dividend was due	11,165,282	11,165,711
Amount remitted (₹)	446,611,280	334,971,330
Period to which the dividend relates	**2017-18 (Interim dividend)**	**2016-17 (Interim dividend)**
Numbers of non-resident shareholders	16	17
Numbers of equity shares held on which dividend was due	11,161,007	11,165,711
Amount remitted (₹)	156,254,098	122,822,821

44 Disclosure under Micro Small and Medium Enterprises Development Act, 2006

Based on information and records available, the Company has no dues to micro and small enterprises during the years ended 30 June 2018 and 30 June 2017 and as at 30 June 2018 and 30 June 2017.

Particulars	As at 30 June 2018 ₹	As at 30 June 2017 ₹
Principal amount and the interest due thereon remaining unpaid to any supplier as at the year end	-	-
Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible	-	-

45 Unbilled revenue include revenue based on percentage of completion basis ₹ 69,845,215 (30 June 2017; ₹ 58,215,919; 1 July 2016: ₹ 53,361,664).

Notes to the financial statements *(continued)*

46 Corporate Social Responsibility

As per the Companies Act, 2013, all companies having net worth of ₹ 500 crores or more, or turnover of ₹ 1,000 crores or more or a net profit of ₹ 5 crores or more during any financial year will be required to constitute a Corporate Social Responsibility ("CSR") committee of the Board of Directors comprising three or more directors, at least one of whom shall be an independent director. The Company has constituted a committee comprising Mr. John Johnston, Mr. Nani Javeri and Ms. Sangeeta Singh as its members. The committee is responsible for formulating and monitoring the CSR policy of the Company.

The company has implemented CSR activities through Catalysts for Social Action ("CSA") a Not-For-Profit organization dedicated to the cause of child welfare and rehabilitation for children living in orphanages. The total amount spent by the Company through CSA is ₹ 25,530,230 (previous year: ₹ 25,090,000)

(Amount in ₹)

CSR Activities	In Cash	Yet to be paid in cash	Total
(i) Construction/ acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	25,530,230	-	25,530,230

47 Disclosure on Specified Bank Notes (SBNs)

Specified Bank Notes held and transacted during the period from 8th November, 2016 to 30th December, 2016 as provided in table below:

(Amount in ₹)

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	16,000	-	16,000
Add: Permitted receipts	-	-	-
Less: Permitted payments	-	-	-
Less: Amount deposited in banks	16,000	-	16,000
Closing cash in hand as on 30.12.2016	-	-	-

48 Long term contracts

The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/ accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of account.

49 During the previous year, the Company has received Show Cause cum Demand notices on account of service tax demand amounting to ₹ 48,581,562 (excluding interest and penalty) by Service Tax authorities (Certain transactions were chargeable to tax under Reverse Charge Mechanism (RCM) and Cenvat credit was not eligible for certain transactions (CENVAT credit)) pertaining to financial year 2011-12 to 2014-15. The Company had filed reply to Show Cause cum Demand notices with the service tax authorities.

During the year, with respect to RCM, the Company has received an order from Central Tax & GST authorities where the commissioner has confirmed the demand of ₹ 29,560,902 and imposed penalty of ₹ 29,560,902 on the Company. The Company has filed an appeal with Customs, Excise and Service Tax Appellate Tribunal against the order.

With respect to CENVAT credit, no further update has been received on the same during the year.

Notes to the financial statements *(continued)*

50 Other matters

Information with regard to other matters specified in Schedule III to the Act is either nil or not applicable to the Company for the year.

51 Explanation of transition to Ind AS

For the purpose of reporting as set out in note 1, we have transitioned our basis of accounting from Indian generally accepted accounting principles ("IGAAP") to Ind AS. The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 30 June 2018 including the comparative information for the year ended 30 June 2017 and the opening Ind AS balance sheet at 1 July 2016 (the "transition date").

In preparing our opening Ind AS balance sheet, we have adjusted amounts reported in financial statements prepared in accordance with IGAAP. An explanation of how the transition from IGAAP to Ind AS has affected our financial performance, cash flows and financial position is set out in the following tables and the notes that accompany the tables. On transition, we did not revise estimates previously made under IGAAP except where required by Ind AS.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from Indian GAAP to Ind AS:

Ind AS optional exemptions

1) Investment in subsidiaries

Ind AS 101 permits a first time adopter to elect to measure investment in subsidiaries either at cost determined in accordance with Ind AS 27 or deemed cost. The deemed cost of such an investment shall be its :

(i) fair value at the entity's date of transition to Ind ASs in its financial statement; or

(ii) previous GAAP carrying amount at that date.

Accordingly, the company has elected to measure investment in subsidiaries at deemed cost at their previous GAAP carrying amount.

Ind AS mandatory exceptions

1) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consitent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any differences in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 July 2016 are consitent with the estimates as at the same date made in conformity with previous GAAP.

Notes to the financial statements *(continued)*

51 Explanation of transition to Ind AS (Continued)

B. *Reconciliations between previous GAAP and Ind AS*

Ind AS 101 requires an enity to reconcile equity and profit or loss for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Reconciliation of equity: (Amount in ₹)

	As at date of transition 1 July 2016			As at 30 June, 2017		
	Previous GAAP*	Adjustments on transition to Ind AS	Ind AS	Previous GAAP*	Adjustments on transition to Ind AS	Ind AS
ASSETS						
Non-current assets						
Property, plant and equipment	186,715,307	-	186,715,307	237,635,420	-	237,635,420
Capital work in progress	429,270	-	429,270	6,425,100	-	6,425,100
Other intangible assets	163,527,502	-	163,527,502	117,862,699	-	117,862,699
Intangible assets under development	125,000	-	125,000	-	-	-
Financial assets						
i. Investments	474,154,544	-	474,154,544	474,154,544	-	474,154,544
ii. Loans	48,444,785	(9,296,618)	39,148,167	47,395,205	(7,263,332)	40,131,873
ii. Other financial assets	5,155,691	15,598,410	20,754,101	8,339,034	15,234,546	23,573,580
Deferred tax assets	34,414,350	(15,350,402)	19,063,948	43,923,174	(43,923,174)	-
Other non-current assets	69,795,937	6,096,794	75,892,731	71,579,688	3,892,509	75,472,197
Non-current tax assets (net)	20,267,460	-	20,267,460	7,603,913	-	7,603,913
Total non-current assets	1,003,029,846	(2,951,816)	1,000,078,030	1,014,918,777	(32,059,451)	982,859,326
Current assets						
Financial assets						
i. Investments	241,338,977	-	241,338,977	380,244,014	-	380,244,014
ii. Trade and other receivables	363,710,388	(954,204)	362,756,184	570,196,374	(761,320)	569,435,054
iii. Cash and cash equivalents	10,940,144	-	10,940,144	17,289,035	-	17,289,035
iv. Other bank balances	27,488,553	-	27,488,553	31,095,886	-	31,095,886
v. Other financial assets	254,615,651	30,261,550	284,877,201	167,845,491	114,808,720	282,654,211
Other current assets	46,185,811	2,649,137	48,834,948	67,083,475	2,762,663	69,846,138
Total current assets	944,279,524	31,956,483	976,236,007	1,233,754,275	116,810,063	1,350,564,338
TOTAL ASSETS	1,947,309,370	29,004,667	1,976,314,037	2,248,673,052	84,750,612	2,333,423,664

Notes to the financial statements *(continued)*

51 Explanation of transition to Ind AS (Continued)

B. Reconciliations between previous GAAP and Ind AS (Continued)

(Amount in ₹)

	As at date of transition 1 July 2016			As at 30 June, 2017		
	Previous GAAP*	Adjustments on transition to Ind AS	Ind AS	Previous GAAP*	Adjustments on transition to Ind AS	Ind AS
EQUITY AND LIABILITIES						
Equity						
Equity share capital	149,268,660	-	149,268,660	149,268,660	-	149,268,660
Other equity	800,376,089	567,951,563	1,368,327,652	1,497,535,653	84,142,364	1,581,678,017
Total equity	949,644,749	567,951,563	1,517,596,312	1,646,804,313	84,142,364	1,730,946,677
Non-current liabilities						
Financial liabilities						
i. Other financial liabilities	3,269,201	-	3,269,201	6,131,927	-	6,131,927
Deferred tax liabilities	-	-	-	-	608,248	608,248
Provisions	49,062,697	-	49,062,697	50,149,458	-	50,149,458
Other non-current liabilities	14,744,891	-	14,744,891	10,407,956	-	10,407,956
Total non-current liabilities	67,076,789	-	67,076,789	66,689,341	608,248	67,297,589
Current liabilities						
Financial liabilities						
i. Trade and other payables	89,065,217	-	89,065,217	131,450,374	-	131,450,374
ii. Other financial liabilities	159,728,038	-	159,728,038	205,808,942	-	205,808,942
Provisions	569,160,890	(538,946,896)	30,213,994	31,280,248	-	31,280,248
Current tax liabilities (net)	68,595,035	-	68,595,035	72,627,857	-	72,627,857
Other current liabilities	44,038,652	-	44,038,652	94,011,977	-	94,011,977
Total current liabilities	930,587,832	(538,946,896)	391,640,936	535,179,398	-	535,179,398
TOTAL EQUITY & LIABILITIES	1,947,309,370	29,004,667	1,976,314,037	2,248,673,052	84,750,612	2,333,423,664

* The previous GAAP figures have been reclassified to conform to Ind AS presentation for the purpose of this note.

Notes to the financial statements *(continued)*

51 Explanation of transition to Ind AS (Continued)

B. Reconciliations between previous GAAP and Ind AS (Continued)

Reconciliation of profit or loss for the year ended 30 June 2017

(Amount in ₹)

	30 June 2017		
	Previous GAAP*	**Adjustments on transition to Ind AS**	**Ind AS**
Revenue			
Revenue from operations	3,324,046,189	-	3,324,046,189
Other income	130,225,455	86,885,777	217,111,232
Total income	3,454,271,644	86,885,777	3,541,157,421
Expenses			
Employee benefit expenses	1,310,020,982	(3,699,245)	1,306,321,737
Operating and other expense	636,699,442	2,567,059	639,266,501
Depreciation and amortization expense	143,420,250	-	143,420,250
Total expenses	2,090,140,674	(1,132,186)	2,089,008,488
Profit before tax	1,364,130,970	88,017,963	1,452,148,933
Tax expenses:			
Current tax	480,335,337	-	480,335,337
Tax expense for earlier year's	4,674,349	-	4,674,349
Deferred tax	(9,508,825)	29,181,021	19,672,196
Profit for the period	888,630,109	58,836,942	947,467,051
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligation	-	(3,699,245)	(3,699,245)
Income tax related to items that will not be reclassified to profit or loss	-	-	-
Items that will be reclassified to profit or loss	-	-	-
Total comprehensive income for the period	888,630,109	55,137,697	943,767,806

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Notes to the financial statements *(continued)*

51 Explanation of transition to Ind AS (Continued)

B. Reconciliations between previous GAAP and Ind AS (Continued)

Notes to the reconciliations:

A. Reconciliation of Equity (Amount in ₹)

	Note	As at 30 June 2017	As at 1 July 2016
Equity under previous GAAP attributable to shareholders		1,646,804,313	949,644,749
Ind AS impact:			
Impact on account of proposed dividend	1	-	538,946,896
Impact of applying expected credit loss model	2	(761,320)	(954,204)
Impact of fair valuation of financial instruments	3	(608,159)	(550,687)
Impact of mark to market adjustment	4	130,043,266	45,859,960
Income tax adjustments		(44,531,423)	(15,350,402)
Equity under Ind AS attributable to shareholders		1,730,946,677	1,517,596,312

B. Reconciliation of Total Comprehensive Income (Amount in ₹)

	Note	Year ended 30 June 2017
Profit as per previous GAAP		888,630,109
Ind AS Impact:		
Impact of applying expected credit loss model	2	192,884
Impact of fair valuation of financial instruments	3	(57,472)
Impact of Mark to market adjustment	4	84,183,306
Actuarial loss on employee defined benefit plans recognised in OCI	5	3,699,245
Income tax impact on above adjustments		(29,181,021)
Net profit for the year as per Ind AS		947,467,051
Other comprehensive income (OCI):		
Remeasurement loss on defined benefit plans	5	(3,699,245)
Total comprehensive income as reported under Ind AS		943,767,806

Note:

1. Proposed dividend

Under previous GAAP, dividends proposed by the Board of Directors after the reporting date but before the approval of financial statements were considered to be adjusting event and accordingly recognised (along with related dividend distribution tax) as liabilities at the reporting date. Under Ind AS, dividend so proposed by the board are considered to be non-adjusting event. Accordingly, provision for proposed dividend and dividend distribution tax recognised under previous GAAP has been reversed.

2. Allowance for credit loss

On transition to Ind AS, the Company has recognised impairment loss on trade receivables based on the expected credit loss model as required by Ind AS 109. Consequently, trade receivables has been reduced with a corresponding decrease in retained earnings on the date of transition.

Notes to the financial statements *(continued)*

51 Explanation of transition to Ind AS (Continued)

B. *Reconciliations between previous GAAP and Ind AS (Continued)*

B. Reconciliation of Total Comprehensive Income (Continued)

Note: (Continued)

3. Fair valuation of financial instruments

Under Ind AS, security deposits are a financial instrument which have to be measured at its fair value on initial recognition. The fair value shall be determined by discounting the amount over the expected term of the deposit using an interest rate applicable to a similar deposit with an external unrelated party having a similar maturity pattern and similar credit characteristics.

4. Mark to market adjustment

Under Ind AS, all derivatives to be measured at fair value on the reporting date with both unrealized gains and unrealized losses being recognised in the income statement for the period in which such changes arise.

5. Actuarial gain/ loss

Under previous GAAP, the Company recognised actuarial gains and losses in profit and loss. Under Ind AS, all actuarial gains and losses are recognised in other comprehensive income (OCI). However, this has no impact on the total comprehensive income and total equity as on 1 July 2016 and 30 June 2017.

As per our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of Board of Directors
Accelya Kale Solutions Limited
CIN: L74140PN1986PLC041033

Rajiv Shah
Partner
Membership No: 112878

John Johnston
Chairman
DIN: 07258586

Neela Bhattacherjee
Managing Director
DIN: 01912483

Gurudas Shenoy
Chief Financial Officer

Ninad Umranikar
Company Secretary
Membership No: ACS14201

Place : Mumbai
Date : 3rd August 2018

Place : Mumbai
Date : 3rd August 2018

Independent Auditor's Report

To the Members of

Accelya Kale Solutions Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Accelya Kale Solutions Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (together referred to as “the Group”), which comprise the Consolidated Balance Sheet as at 30 June 2018, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as ‘the consolidated Ind AS financial statements’).

Management’s Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as “the Act”) that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor’s Responsibility

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

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 30 June 2018 and their consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable, that:

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

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on 30 June 2018 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on 30 June 2018 from being appointed as a director in terms of Section 164(2) of the Act.

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

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

    (i) The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 43 to the consolidated Ind AS financial statements;

    (ii) Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts – Refer Note 39 and 51 to the consolidated Ind AS financial statements;

    (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended 30 June 2018; and

(iv) The disclosures in the consolidated Ind AS financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 30 June 2018. However amounts as appearing in the audited consolidated financial statements for the year ended 30 June 2017 have been disclosed.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Rajiv Shah
Partner
Membership No: 112878

Place : Mumbai
Date : 3rd August 2018

Annexure A to the Independent Auditor's Report

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

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

We have audited the internal financial controls with reference to financial statements of Accelya Kale Solutions Limited ('the Holding Company') as of 30 June 2018 in conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 30 June 2018.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, the Holding Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 30 June 2018, based on the internal control with reference to financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Rajiv Shah
Partner
Membership No: 112878

Place : Mumbai
Date : 3rd August 2018

Consolidated Balance Sheet as at 30 June 2018	Note	30 June 2018 ₹	30 June 2017 ₹	1 July 2016 ₹
ASSETS				
Non-current assets				
Property, plant and equipment	4	**208,767,924**	238,021,826	187,340,703
Capital work in progress	4	**4,357,652**	6,425,100	429,270
Goodwill on consolidation		**287,481,583**	267,699,244	290,111,168
Other intangible assets	5	**194,882,982**	117,862,698	163,527,502
Intangible assets under development	5	**-**	-	125,000
Financial assets				
Investments	6	**60,000**	60,000	60,000
Loans	7	**32,268,231**	40,587,770	39,594,988
Other financial assets	8	**13,773,689**	24,231,720	21,091,702
Deferred tax assets (net)	9	**50,463,421**	-	19,063,948
Other non-current assets	10	**103,119,742**	78,375,741	77,933,727
Non-current tax assets (net)	11	**9,417,762**	7,603,922	20,267,460
Total non-current assets		**904,592,986**	780,868,021	819,545,468
Current assets				
Financial assets				
Investments	12	**364,433,513**	414,754,014	241,338,977
Trade receivables	13	**558,775,796**	663,987,694	391,140,639
Loans	14	**11,180,309**	-	-
Cash and cash equivalents	15	**242,451,363**	211,527,482	241,757,232
Other bank balances	16	**37,639,175**	31,130,174	61,460,718
Other financial assets	17	**336,196,107**	298,902,210	306,825,090
Other current assets	18	**93,627,836**	74,383,226	53,447,608
Current tax assets (net)	19	**4,295,798**	1,995,794	-
Total current assets		**1,648,599,897**	1,696,680,594	1,295,970,264
TOTAL ASSETS		**2,553,192,883**	2,477,548,615	2,115,515,732
EQUITY AND LIABILITIES				
Equity				
Equity share capital	20	**149,268,660**	149,268,660	149,268,660
Other equity	21	**1,646,629,542**	1,660,570,640	1,460,592,976
Total equity		**1,795,898,202**	1,809,839,300	1,609,861,636
Non-current liabilities				
Financial liabilities				
Other financial liabilities	22	**27,151,082**	6,131,927	3,269,201
Deferred tax liabilities (net)	9	**-**	608,248	-
Provisions	23	**37,609,292**	50,149,458	49,062,697
Other non-current liabilities	24	**3,683,510**	10,505,539	15,101,353
Total non-current liabilities		**68,443,884**	67,395,172	67,433,251
Current liabilities				
Financial liabilities				
Trade payables	25	**217,551,939**	172,574,644	118,974,632
Other financial liabilities	26	**260,688,967**	216,254,833	164,451,955
Provisions	27	**38,137,973**	44,876,147	40,171,295
Current tax liabilities (net)	28	**78,763,574**	72,626,667	70,328,573
Other current liabilities	29	**93,708,344**	93,981,852	44,294,390
Total current liabilities		**688,850,797**	600,314,143	438,220,845
TOTAL EQUITY & LIABILITIES		**2,553,192,883**	2,477,548,615	2,115,515,732
Significant accounting policies	3			

The notes referred to above form an integral part of the financial statements
As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Rajiv Shah
Partner
Membership No: 112878

Place : Mumbai
Date : 3rd August 2018

For and on behalf of Board of Directors
Accelya Kale Solutions Limited
CIN: L74140PN1986PLC041033

John Johnston
Chairman
DIN: 07258586

Neela Bhattacherjee
Managing Director
DIN: 01912483

Gurudas Shenoy
Chief Financial Officer

Ninad Umranikar
Company Secretary
Membership No: ACS14201

Place : Mumbai
Date : 3rd August 2018

Consolidated Statement of Profit and Loss for the year ended 30 June 2018	Note	30 June 2018 ₹	30 June 2017 ₹
Revenue			
Revenue from operations	30	**3,814,228,214**	3,673,974,834
Other income	31	**45,011,489**	203,097,882
Total income		**3,859,239,703**	3,877,072,716
Expenses			
Employee benefit expenses	32	**1,380,439,204**	1,401,680,800
Operating and other expense	33	**951,617,819**	827,544,025
Depreciation and amortization expense	34	**143,519,084**	143,755,182
Total expenses		**2,475,576,107**	2,372,980,007
Profit before tax		**1,383,663,596**	1,504,092,709
Tax expenses:			
Current tax	36	**547,817,349**	507,278,074
Tax expense (reversal)/ provision for earlier year's	36	**(4,876,271)**	4,674,349
Deferred tax	36	**(51,071,669)**	19,672,196
Profit for the period		**891,794,187**	972,468,090
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligation		**4,723,409**	(3,699,245)
Income tax related to items that will not be reclassified to profit or loss		**-**	-
Items that will be reclassified to profit or loss			
Exchange differences on translation of foreign operations		**33,624,331**	(38,373,740)
Income tax related to items that will be reclassified to profit or loss		**-**	-
Total comprehensive income for the period		**930,141,927**	930,395,105
Earnings per equity share (face value of ₹ 10 each)			
Basic and diluted	35	**59.75**	65.15
Significant accounting policies	3		

The notes referred to above form an integral part of the financial statements
As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Rajiv Shah
Partner
Membership No: 112878

Place : Mumbai
Date : 3rd August 2018

For and on behalf of Board of Directors
Accelya Kale Solutions Limited
CIN: L74140PN1986PLC041033

John Johnston
Chairman
DIN: 07258586

Neela Bhattacherjee
Managing Director
DIN: 01912483

Gurudas Shenoy
Chief Financial Officer

Ninad Umranikar
Company Secretary
Membership No: ACS14201

Place : Mumbai
Date : 3rd August 2018

Consolidated Statement of Changes in Equity
for the year ended 30 June 2018

A. Equity share capital

(Amount in ₹)

	Number of shares	Amount
Balance as at 1 July 2016	149,268,660	1,492,686,600
Changes in equity share capital during 2016-17	-	-
Balance as at 30 June 2017	**149,268,660**	**1,492,686,600**
Changes in equity share capital during 2017-18	-	-
Balance as at 30 June 2018	**149,268,660**	**1,492,686,600**

B. Other equity

Particulars	Attributable to the owners of the Company						
	Reserves & Surplus				Items of OCI		Total
	Capital redemption reserve	Securities premium	General reserve	Retained earnings	Translation reserve	Other items of OCI	
Balance at 1 July, 2016	**9,538,260**	**316,984,098**	**236,953,435**	**897,117,183**	**-**	**-**	**1,460,592,976**
Profit for the year	-	-	-	972,468,090	-	-	972,468,090
Other comprehensive income for the year	-	-	-	-	(38,373,740)	(3,699,245)	(42,072,985)
Total comprehensive income for the year	**-**	**-**	**-**	**972,468,090**	**(38,373,740)**	**(3,699,245)**	**930,395,105**
Other changes							
Interim dividend	-	-	-	(164,188,871)	-	-	(164,188,871)
Dividend distribution tax on interim dividend	-	-	-	(33,425,000)	-	-	(33,425,000)
Dividend distribution tax credit	-	-	-	6,143,326	-	-	6,143,326
Final equity dividend	-	-	-	(447,787,830)	-	-	(447,787,830)
Dividend distribution tax on final dividend	-	-	-	(91,159,066)	-	-	(91,159,066)
Balance at 30 June, 2017	**9,538,260**	**316,984,098**	**236,953,435**	**1,139,167,832**	**(38,373,740)**	**(3,699,245)**	**1,660,570,640**

B. Other Equity (continued)

(Amount in ₹)

	Number of shares	Amount
Balance as at 1 July 2016	149,268,660	1,492,686,600
Changes in equity share capital during 2016-17	-	-
Balance as at 30 June 2017	**149,268,660**	**1,492,686,600**
Changes in equity share capital during 2017-18	-	-
Balance as at 30 June 2018	**149,268,660**	**1,492,686,600**

Particulars	Attributable to the owners of the Company						
	Reserves & Surplus				Items of OCI		Total
	Capital redemption reserve	Securities premium	General reserve	Retained earnings	Translation reserve	Other items of OCI	
Balance at 1 July, 2017	**9,538,260**	**316,984,098**	**236,953,435**	**1,139,167,832**	**(38,373,740)**	**(3,699,245)**	**1,660,570,640**
Profit for the year	-	-	-	891,794,187	-	-	891,794,187
Other comprehensive income for the year	-	-	-	-	33,624,331	4,723,409	38,347,740
Total comprehensive income for the year	**-**	**-**	**-**	**891,794,187**	**33,624,331**	**4,723,409**	**930,141,927**
Other changes							
Interim dividend	-	-	-	(208,967,654)	-	-	(208,967,654)
Dividend distribution tax on interim dividend	-	-	-	(42,540,897)	-	-	(42,540,897)
Dividend distribution tax credit	-	-	-	26,021,387	-	-	26,021,387
Final equity dividend	-	-	-	(597,050,440)	-	-	(597,050,440)
Dividend distribution tax on final dividend	-	-	-	(121,545,421)	-	-	(121,545,421)
Balance at 30 June, 2018	**9,538,260**	**316,984,098**	**236,953,435**	**1,086,878,994**	**(4,749,409)**	**1,024,164**	**1,646,629,542**

The notes referred to above form an integral part of the financial statements
As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Rajiv Shah
Partner
Membership No: 112878

Place : Mumbai
Date : 3rd August 2018

For and on behalf of Board of Directors
Accelya Kale Solutions Limited
CIN: L74140PN1986PLC041033

John Johnston
Chairman
DIN: 07258586

Neela Bhattacherjee
Managing Director
DIN: 01912483

Gurudas Shenoy
Chief Financial Officer

Ninad Umranikar
Company Secretary
Membership No: ACS14201

Place : Mumbai
Date : 3rd August 2018

Consolidated cash flow statement for the year ended 30 June 2018	30 June 2018 ₹	30 June 2017 ₹
Cash flows from operating activities		
Net profit before tax	**1,383,663,596**	1,504,092,711
Adjustments for:		
Depreciation and amortization expenses	**143,519,084**	143,755,182
Profit on sale of fixed asset	**(531,728)**	(733,389)
Provision for doubtful debts charge	**5,549,375**	2,016,463
Credit balances written back	**(7,466,244)**	(12,766,326)
Effect of exchange difference on translation of subsidiaries	**13,841,992**	(15,961,816)
Unrealised exchange loss	**(11,718,451)**	(3,262,444)
Interest on bank deposits	**(505,302)**	(2,441,380)
Mark to market loss/ (gain) on forward contract	**161,766,914**	(81,123,816)
Dividend income from mutual fund	**(12,182,510)**	(9,806,538)
Operating cash flow before working capital changes	**1,675,936,726**	1,523,768,647
Decrease/ (Increase) in trade receivables	**99,832,535**	(272,029,587)
(Increase) in other assets	**(39,681,148)**	(30,572,718)
(Increase)/ Decrease in unbilled revenue	**(146,045,010)**	92,493,625
Increase in trade payables and other financial liabilities	**63,739,869**	111,512,816
Cash generated from operations	**1,653,782,972**	1,425,172,783
Taxes paid, net	**(540,918,015)**	(498,986,585)
Net cash provided by operating activities (A)	**1,112,864,957**	926,186,198
Cash flows from investing activities		
Purchase of fixed assets	**(203,782,356)**	(103,301,712)
Proceeds from sale of fixed assets	**614,155**	896,708
Interest received on bank deposits	**274,190**	2,387,127
Dividend received on mutual fund investments	**12,182,510**	9,806,538
Purchase of investment in a mutual fund units	**(2,553,679,514)**	(2,386,915,056)
Sale of investment in a mutual fund units	**2,604,000,000**	2,213,500,019
Investment in bank deposits having maturity more than 3 months	**(18,859,927)**	(3,647,443)
Margin money deposits matured	**21,133,700**	3,479,069
Net cash (used in) investing activities (B)	**(138,117,242)**	(263,794,750)
Cash flow from financing activities		
Dividend paid (including dividend distribution tax thereon)	**(944,083,025)**	(730,417,441)
Net cash (used) by financing activities (C)	**(944,083,025)**	(730,417,441)

Consolidated cash flow statement for the year ended 30 June 2018	30 June 2018 ₹	30 June 2017 ₹
Net decrease in cash and cash equivalents (A+B+C)	**30,664,690**	(68,025,993)
Effect of exchange differences on cash and cash equivalents held in foreign currency	**261,340**	3,858,366
Cash and cash equivalents at the beginning of the year	**211,561,770**	275,729,397
Cash and cash equivalents at the end of the year	**242,487,800**	211,561,770
Note to Cash flow statement:		
(a) Components of cash and cash equivalents		
Balance with banks		
in current accounts	**224,911,977**	208,104,517
in EEFC accounts	**2,539,386**	3,422,965
Bank deposit with maturity less than 3 months	**15,000,000**	-
Bank deposit with maturity more than 3 months but less than 12 months	**36,437**	34,288
Total cash and cash equivalents	**242,487,800**	211,561,770

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Rajiv Shah
Partner
Membership No: 112878

Place : Mumbai
Date : 3rd August 2018

For and on behalf of Board of Directors
Accelya Kale Solutions Limited
CIN: L74140PN1986PLC041033

John Johnston
Chairman
DIN: 07258586

Neela Bhattacherjee
Managing Director
DIN: 01912483

Gurudas Shenoy
Chief Financial Officer

Ninad Umranikar
Company Secretary
Membership No: ACS14201

Place : Mumbai
Date : 3rd August 2018

Notes to the consolidated financial statements

1 Reporting entity

Accelya Kale Solutions Limited ("Accelya" or "the Company") is a software solutions provider to the global Airline and Travel industry.

Accelya delivers world class software products, managed processes, technology and hosting services. Accelya's industry solutions are driven by active partnerships with industry bodies and customers, and significant domain knowledge. Its customised approach in deploying these solutions supports clients with best fit solutions to match their requirements.

The list of subsidiaries considered in these consolidated financial statements as at 30 June, 2018 with percentage holding is summarized below:

Subsidiaries	Country of incorporation and other particulars	Percentage of holding by the immediate parent (%)	Year of consolidation
Kale Softech, Inc., USA	A Subsidiary of Accelya incorporated under the laws of United States of America	100%	1998-99
Zero Octa UK Limited, UK	A Subsidiary of Accelya incorporated under the laws of United Kingdom	100%	2007-08
Kale Consultants Limited Employees Welfare Trust	An employee welfare trust incorporated under the laws of India	100%	2015-16

2 Basis of preparation

a) Statement of compliance with Ind AS

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

The Group's consolidated financial statements up to year ended 30 June 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

Accordingly, the transition to Ind AS has been carried out from the accounting principles generally accepted in India ("Indian GAAP") which is considered as the "Previous GAAP" for purposes of Ind AS 101. An explanation of how the transition to Ind AS has affected the Company's equity and its net profit or loss is provided in Note 54. These consolidated financial statements are the first consolidated financial statements of the Company under Ind AS.

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

b) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for following item:

Item	Measurement basis
Certain financial assets and liabilities	Fair value
Contingent consideration in business combination	Fair value
Net defined benefit (asset)/liability	Fair value of plan assets less present value of defined benefit obligation

Notes to the consolidated financial statements *(continued)*

c) **Use of estimates and judgements**

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

The areas involving critical estimates and judgements are:

(i) Estimation of useful life of property, plant and equipment (refer note 3(b))

(ii) Estimation of defined benefit obligation (refer note 3(j))

(iii) Impairment of trade receivables (refer note 3(h)(I))

(iv) Provisions and contingent liabilities (refer note 3(m))

(v) Measurement of consideration and assets acquired as part of business combination

3 Summary of significant accounting policies

a. Basis of consolidation

i. Business combination

As part of transition to Ind AS, the Group has elected to apply the relevant Ind AS, viz. Ind AS 103, Business Combinations as on 7 August 2007. In accordance with Ind AS 103, the Group accounts for these business combinations using the acquisition method when control is transferred to the Group. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired.

Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in profit or loss.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI as appropriate.

ii. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has right to, variable returns from its involvement with the entity end has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Notes to the consolidated financial statements *(continued)*

iii. Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iv. Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other component of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in profit or loss.

v. Transactions eliminated on consolidation

Inter-group balances and transactions and any unrealised income and expenses arising from inter-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

b. Property, plant and equipment

Property, plant and equipments are stated at cost of acquisition, including any attributable cost for bringing the asset to its working condition for its intended use, less accumulated depreciation/amortisation and impairment loss.

Property, plant and equipment not ready for the intended use on the date of Balance Sheet are disclosed as “Capital work-in-progress". Depreciation on Property, plant and equipment is provided pro rata for the period of use based on management’s best estimate of useful lives of the assets.

Depreciation/amortization for the year is recognised in the Statement of Profit and Loss.

The useful life of the assets consider for depreciation is summarized below:

Building	30 years
Plant and machinery and computer equipment	3 to 6 years
Furniture and fixtures, Equipment and other assets	4 to 6 years
Software acquired/ developed	3 to 5 years
Vehicles	5 years
Leasehold improvements	To be amortized over the lesser of the period of lease and the useful life of the asset

For each class of assets, based on internal assessment and independent technical evaluation carried out by external valuer, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II to the Companies Act, 2013.

The useful lives are reviewed by the management at each financial year-end and revised, if appropriate. In case of a revision, the unamortised depreciable amount is changed over the revised remaining useful life.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the company.

Notes to the consolidated financial statements *(continued)*

c. Goodwill and other Intangible assets

i. Goodwill

For measurement of goodwill that arises on a business combination (see note 3(a) (i)). Subsequent measurement is at cost less any accumulated impairment losses.

ii. Other Intangible assets

Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment loss, if any.

Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates. An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use.

Losses arising from retirement and gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss.

Research and Development cost

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable and the Company has intention and the ability to complete and use or sell the software and the costs can be measured reliably.

d. Impairment of non-financial asset

Property, plant and equipment and intangible assets are reviewed at each reporting date to determine if there is any indication of impairment. For assets in respect of which any such indication exists and for intangible assets mandatorily tested annually or at period end for impairment, the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets (cash generating unit or "CGU") that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its net selling price. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Impairment losses are recognised in the Statement of Profit and Loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists or has decreased, the assets or CGU's recoverable amount is estimated. For assets other than goodwill, the impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Impairment loss recognised for goodwill is not subsequently reversed.

e. Revenue recognition

Revenue is derived primarily from transaction processing and sale of software license, related implementation and maintenance service.

Notes to the consolidated financial statements *(continued)*

Revenues from transaction processing service i.e. airline ticket and coupon processing charges, is recognized based on the rates fixed in the contract with customers based on the work completed and where there is no uncertainty as to measurability or collectability of that amount.

Arrangements with customers for software development and related implementation services are classified as fixed-price contracts. Revenue from maintenance services are on a time- and -material basis.

Revenue from the sale of user licenses for software applications is recognized on transfer of the title in the user license, except in cases of multiple element contracts which require significant implementation services, where revenue for the entire arrangement is recognized over the implementation period based upon the percentage-of-completion.

Revenue from fixed-price contracts where there is no uncertainty as to measurement or collectability of consideration is recognized based on the percentage of completion. Percentage of completion is measured as a proportion of time spent on the contract till the balance sheet date to the total estimated time to complete the contract. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Cost and estimated earnings in excess of billings are classified as unbilled revenue while billing in excess of cost and estimated earnings are classified as unearned revenue. Provision for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the current estimates.

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last billing to the balance sheet date is recognized as unbilled revenue.

Revenue from client training, support and other services arising due to the sale of software products, is recognized as the related services are performed.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Dividend income is recognized when the right to receive dividend is established.

Dividend are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the company, and the amount of the dividend can be measured reliably.

f. Leases

Operating lease

Lease rentals under an operating lease are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term.

Finance Lease

Assets acquired under finance lease are recorded as an asset and liability at the inception of the lease and are recorded at an amount equal to lower of fair value of the leased asset and the present value of the future minimum lease payments.

g. Foreign currency transactions and balances

i. Functional and presentation currency

Items included in the consolidated financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian Rupee (INR), which is the Company's functional and presentation currency.

ii. Foreign currency Transactions and Balances

Transactions denominated in foreign currency are recorded at the exchange rates prevailing on the date of transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the Statement of Profit and Loss for the year.

Notes to the consolidated financial statements *(continued)*

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated into Indian rupees at the closing exchange rates on that date. The resultant exchange differences are recognised in the Statement of Profit and Loss.

Translation of foreign operations

The assets and liabilities of foreign operations (subsidiaries, associates, joint arrangements, branches) including goodwill and fair value adjustments arising on acquisition, are translated into INR, the functional currency of the company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rate at the date of the transaction or an average rate if the average rate approximates the actual rate at the date of the transaction.

In accordance with Ind AS 101, the company has elected to deem foreign currency translation differences that arose prior to the date of transition to Ind AS, i.e. 1st July, 2016, in respect of all foreign operations to be nil at the date of transition. From 1st July, 2016 onwards, such exchange differences are recognised in OCI and accumulated in equity, except to the extent that the exchange differences are allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognised in OCI is reclassified to profit or loss as part of the gain or loss on disposal. If the group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is re-allocated to NCI. When the group disposes of only a part of its interest in an associate or a joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

h. Financial Instruments:

I. Financial Assets:

Classification

On initial recognition the Company classifies financial assets as measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement

All financial assets are initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

Cash and cash equivalent

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Financial assets at amortised cost

A ‘financial asset’ is measured at the amortised cost if both the following conditions are met:

i) the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

ii) contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Notes to the consolidated financial statements *(continued)*

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Consolidated Statement of Profit and Loss. The losses arising from impairment are recognised in the Consolidated Statement of Profit and Loss. This category generally applies to trade and other receivables.

Financial assets included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

The Company has elected to continue with the carrying value of all its equity investments as recognized in the consolidated financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as the deemed cost as at the transition date pursuant to the exemption under Ind AS 101.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

i) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

ii) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Notes to the consolidated financial statements *(continued)*

II. Financial Liabilities

Classification

The Company classifies all financial liabilities as measured at amortised cost, except for financial liabilities measured at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value with changes in fair value being recognised in the Statement of Profit and Loss.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortised cost (loans and borrowings, and payables).

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses are recognised in the Consolidated Statement of Profit and Loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Consolidated Statement of Profit and Loss.

This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Consolidated Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Notes to the consolidated financial statements *(continued)*

Derivative financial instruments

The Company uses derivative financial instruments, such as foreign exchange forward contracts to manage its exposure to foreign exchange risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

i. Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and long positions at a bid price and liabilities and short positions at an ask price. The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received.

j. Employee benefit

i. Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee service is recognised as an expense at an undiscounted amount in the Statement of Profit and Loss as the related service is rendered by employees.

ii. Post-employment benefits

Defined Contribution Plan

The Company's contributions during the year to Provident Fund administered by government authority are recognized in the Statement of profit and loss.

Defined Benefit Plan

The Company's net obligation in respect of gratuity is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value, and the fair value of any plan assets is deducted. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation by an independent actuary using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government securities as at the Balance Sheet date. Actuarial gains and losses are recognized in other comprehensive income.

Notes to the consolidated financial statements *(continued)*

iii. Compensated absences

Provision for compensated absences cost has been made based on actuarial valuation by an independent actuary at balance sheet date.

The employees of the Company are entitled to compensated absences. The employees can carry-forward a portion of the unutilized accrued compensated absence and utilize it in future periods or receive cash compensation at termination of employment for the unutilized accrued compensated absence. The Company records an obligation for compensated absences in the period in which the employee renders the services that increase this entitlement. The Company measures the expected cost of compensated absence as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date.

k. Income taxes

Income-tax expense comprises current tax and deferred tax charge or credit. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current taxes

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and set off the liability on a net basis or simultaneously.

Deferred taxes

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised.

Deferred tax is not recognised for temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be applied to deferred tax assets when they are realised or deferred tax liabilities when they are settled, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

l. Earnings per share ('EPS')

Basic and diluted earnings per share are computed by dividing the net profit attributable to equity shareholders for the year, by the weighted average number of equity shares outstanding during the year.

Notes to the consolidated financial statements *(continued)*

The number of shares used in computing diluted earnings per share comprises of weighted average number of shares considered for deriving basic earning per share, and also the weighted average number of equity shares which may be issued on conversion of all dilutive potential shares, unless the results would be anti – dilutive.

m. Provisions and contingent liabilities

Provisions are recognized when the Company recognizes that it has a present obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Onerous contracts

Provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at lower of the expected cost of terminating the contract and the expected net cost of fulfilling the contract.

n. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The CODM assesses the financial performance and position of the company, and makes strategic decisions. The company operates in one reportable business segment i.e. software solutions.

Recent accounting developments

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration

On 28 March 2018, the Ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration, which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in foreign currency.

This amendment will come into force effective 1 April 2018 (1 July 2018 for the Company). The Company is in the process of evaluating the impact on account of the same.

Ind AS 115, Revenue from Contract with Customers

On 28 March 2018, the MCA notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

Notes to the consolidated financial statements *(continued)*

The standard permits two possible methods of transition:

- Retrospective approach – under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8, Accounting policies, Changes in Accounting, Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognised at the date of initial application (cumulative catch up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after 1 April 2018 (1 July 2018 for the Company). The Company will adopt the standard with all related amendments following the retrospectively cumulative effect method. Under this transition method, the cumulative effect related to contracts with customers not completed at the date of initial application, will be recognised as an adjustment to the opening balance of retained earnings of the annual reporting period.

The Company has completed its evaluation of the possible impacts of Ind AS 115 and does not expect them to be material on its financial statements.

4 PROPERTY, PLANT AND EQUIPMENT

	Building ₹	Plant and machinery and computer equipment ₹	Furniture and fixtures ₹	Vehicles ₹	Leasehold improvements ₹	Total ₹
Gross carrying amount						
As at 1 July 2016	63,259,128	489,867,170	60,199,853	10,362,430	21,659,954	645,348,535
Additions during the year	-	119,874,397	6,078,441	-	2,763,814	128,716,652
Deletions/ disposals	-	49,505,805	561,920	852,912	-	50,920,637
Translation	-	(259,344)	(297,566)	-	-	(556,910)
As at 30 June 2017	63,259,128	559,976,418	65,418,808	9,509,518	24,423,768	722,587,640
Additions during the year	-	51,916,583	2,654,488	-	107,601	54,678,672
Deletions/ disposals	-	61,882,928	-	2,310,436	-	64,193,364
Translation	-	253,637	317,637	-	-	571,274
As at 30 June 2018	**63,259,128**	**550,263,710**	**68,390,933**	**7,199,082**	**24,531,369**	**713,644,222**
Accumulated depreciation						
As at 1 July 2016	36,722,460	346,910,120	46,952,587	8,021,358	19,401,307	458,007,832
Charge for the year	2,108,638	67,443,404	5,230,315	529,236	2,529,400	77,840,993
Deletions/ disposals	-	49,367,379	537,027	852,912	-	50,757,318
Translation	-	(230,367)	(295,326)	-	-	(525,693)
As at 30 June 2017	38,831,098	364,755,778	51,350,549	7,697,682	21,930,707	484,565,814
Charge for the year	2,108,638	75,017,023	5,625,465	529,236	588,430	83,868,792
Deletions/ disposals	-	61,800,501	-	2,310,436	-	64,110,937
Translation	-	185,227	367,402	-	-	552,629
As at 30 June 2018	**40,939,736**	**378,157,527**	**57,343,416**	**5,916,482**	**22,519,137**	**504,876,298**
Net carrying amount						
As at 30 June 2017	24,428,030	195,220,640	14,068,259	1,811,836	2,493,061	238,021,826
As at 30 June 2018	**22,319,392**	**172,106,183**	**11,047,517**	**1,282,600**	**2,012,232**	**208,767,924**

Notes to the consolidated financial statements *(continued)*

	Capital work in progress ₹
As at 1 July 2016	429,270
Additions	6,425,100
Assets capitalisation during the year	429,270
As at 30 June 2017	6,425,100
Additions	4,357,652
Assets capitalisation during the year	6,425,100
As at 30 June 2018	**4,357,652**

5 OTHER INTANGIBLE ASSETS

	Internally developed software ₹	Acquired software ₹	Total ₹
Gross carrying amount			
As at 1 July 2016	369,885,972	333,880,867	703,766,839
Purchase/ internal development	14,550,523	5,698,862	20,249,385
Deletions/ disposals	-	7,924,086	7,924,086
As at 30 June 2017	384,436,495	331,655,643	716,092,138
Purchase/ internal development	108,996,060	27,674,516	136,670,576
Deletions/ disposals	-	-	-
As at 30 June 2018	**493,432,555**	**359,330,159**	**852,762,714**
Accumulated amortisation			
As at 1 July 2016	295,571,089	244,668,248	540,239,337
Charge for the year	30,881,128	35,033,061	65,914,189
Deletions/ disposals	-	7,924,086	7,924,086
As at 30 June 2017	326,452,217	271,777,223	598,229,440
Charge for the year	21,869,530	37,780,762	59,650,292
Deletions/ disposals	-	-	-
As at 30 June 2018	**348,321,747**	**309,557,985**	**657,879,732**
Net carrying amount			
As at 30 June 2017	57,984,278	59,878,420	117,862,698
As at 30 June 2018	**145,110,808**	**49,772,174**	**194,882,982**

	Intangible assets under development ₹
As at 1 July 2016	125,000
Additions	14,425,523
Assets capitalisation during the year	14,550,523
As at 30 June 2017	-
Additions	108,996,060
Assets capitalisation during the year	108,996,060
As at 30 June 2018	**-**

Notes to the consolidated financial statements *(continued)*

6 NON-CURRENT INVESTMENTS

	30 June 2018 ₹	30 June 2017 ₹	1 July 2016 ₹
Investments in Shares of Co-operative Banks carried at fair value through profit or loss			
Rupee Co-operative Bank Limited (unquoted)			
5,000 (30 June 2017: 5,000; 1 July 2016: 5,000) equity shares of ₹ 10 each fully paid up	**50,000**	50,000	50,000
Saraswat Co-operative Bank Limited (unquoted)			
1,000 (30 June 2017: 1,000; 1 July 2016: 1,000) equity shares of ₹ 10 each fully paid up	**10,000**	10,000	10,000
	60,000	60,000	60,000
All units are in absolute numbers			
Aggregate value of unquoted investments	**60,000**	60,000	60,000

7 LOANS - NON CURRENT

	30 June 2018 ₹	30 June 2017 ₹	1 July 2016 ₹
Lease deposits	**32,268,231**	40,587,770	39,594,988
	32,268,231	40,587,770	39,594,988

8 OTHER NON-CURRENT FINANCIAL ASSETS

	30 June 2018 ₹	30 June 2017 ₹	1 July 2016 ₹
Other deposits	**12,594,085**	8,194,923	4,679,462
Margin money deposit	**370,075**	630,866	617,123
Interest accrued on bank deposits	**104,254**	171,385	196,707
Derivative asset - forward contracts	**705,275**	15,234,546	15,598,410
	13,773,689	24,231,720	21,091,702

Margin money deposits

Margin money deposit represents deposit with banks for issue of bank guarantees to various authorities amounting to ₹ 370,075 (30 June 2017: ₹ 630,866; 1 July 2016: ₹ 617,123) which are due to mature after twelve months of the reporting date.

Notes to the consolidated financial statements *(continued)*

9 DEFERRED TAX ASSETS (NET)

	30 June 2018 ₹	30 June 2017 ₹	1 July 2016 ₹
Deferred tax assets			
Provision for compensated absences	**17,255,560**	22,353,608	22,566,114
Provision for doubtful debts	**5,043,748**	3,086,765	2,656,099
Difference between tax and book value of fixed assets	**770,487**	-	-
Mark to market loss on derivative instruments	**15,826,633**	1,593,051	534,223
Deferred Rent	**3,885,744**	4,963,989	5,102,912
Provision on service tax / GST refund	**3,750,261**	-	-
Others	**10,782,938**	25,456,402	6,878,275
	57,315,371	57,453,815	37,737,623
Deferred tax liabilities			
Difference between tax and book value of fixed assets	**-**	(10,377,966)	(1,059,008)
Mark to market gain on derivative instruments	**(3,132,603)**	(45,005,373)	(15,871,215)
Others	**(3,719,347)**	(2,678,724)	(1,743,452)
	(6,851,950)	(58,062,063)	(18,673,675)
Total	**50,463,421**	(608,248)	19,063,948

10 OTHER NON-CURRENT ASSETS

	30 June 2018 ₹	30 June 2017 ₹	1 July 2016 ₹
Advances recoverable in cash or kind	**71,316,904**	40,543,948	38,850,282
Service tax refund receivable	**18,180,586**	18,180,586	17,875,311
Discount in advance	**11,761,369**	14,483,369	12,740,485
Prepaid expenses	**1,860,883**	5,167,838	8,467,649
	103,119,742	78,375,741	77,933,727

11 NON-CURRENT TAX ASSETS (NET)

	30 June 2018 ₹	30 June 2017 ₹	1 July 2016 ₹
Advance income-tax (net of provision for tax of ₹ 883,717,325, 30 June 2017: ₹ 428,858,473, 1 July 2016: ₹ 707,746,278)	**9,417,762**	7,603,922	20,267,460
	9,417,762	7,603,922	20,267,460

Notes to the consolidated financial statements *(continued)*

12 CURRENT INVESTMENTS

	30 June 2018 ₹	30 June 2017 ₹	1 July 2016 ₹
Non-trade, unquoted investments			
Investments in Mutual Fund carried at fair value through profit or loss			
HDFC			
89,946.983 Liquid Fund Div Reinvest of ₹ 1019.82 (30 June 2017: 77,235.819 Liquid Fund Div Reinvest of ₹ 1019.82; 1 July 2016: 87,426.547 Liquid Fund Div Reinvest of ₹ 1019.82) (net asset value of unquoted investment)	**91,729,732**	78,766,633	89,159,341
ICICI Prudential			
607,591.507 Liquid Fund Div Reinvest of ₹ 100.1482 (30 June 2017: 625,825.963 Liquid Fund Div Reinvest of ₹ 100.0989; 1 July 2016: 525,691.147 Liquid Fund Div Reinvest of ₹ 100.0989) (net asset value of unquoted investment)	**60,849,196**	62,644,490	52,621,106
Birla Sun Life			
753,085.860 Liquid fund Div reinvest of ₹ 100.2169 (30 June 2017: 1,223,809.486 Liquid fund Div reinvest of ₹ 100.195; 1 July 2016: 993,647.686 Liquid fund Div reinvest of ₹ 100.1950) (net asset value of unquoted investment)	**75,471,930**	122,619,591	99,558,530
SBI Premier			
99,050.740 Liquid fund Div reinvest of ₹ 1003.25 (30 June 2017: 115,836.830 Liquid fund Div reinvest of ₹ 1003.25; 1 July 2016: Nil) (net asset value of unquoted investment)	**99,372,655**	116,213,300	-
ICICI Prudential			
141,876.977 Liquid fund - Growth of ₹ 260.8598 (30 June 2017: 141,407.53 Liquid fund Div reinvest of ₹ 244.0464; 1 July 2016: Nil) (net asset value of unquoted investment)	**37,010,000**	34,510,000	-
Total	**364,433,513**	414,754,014	241,338,977
All units are in absolute numbers			
Aggregate value of unquoted investments	**364,433,513**	414,754,014	241,338,977

Notes to the consolidated financial statements *(continued)*

13 TRADE RECEIVABLES

	30 June 2018 ₹	30 June 2017 ₹	1 July 2016 ₹
Trade receivables			
Unsecured, considered good	**558,775,796**	663,987,694	391,140,639
Considered doubtful	**14,257,554**	8,708,287	6,691,824
	573,033,350	672,695,981	397,832,463
Allowance for credit loss (refer to note 39)	**14,257,554**	8,708,287	6,691,824
Net trade receivables	**558,775,796**	663,987,694	391,140,639
Of the above, trade receivables from related parties are as below:			
Total trade receivables from related parties	**66,430,108**	60,252,185	30,319,678
Allowance for credit loss	**-**	-	-
Net trade receivables	**66,430,108**	60,252,185	30,319,678

14 LOANS

	30 June 2018 ₹	30 June 2017 ₹	1 July 2016 ₹
Lease deposits	**11,180,309**	-	-
	11,180,309	-	-

15 CASH AND BANK BALANCES

	30 June 2018 ₹	30 June 2017 ₹	1 July 2016 ₹
Cash and cash equivalents			
Balances with bank			
On current accounts	**224,911,977**	208,104,517	241,051,503
In EEFC accounts	**2,539,386**	3,422,965	705,729
Bank deposit with maturity less than 3 months	**15,000,000**	-	-
	242,451,363	211,527,482	241,757,232

16 OTHER BANK BALANCES

	30 June 2018 ₹	30 June 2017 ₹	1 July 2016 ₹
Margin money deposits	**4,120,718**	3,633,700	3,423,069
Unclaimed dividend *	**33,482,020**	27,462,186	24,065,484
Bank deposit with maturity more than 3 months but less than 12 months	**36,437**	34,288	33,972,165
	37,639,175	31,130,174	61,460,718

*The Company can utilize this balance only towards settlement of unclaimed dividend.

Notes to the consolidated financial statements *(continued)*

	30 June 2018	30 June 2017	1 July 2016

Margin money deposits

Margin money deposit represents deposit with banks for issue of bank guarantees to various authorities amounting to ₹ 4,120,718 (30 June 2017: ₹ 3,633,700; 1 July 2016: ₹ 3,423,069) which are due to mature within twelve months of the reporting date.

Due after 12 months (refer note 8)	**370,075**	630,866	617,123

17 OTHER CURRENT FINANCIAL ASSETS

	30 June 2018 ₹	30 June 2017 ₹	1 July 2016 ₹
Deposits	**-**	2,500,000	2,556,000
Interest accrued on bank deposits	**495,417**	197,174	117,599
Derivative asset - forward contracts	**8,259,364**	114,808,720	30,261,550
Unbilled revenue (refer to note 41 and 46)	**327,441,326**	181,396,316	273,889,941
	336,196,107	298,902,210	306,825,090

18 OTHER CURRENT ASSETS

	30 June 2018 ₹	30 June 2017 ₹	1 July 2016 ₹
Advances recoverable in cash or kind	**9,724,064**	6,181,969	7,404,434
Service tax refund receivable	**26,740,516**	18,825,315	3,112,816
Prepaid expenses	**53,548,801**	45,966,587	40,206,418
VAT receivable	**-**	-	293,220
Discount in advance	**3,614,455**	3,409,355	2,430,720
	93,627,836	74,383,226	53,447,608

19 CURRENT TAX ASSETS (NET)

	30 June 2018 ₹	30 June 2017 ₹	1 July 2016 ₹
Advance income-tax (net of provision for tax of ₹ 25,546,842, 30 June 2017: ₹ 428,858,473, 1 July 2016: ₹ 707,746,278)	**4,295,798**	1,995,794	-
	4,295,798	1,995,794	-

Notes to the consolidated financial statements *(continued)*

20 EQUITY SHARE CAPITAL

	30 June 2018 ₹	30 June 2017 ₹	1 July 2016 ₹
Authorised			
20,200,000 (30 June 2017: 20,200,000; 1 July 2016: 20,200,000) equity shares of ₹ 10 each	**202,000,000**	202,000,000	202,000,000
Issued, subscribed and paid-up			
14,926,261 (30 June 2017: 14,926,261; 1 July 2016: 14,926,261) equity shares of ₹ 10 each fully paid up	**149,262,610**	149,262,610	149,262,610
Forfeited shares	**6,050**	6,050	6,050
Total issued, subscribed and paid-up	**149,268,660**	149,268,660	149,268,660

a. Reconciliation of the shares outstanding at the beginning and at the end of the year

Equity shares

	30 June 2018		30 June 2017	
	Number of shares	₹	Number of shares	₹
At the beginning and end of the year	**14,926,261**	**149,262,610**	14,926,261	149,262,610

b. Rights, preference and restriction attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shareholders are entitled to receive dividend as declared from time to time. The voting right of an equity shareholder on a poll (not on show of hands) is in proportion to its share of the paid-up equity capital of the Company. Voting right cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. During the year the Company has declared interim dividend of ₹ 14 per equity share of ₹ 10 each. For the year ended 30 June, 2018, the Board of Directors have recommended a final dividend of ₹ 32 per equity share of ₹ 10 each. This is subject to approval of shareholders.

Failure to pay any amount called up on shares may lead to forfeiture of the shares.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

c. Shares held by holding Company

Out of equity shares issued by the Company, shares held by its holding Company are as follows

	30 June 2018 ₹	30 June 2017 ₹
Accelya Holding World S.L.U		
11,143,295 (30 June 2017: 11,143,295; 1 July 2016: 11,143,295) equity shares of ₹ 10 each fully paid	**111,432,950**	111,432,950

Notes to the consolidated financial statements *(continued)*

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

	30 June 2018		30 June 2017	
	Number of shares	% of total shares in the class	Number of shares	% of total shares in the class
Equity shares of ₹ 10 each fully paid				
Accelya Holding World S.L.U	**11,143,295**	**74.66**	11,143,295	74.66

21 OTHER EQUITY

	30 June 2018 ₹	30 June 2017 ₹	1 July 2016 ₹
Reserves and surplus			
Capital redemption reserve	**9,538,260**	9,538,260	9,538,260
Securities premium account	**316,984,098**	316,984,098	316,984,098
General reserve	**236,953,435**	236,953,435	236,953,435
Retained earnings	**1,083,153,749**	1,097,094,847	897,117,183
	1,646,629,542	1,660,570,640	1,460,592,976
(i) Capital redemption reserve			
At the commencement and end of the year	**9,538,260**	9,538,260	9,538,260
(ii) Securities premium account			
At the commencement and end of the year	**316,984,098**	316,984,098	316,984,098
(iii) General reserve			
At the commencement and end of the year	**236,953,435**	236,953,435	236,953,435
(iv) Retained earnings			
At the commencement of the year	**1,097,094,847**	897,117,183	292,215,085
Add: Net profit for the year	**891,794,187**	972,468,090	868,812,374
Items of other comprehensive income recognised directly in retained earnings			
- Remeasurement of post-employment benefit obligation	**4,723,409**	(3,699,245)	-
- Exchange differences on translation of foreign operations	**33,624,331**	(38,373,740)	-
Less: Appropriations			
Interim dividend (current year amount per share ₹ 14, previous year amount per share ₹ 11)	**208,967,654**	164,188,871	223,893,915
Dividend distribution tax on interim dividend	**42,540,897**	33,425,000	44,096,700
Dividend distribution tax credit	**(26,021,387)**	(6,143,326)	(4,080,339)
Final equity dividend (current year amount per share ₹ 40, previous year amount per share ₹ 30)	**597,050,440**	447,787,830	-
Dividend distribution tax on final dividend	**121,545,421**	91,159,066	-
Total appropriations	**944,083,025**	730,417,441	263,910,276
Balance at the end of the year	**1,083,153,749**	1,097,094,847	897,117,183
Total reserve and surplus	**1,646,629,542**	1,660,570,640	1,460,592,976

Notes to the consolidated financial statements *(continued)*

(i) Capital redemption reserve

Capital redemption reserve was created on account of buy-back of equity share capital.

(ii) Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

(iii) General reserve

Amount in general reserve is transferred from profit and loss upon distribution of Dividend and is used from time to time to transfer profit from retained earnings for appropriate purposes.

22 OTHER NON-CURRENT FINANCIAL LIABILITIES

	30 June 2018 ₹	30 June 2017 ₹	1 July 2016 ₹
Derivative liability - forward contracts	**26,170,285**	4,603,130	1,543,640
Deposit received	**980,797**	1,528,797	1,725,561
	27,151,082	6,131,927	3,269,201

23 PROVISIONS

	30 June 2018 ₹	30 June 2017 ₹	1 July 2016 ₹
Provision for employees benefits			
- Compensated absences (refer to note 37)	**37,609,292**	50,149,458	49,062,697
	37,609,292	50,149,458	49,062,697

24 OTHER NON-CURRENT LIABILITIES

	30 June 2018 ₹	30 June 2017 ₹	1 July 2016 ₹
Deferred rent liability	**3,683,510**	10,505,539	15,101,353
	3,683,510	10,505,539	15,101,353

25 TRADE PAYABLES

	30 June 2018 ₹	30 June 2017 ₹	1 July 2016 ₹
- Total outstanding dues of micro and small enterprises (refer to note 45)	-	-	-
- Total outstanding dues of creditors other than micro and small enterprises	**217,551,939**	172,574,644	118,974,632
	217,551,939	172,574,644	118,974,632

Notes to the consolidated financial statements *(continued)*

26 OTHER CURRENT FINANCIAL LIABILITIES

	30 June 2018 ₹	30 June 2017 ₹	1 July 2016 ₹
Creditors for capital goods	**53,320,880**	67,802,791	16,298,853
Unclaimed dividends	**33,482,020**	27,462,186	24,065,484
Provision for salaries and incentives	**154,764,935**	120,989,856	124,087,618
Derivative liability - forward contracts	**19,121,132**	-	-
	260,688,967	216,254,833	164,451,955

There are no amounts due and outstanding to be credited to Investor Education and Protection Fund

27 PROVISIONS

	30 June 2018 ₹	30 June 2017 ₹	1 July 2016 ₹
Provision for employee benefit			
- Compensated absences (refer to note 23 and 37)	**11,953,482**	14,487,395	17,182,120
- Gratuity (refer to note 37)	**11,271,864**	15,838,835	13,510,382
Provision for litigation	**1,000,000**	1,000,000	1,000,000
Provision for claims	**13,912,627**	13,549,917	8,478,793
	38,137,973	44,876,147	40,171,295
Movement in provision for litigation			
Balance as at the commencement and end of the year	**1,000,000**	1,000,000	1,000,000

Provision for litigation represents provision made for probable liabilities/ claim arising out of pending disputes/ litigation with ex-employee. Such provisions are generally affected by numerous uncertainties and management considers such uncertainties while making an estimate of these amounts.

28 CURRENT TAX LIABILITIES (NET)

	30 June 2018 ₹	30 June 2017 ₹	1 July 2016 ₹
Provision for income tax (net of advance tax ₹ 572,681,365, 30 June 2017: ₹ 1,241,064,513, 1 July 2016: ₹ 781,802,419)	**78,763,574**	72,626,667	70,328,573
	78,763,574	72,626,667	70,328,573

Notes to the consolidated financial statements *(continued)*

29 OTHER CURRENT LIABILITIES

	30 June 2018 ₹	30 June 2017 ₹	1 July 2016 ₹
Income received in advance	**62,383,501**	62,914,939	23,240,736
Provident fund contribution payable	**6,004,224**	5,934,044	5,409,544
Profession tax payable	**241,175**	255,350	253,675
Tax deducted at source payable	**11,915,216**	14,662,107	10,508,729
Local body tax payable	**-**	1,078,424	235,438
Value added tax payable	**80,920**	452,108	3,996
Payable to employee state insurance corporation	**268,111**	371,098	103,898
Goods & Services tax/ service tax payable	**5,264,855**	4,134,909	4,344,899
Deferred rent liability	**7,550,342**	4,178,873	193,475
	93,708,344	93,981,852	44,294,390

30 REVENUE FROM OPERATIONS

	Year ended 30 June 2018 ₹	Year ended 30 June 2017 ₹
Sale of services	**3,803,301,375**	3,662,264,106
Other operating revenue	**10,926,839**	11,710,728
	3,814,228,214	3,673,974,834

31 OTHER INCOME

	Year ended 30 June 2018 ₹	Year ended 30 June 2017 ₹
Interest on bank deposits	**505,302**	2,441,380
Foreign exchange gain (net)	**-**	155,668,091
Interest on income tax refunds	**26,060**	795,791
Credit balances written back	**7,466,244**	12,766,326
Dividend from mutual funds	**12,182,510**	9,806,538
Profit on sale of asset, net	**531,728**	733,389
Unwinding of Interest Income	**2,937,457**	2,734,399
Miscellaneous income	**21,362,188**	18,151,968
	45,011,489	203,097,882

32 EMPLOYEE BENEFITS EXPENSES

	Year ended 30 June 2018 ₹	Year ended 30 June 2017 ₹
Salaries, wages and bonus	**1,353,115,020**	1,316,671,424
Contribution to Provident and other fund	**42,591,664**	39,724,947
Staff welfare expenses	**49,134,668**	48,760,482
Gratuity (refer to note 37)	**15,497,488**	10,750,010
Less: Product development cost capitalized	**(79,899,636)**	(14,226,063)
	1,380,439,204	1,401,680,800

Notes to the consolidated financial statements *(continued)*

33 OPERATING AND OTHER EXPENSES

	Year ended 30 June 2018 ₹	Year ended 30 June 2017 ₹
Advertisement and sales promotion	**39,753,177**	32,300,624
Auditor's remuneration (refer below)	**7,473,555**	7,189,957
Bank charges	**3,948,919**	4,285,724
Commission and brokerage	**-**	3,750,549
Communication charges	**28,297,019**	24,210,323
Computer consumables	**647,210**	660,010
Connectivity charges	**26,375,952**	26,611,629
Data processing charges	**17,555,610**	20,607,743
Director's commission	**400,000**	500,000
Director's sitting and committee fees	**2,021,492**	2,610,525
Contribution to corporate social responsibility (refer to note 47)	**25,530,230**	25,090,000
Insurance	**7,345,336**	3,981,083
Legal and professional fees	**20,968,747**	17,984,600
Management fees	**43,832,179**	32,236,053
Foreign exchange loss (net)	**23,782,074**	-
Membership and subscription	**13,788,122**	10,015,018
Power, fuel and water charges	**30,046,130**	31,868,267
Printing and stationery	**2,143,999**	2,210,218
Provision for doubtful debts	**5,549,375**	2,016,463
Bad debt written off	**-**	1,191,498
Rates and taxes	**2,718,610**	3,059,907
Recruitment expenses	**6,502,374**	9,884,850
Rent (refer to note 38)	**79,584,125**	79,707,738
Repair and maintenance :		
-Machinery	**5,361,315**	6,188,069
-Others	**20,191,575**	18,333,373
Software and maintenance	**212,376,488**	208,373,884
Technical consultants charges	**237,240,018**	154,746,731
Travelling and conveyance	**80,722,051**	70,416,762
Miscellaneous expenses	**36,558,561**	27,836,887
Less: Product development cost capitalized	**(29,096,424)**	(324,460)
	951,617,819	827,544,025
Auditor's remuneration		
Statutory audit fees	**6,841,050**	6,122,153
Other services (tax audit, certification and others)	**425,000**	776,717
Reimbursement of expenses	**207,505**	291,087
	7,473,555	7,189,957

Notes to the consolidated financial statements *(continued)*

34 DEPRECIATION AND AMORTISATION EXPENSE

	Year ended 30 June 2018 ₹	Year ended 30 June 2017 ₹
Depreciation on tangible fixed assets	**83,868,812**	77,840,993
Amortization on intangible fixed assets	**59,650,272**	65,914,189
	143,519,084	143,755,182

35 EARNING PER EQUITY SHARE (EPS)

	Year ended 30 June 2018 ₹	Year ended 30 June 2017 ₹
Profit after tax attributable to equity shareholders (A)	**891,794,187**	972,468,090
Number of equity shares at the beginning of the year	**14,926,261**	14,926,261
Number of equity shares outstanding at the end of the year	**14,926,261**	14,926,261
Weighted average number of equity shares outstanding during the year (B)	**14,926,261**	14,926,261
Basic and diluted EPS:		
Basic earnings per share (A / B)	**59.75**	65.15
Diluted earnings per share (A / B)	**59.75**	65.15
Face value per share (₹)	**10.00**	10.00

36 INCOME TAXES

	Year ended 30 June 2018 ₹	Year ended 30 June 2017 ₹
A. Amounts recognised in statement of profit or loss		
Current tax		
a) Current tax	**547,817,349**	507,278,074
b) Changes in estimates related to prior years #	**(4,876,271)**	4,674,349
c) Deferred tax:		
Attributable to:		
Origination and reversal of temporary difference	**(51,071,669)**	19,672,196
Income tax expense reported in the statement of profit or loss (a+b+c)	**491,869,409**	531,624,619
# Changes in estimates related to prior years in current year is on account of reversal of excess tax provision for FY 2014-15 offset by additional tax provision for FY 2016-17. Changes in estimates related to prior years in previous year is on account of excess tax provision for FY 2012-13 and FY 2015-16.		
B. Income tax recognised in other comprehensive income	**Nil**	Nil

Notes to the consolidated financial statements *(continued)*

	Year ended 30 June 2018 ₹	Year ended 30 June 2017 ₹
C. Reconciliation of effective tax rate		
Profit before tax	**1,383,663,596**	1,504,092,710
Tax using the Company's domestic tax rate	**479,954,741**	520,536,405
Changes in estimates related to prior years	**(4,876,271)**	4,983,007
Tax exempt income	**(4,225,533)**	(3,413,514)
Non-deductible expenses	**6,319,320**	6,642,517
Income chargeable at lower rate of tax	**(22,118,180)**	(5,221,828)
Differences in tax rates in foreign jurisdictions	**40,248,328**	10,005,444
Others	**(3,432,996)**	(1,907,412)
Effective tax charge	**491,869,409**	531,624,619
Current tax	**547,817,349**	507,278,074
Current tax relating to previous years	**(4,876,271)**	4,674,349
Deferred tax	**(51,071,669)**	19,672,196
Tax expense reported in the statement of comprehensive income	**491,869,409**	531,624,619

D. Recognised deferred tax assets and liabilities
Movement in temporary differences:

(Amount in ₹)

	Balance as at 1 July 2016	Recognised in OCI during 2016-17	Recognised in profit or loss during 2016-17	Balance as at 30 June 2017	Recognised in OCI during 2017-18	Recognised in profit or loss during 2017-18	Balance as at 30 June 2018
Deferred tax assets arising on account of:							
Provision for compensated absences	22,566,114	-	(212,506)	22,353,608	-	**(5,098,048)**	**17,255,560**
Allowance for doubtful debts	2,656,099	-	430,666	3,086,765	-	**1,956,983**	**5,043,748**
Mark to market loss on derivative instruments	534,223	-	1,058,828	1,593,051	-	**14,233,582**	**15,826,633**
Deferred Rent	5,102,912	-	(138,923)	4,963,989	-	**(1,078,245)**	**3,885,744**
Provision on service tax refund	-	-	-	-	-	**3,750,261**	**3,750,261**
Others	6,878,275	-	18,578,127	25,456,402	-	**(14,673,464)**	**10,782,938**
Less: Deferred tax liability arising on account of:							
Difference between tax and book value of fixed assets	(1,059,008)	-	(9,318,958)	(10,377,966)	-	**11,148,453**	**770,487**
Mark to market gain on derivative instruments	(15,871,215)	-	(29,134,158)	(45,005,373)	-	**41,872,770**	**(3,132,603)**
Others	(1,743,452)	-	(935,272)	(2,678,724)	-	**(1,040,623)**	**(3,719,347)**
Total	**19,063,948**	**-**	**(19,672,196)**	**(608,248)**	**-**	**51,071,669**	**50,463,421**

Notes to the consolidated financial statements *(continued)*

E. Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom. This is long term capital loss which can only be set-off against future long term capital gain, which cannot be predicted.

(Amount in ₹)

	30 June 2018		30 June 2017	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Tax losses (Long term capital loss)	236,997,213	47,399,443	241,865,181	48,373,036
Total	236,997,213	47,399,443	241,865,181	48,373,036

F. Tax losses carried forward

Tax losses for which no deferred tax asset was recognised expire as follows:

(Amount in ₹)

	30 June 2018	Expiry date	30 June 2017	Expiry date
Long term capital loss - FY 2008-09	-	-	4,867,968	2016-17
Long term capital loss - FY 2010-11	44,437,818	2018-19	44,437,818	2018-19
Long term capital loss - FY 2012-13	3,920,131	2020-21	3,920,131	2020-21
Long term capital loss - FY 2015-16	188,639,264	2023-24	188,639,264	2023-24

37 Employee benefits

Gratuity

The Company provides for gratuity, a defined benefit retirement plan (Gratuity Plan). The liability towards gratuity is carried out using projected unit benefit method. The Company provides the gratuity benefit through annual contributions to a fund managed by the Life Insurance Corporation of India (LIC). LIC administers the plan and determines the contribution required to be paid by the Company.

	Year ended 30 June 2018 ₹	Year ended 30 June 2017 ₹
Changes in present value of obligations		
a) Liability recognised in the balance sheet		
i) Present value of obligation		
Opening balance	79,135,718	64,779,645
Current service cost	10,967,588	9,710,450
Interest cost	5,416,962	4,984,490
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in demographic assumptions	-	-
- change in financial assumptions	(6,850,961)	3,804,270
- experience variance (i.e. Actual experiences assumptions)	2,604,246	729,719
Past service cost	3,445,707	-
Benefits paid	(8,838,970)	(4,872,856)
Closing balance (i)	85,880,290	79,135,718
ii) Fair value of plan assets		
Opening balance	63,296,883	51,269,263
Investment Income	4,332,769	3,944,930

Notes to the consolidated financial statements *(continued)*

	Year ended 30 June 2018 ₹	Year ended 30 June 2017 ₹
Employer's contributions	**15,341,050**	12,120,802
Return on plan assets	**476,694**	834,744
Benefits paid	**(8,838,970)**	(4,872,856)
Closing balance (ii)	**74,608,426**	63,296,883
Net liability recognised in the balance sheet (i-ii)	**11,271,864**	15,838,835
b) Expenses recognised in statement of profit and loss		
Current service cost	**10,967,588**	9,710,450
Past Service Cost	**3,445,707**	-
Interest cost	**5,416,962**	4,984,490
Expected return on plan assets	**(4,332,769)**	(3,944,930)
Expenses recognised in statement of profit and loss	**15,497,488**	10,750,010
c) Expenses recognised in other comprehensive income		
Actuarial (gain)/ loss on obligations		
- change in demographic assumptions	**-**	-
- change in financial assumptions	**(6,850,961)**	3,804,270
- experience variance (i.e. Actual experiences assumptions)	**2,604,246**	729,719
Return on plan assets	**(476,694)**	(834,744)
	(4,723,409)	3,699,245
d) Break up of Plan assets		
LIC of India - Insurer Managed Fund	**100.00%**	100.00%
e) Maturity Profile of Defined Benefit Obligation		
Expected cash flows over the next 5 years:		
Year 1	**15,146,624**	12,605,816
Year 2	**12,800,110**	10,768,031
Year 3	**12,254,170**	10,970,790
Year 4	**10,910,517**	9,736,652
Year 5	**10,016,499**	8,751,439
f) Principal actuarial assumptions		
Rate of discounting	**8.20%**	6.85%
Expected return on plan assets	**8.20%**	6.85%
Rate of increase in basic salary	**5.00%**	5.00%
Attrition rate	**13.00%**	13.00%
Weighted average duration (based on discounted cashflows)	**5 years**	6 years
Mortality	**Indian Assured Lives Mortality (2006-08) ultimate**	Indian Assured Lives Mortality (2006-08) ultimate
Normal retirement age	**58 years**	58 years

Notes to the consolidated financial statements *(continued)*

The Company estimates that the balance amount to be contributed to the gratuity fund during the financial year 2018-19 will be ₹ 21,356,060.

Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

(Amount in ₹)

Particulars	30 June 2018		30 June 2017	
	Decrease	**Increase**	Decrease	Increase
Discount Rate (- / + 1%)	**90,857,704**	**81,386,205**	84,083,327	74,698,036
Salary Growth Rate (- / + 1%)	**81,344,234**	**90,815,670**	74,867,455	83,767,536
Attrition Rate (- / + 50%)	**78,410,640**	**89,614,863**	74,814,997	81,062,342
Mortality Rate (- / + 10%)	**85,855,674**	**85,904,836**	79,119,202	79,152,185

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Compensated absences

Compensated absences as at balance sheet date, determined on the basis of actuarial valuation based on the 'Projected unit credit method' is as below:

	30 June 2018	30 June 2017	1 July 2016
	₹	₹	₹
Current provisions (refer note 27)	**11,953,482**	14,487,395	17,182,120
Non-current provisions (refer note 23)	**37,609,292**	50,149,458	49,062,697
	49,562,774	64,636,853	66,244,817

	Year ended 30 June 2018	Year ended 30 June 2017
Principal actuarial assumptions		
Rate of discounting	**8.20%**	6.85%
Rate of increase in salary cost to company	**10.00%**	10.00%
Attrition rate	**13.00%**	13.00%
Weighted average duration (based on discounted cashflows)	**4 years**	4 years
Mortality	**Indian Assured Lives Mortality (2006-08) ultimate**	Indian Assured Lives Mortality (2006-08) ultimate
Normal retirement age	**58 years**	58 years

Provident Fund

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue. The amount recognized as an expense towards contribution to Provident Fund for the year aggregated to ₹ 35,450,036 (2017: ₹ 33,054,540).

Notes to the consolidated financial statements *(continued)*

38 Leases

Operating lease

The lease rental (including hire charges) for office premises, guest house and godown charged to statement of profit and loss aggregates to ₹ 79,584,125 (30 June 2017: ₹ 79,707,738).

Future minimum lease commitments in respect of non cancellable operating leases:

Due	**As at 30 June 2018 ₹**	As at 30 June 2017 ₹	As at 1 July 2016 ₹
Not later than one year	**69,886,656**	75,021,262	73,650,127
Later than one year and not later than five years	**34,615,359**	105,477,439	177,576,662
Later than five years	**-**	-	-

39 Financial instruments

Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosure are required):

(Amount in ₹)

30 June 2018	Note No.	Carrying amount				Fair value			
		FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets									
Investments in Shares of Co-operative Banks	6	60,000	-	-	60,000	-	-	60,000	60,000
Non current lease deposits	7	-	-	32,268,231	32,268,231	-	-	-	-
Derivative financial assets - non current	8	705,275	-	-	705,275	-	705,275	-	705,275
Other non-current financial assets	8	-	-	474,329	474,329	-	-	-	-
Other deposits	8	-	-	12,594,085	12,594,085	-	-	-	-
Current investments	12	364,433,513	-	-	364,433,513	364,433,513	-	-	364,433,513
Trade receivables	13	-	-	558,775,796	558,775,796	-	-	-	-
Current lease deposits	14	-	-	11,180,309	11,180,309	-	-	-	-
Cash and cash equivalents	15	-	-	242,451,363	242,451,363	-	-	-	-
Other bank balances	16	-	-	37,639,175	37,639,175	-	-	-	-
Derivative financial assets - current	17	8,259,364	-	-	8,259,364	-	8,259,364	-	8,259,364
Other current financial assets	17	-	-	327,936,743	327,936,743	-	-	-	-
		373,458,152	**-**	**1,223,320,031**	**1,596,778,183**	**364,433,513**	**8,964,639**	**60,000**	**373,458,152**

Notes to the consolidated financial statements *(continued)*

(Amount in ₹)

30 June 2018	Note No.	Carrying amount				Fair value			
		FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial liabilities									
Derivative financial liabilities - non current	22	26,170,285	-	-	26,170,285	-	26,170,285	-	26,170,285
Other non-current financial liabilities	22	-	-	980,797	980,797	-	-	-	-
Trade payables	25	-	-	217,551,939	217,551,939	-	-	-	-
Derivative financial liabilities – current	26	19,121,132	-	-	19,121,132	-	19,121,132	-	19,121,132
Other current financial liabilities	26	-	-	241,567,835	241,567,835	-	-	-	-
		45,291,417	**-**	**460,100,571**	**505,391,988**	**-**	**45,291,417**	**-**	**45,291,417**

30 June 2017	Note No.	Carrying amount				Fair value			
		FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets									
Investments in Shares of Co-operative Banks	6	60,000	-	-	60,000	-	-	60,000	60,000
Non current lease deposits	7	-	-	40,587,770	40,587,770	-	-	-	-
Derivative financial assets - non current	8	15,234,546	-	-	15,234,546	-	15,234,546	-	15,234,546
Other non-current financial assets	8	-	-	802,251	802,251	-	-	-	-
Other deposits	8	-	-	8,194,923	8,194,923	-	-	-	-
Current investments	12	414,754,014	-	-	414,754,014	414,754,014	-	-	414,754,014
Trade receivables	13	-	-	663,987,694	663,987,694	-	-	-	-
Cash and cash equivalents	15	-	-	211,527,482	211,527,482	-	-	-	-
Other bank balances	16	-	-	31,130,174	31,130,174	-	-	-	-
Derivative financial assets - current	17	114,808,720	-	-	114,808,720	-	114,808,720	-	114,808,720
Other current financial assets	17	-	-	184,093,490	184,093,490	-	-	-	-
		544,857,280	**-**	**1,140,323,784**	**1,685,181,064**	**414,754,014**	**130,043,266**	**60,000**	**544,857,280**
Financial liabilities									
Derivative financial liabilities - non current	22	4,603,130	-	-	4,603,130	-	4,603,130	-	4,603,130
Other non-current financial liabilities	22	-	-	1,528,797	1,528,797	-	-	-	-
Trade payables	25	-	-	172,574,644	172,574,644	-	-	-	-
Other current financial liabilities	26	-	-	216,254,833	216,254,833	-	-	-	-
		4,603,130	**-**	**390,358,274**	**394,961,404**	**-**	**4,603,130**	**-**	**4,603,130**

Notes to the consolidated financial statements *(continued)*

(Amount in ₹)

1 July 2016	Note No.	Carrying amount				Fair value			
		FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets									
Investments in Shares of Co-operative Banks	6	60,000	-	-	60,000	-	-	60,000	60,000
Non current lease deposits	7	-	-	39,594,988	39,594,988	-	-	-	-
Derivative financial assets - non current	8	15,598,410	-	-	15,598,410		15,598,410		15,598,410
Other non-current financial assets	8	-	-	813,830	813,830	-	-	-	-
Other deposits	8	-	-	4,679,462	4,679,462	-	-	-	-
Current investments	12	241,338,977	-	-	241,338,977	241,338,977	-	-	241,338,977
Trade receivables	13	-	-	391,140,639	391,140,639	-	-	-	-
Cash and cash equivalents	15	-	-	241,757,232	241,757,232	-	-	-	-
Other bank balances	16	-	-	61,460,718	61,460,718	-	-	-	-
Derivative financial assets - current	17	30,261,550	-	-	30,261,550	-	30,261,550	-	30,261,550
Other current financial assets	17	-	-	276,563,540	276,563,540	-	-	-	-
		287,258,937	**-**	**1,016,010,409**	**1,303,269,346**	**241,338,977**	**45,859,960**	**60,000**	**287,258,937**
Financial liabilities									
Derivative financial liabilities - non-current	22	1,543,640	-	-	1,543,640	-	1,543,640	-	1,543,640
Other non-current financial liabilities	22	-	-	1,725,561	1,725,561	-	-	-	-
Trade payables	25	-	-	118,974,632	118,974,632	-	-	-	-
Other current financial liabilities	26	-	-	164,451,955	164,451,955	-	-	-	-
		1,543,640	**-**	**285,152,148**	**286,695,788**	**-**	**1,543,640**	**-**	**1,543,640**

B. Measurement of fair values

The financial instruments included in Level 2 of fair value hierarchy have been valued using quotes available for similar assets and liabilities in the active market. The investments included in Level 3 of fair value hierarchy have been valued using the cost approach to arrive at their fair value. The cost of unquoted investments approximate the fair value because there is a range of possible fair value measurements and the cost represents estimate of fair value within that range.

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;

- Liquidity risk; and

- Market risk

Notes to the consolidated financial statements *(continued)*

i. **Risk management framework**

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimize potential adverse effects of market risk on its financial performance. The Company's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors and the Audit Committee is responsible for overseeing the Company's risk assessment and management policies and processes.

ii. **Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

Trade and other receivables

The Company'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. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. Financial Assets are written off when there is no reasonable expectation of recovery from the customer.

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows:

(Amount in ₹)

	As at 30 June 2018	As at 30 June 2017	As at 1 July 2016
Neither past due nor impaired	**-**	-	-
Past due but not impaired	**302,263,130**	431,349,992	241,283,863
Past due 1–90 days	**221,974,900**	186,689,647	114,977,458
Past due 91–180 days	**28,956,227**	34,206,577	31,745,141
Past due 181–270 days	**2,418,682**	2,780,182	1,144,814
Past due 271–365 days	**1,738,841**	3,340,834	1,674,852
Past due more than 365 days	**1,424,016**	5,620,462	314,511
	558,775,796	663,987,694	391,140,639

Expected credit loss assessment:

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue. Further, management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk.

Notes to the consolidated financial statements *(continued)*

The impairment loss at 30 June, 2018 related to several customers that have defaulted on their payments to the Company and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

(Amount in ₹)

	As at 30 June 2018
Balance as at 1 July 2016	6,691,824
Impairment loss recognised during the year	2,299,995
Amounts written off during year	(283,532)
Balance as at 30 June 2017	**8,708,287**
Impairment loss recognised during the year	6,849,262
Amounts written off during year	(1,299,995)
Balance as at 30 June 2018	**14,257,554**

Cash and cash equivalents

The Company held cash and cash equivalents with credit worthy banks and financial institutions of ₹ 227,451,363 as at 30 June 2018. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be good.

Other than trade and other receivables, the Company has no other financial assets that are past due but not impaired.

iii. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

The Company has obtained fund and non-fund based working capital lines from various banks. The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

Exposure to liquidity risk

The table below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

* all non derivative financial liabilities
* Derivative financial instruments for which the contractual maturities are essential for understanding the timing of the cash flows.

(Amount in ₹)

		Contractual cash flows				
As at 30 June 2018	**Carrying amount**	**1 year or less**	**1-2 years**	**2-5 years**	**More than 5 years**	**Total**
Non-derivative financial liabilities						
Trade and other payables	217,551,939	217,551,939	-	-	-	217,551,939
Other current financial liabilities	241,567,835	241,567,835	-	-	-	241,567,835

Notes to the consolidated financial statements *(continued)*

	Carrying amount	Contractual cash flows				
As at 30 June 2018		1 year or less	1-2 years	2-5 years	More than 5 years	Total
Other non-current financial liabilities	980,797	-	-	-	980,797	980,797
Derivative financial liabilities						
Forward exchange contracts (gross settled)						
- Outflow	45,291,417	(689,746,063)	(656,889,044)	-	-	(1,346,635,107)
- Inflow		670,624,930	630,718,760	-	-	1,301,343,690
As at 30 June 2017						
Non-derivative financial liabilities						
Trade and other payables	172,574,644	172,574,644	-	-	-	172,574,644
Other current financial liabilities	216,254,833	216,254,833	-	-	-	216,254,833
Other non-current financial liabilities	1,528,797	548,000	-	-	980,797	1,528,797
Derivative financial liabilities						
Forward exchange contracts (gross settled)						
- Outflow	4,603,130	-	(137,855,560)	-	-	(137,855,560)
- Inflow		-	133,252,430	-	-	133,252,430
As at 1 July 2016						
Non-derivative financial liabilities						
Trade and other payables	118,974,632	118,974,632	-	-	-	118,974,632
Other current financial liabilities	164,451,955	164,451,955	-	-	-	164,451,955
Other non-current financial liabilities	1,725,561	196,764	-	-	1,528,797	1,725,561
Derivative financial liabilities						
Forward exchange contracts (gross settled)						
- Outflow	1,543,640	-	(292,628,640)	-	-	(292,628,640)
- Inflow		-	291,085,000	-	-	291,085,000

iv. Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates and commodity prices) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short term and long-term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of its investments. Thus, the Company's exposure to market

Notes to the consolidated financial statements *(continued)*

risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

Currency risk

The fluctuation in foreign currency exchange rates may have potential impact on the profit and loss account and equity, where any transaction references more than one currency or where assets/ liabilities are denominated in a currency other than the functional currency of the entity.

Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in U.S. dollar, GBP and Euro, against the respective functional currencies of the Company and its subsidiaries.

The Company, as per its risk management policy, uses foreign exchange and other derivative instruments primarily to hedge foreign exchange and interest rate exposure. The Company does not use derivative financial instruments for trading or speculative purposes.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

(Amount in ₹)

	EURO	AUD	GBP	USD	SGD	NZD	AED	MXN	UYU
As at 30 June 2018									
Trade receivables	43,501,051	19,675,777	19,434,420	190,771,634	26,299,627	-	-	-	-
EEFC accounts	1,363,578	-	693,966	481,843	-	-	-	-	-
Trade payables	5,217,060	222,606	2,617,738	85,790,538	5,352,663	749,920	6,558,866	26,783	-
Net statement of financial position exposure	50,081,689	19,898,383	22,746,124	277,044,015	31,652,290	749,920	6,558,866	26,783	-
Forward exchange contracts	44,195,775	-	20,011,891	194,092,298	-	-	-	-	-
Net exposure	5,885,914	19,898,383	2,734,233	82,951,717	31,652,290	749,920	6,558,866	26,783	-
As at 30 June 2017									
Trade receivables	85,433,953	44,098,380	17,550,524	190,737,824	15,551,092	-	-	-	-
EEFC accounts	177,935	-	2,721,844	523,187	-	-	-	-	-
Trade payables	(9,713,525)	(235,529)	(6,454,372)	(58,025,023)	(4,825,649)	(519,443)	(4,710,024)	(64,338)	-
Net statement of financial position exposure	75,898,363	43,862,851	13,817,996	133,235,988	10,725,443	(519,443)	(4,710,024)	(64,338)	-
Forward exchange contracts	94,177,031	-	28,989,625	276,523,781	-	-	-	-	-
Net exposure	(18,278,668)	43,862,851	(15,171,629)	(143,287,793)	10,725,443	(519,443)	(4,710,024)	(64,338)	-
As at 1 July 2016									
Trade receivables	38,698,923	24,886,747	5,491,089	114,148,673	1,118,387	-	-	-	-
EEFC accounts	181,682	-	341,208	182,839	-	-	-	-	-
Trade payables	(24,288,832)	(723,198)	(2,631,489)	(47,235,946)	-	(277,332)	(2,458,363)	(228,878)	(375,931)
Net statement of financial position exposure	14,591,773	24,163,549	3,200,808	67,095,566	1,118,387	(277,332)	(2,458,363)	(228,878)	(375,931)
Forward exchange contracts	40,872,474	-	15,903,290	147,397,202	-	-	-	-	-
Net exposure	(26,280,701)	24,163,549	(12,702,482)	(80,301,636)	1,118,387	(277,332)	(2,458,363)	(228,878)	(375,931)

Notes to the consolidated financial statements *(continued)*

Sensitivity analysis

A 10% strengthening/ weakening of the respective foreign currencies with respect to functional currency of Company would result in increase or decrease in profit or loss and equity as shown in table below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. The following analysis has been worked out based on the exposures as of the date of statements of financial position.

(Amount in ₹)

Currency	30 June 2018				30 June 2017			
	Profit or loss		Equity		Profit or loss		Equity	
	Strengthe-ning	Weakening	Strengthe-ning	Weakening	Strengthe-ning	Weakening	Strengthe-ning	Weakening
EUR	588,591	(588,591)	-	-	(1,827,867)	1,827,867	-	-
AUD	1,989,838	(1,989,838)	-	-	4,386,285	(4,386,285)	-	-
GBP	273,423	(273,423)	-	-	(1,517,163)	1,517,163	-	-
USD	8,295,172	(8,295,172)	-	-	(14,328,779)	14,328,779	-	-
SGD	3,165,229	(3,165,229)	-	-	1,072,544	(1,072,544)	-	-
NZD	74,992	(74,992)	-	-	(51,944)	51,944	-	-
AED	655,887	(655,887)	-	-	(471,002)	471,002	-	-

(Note: The impact is indicated on the profit/ loss and equity before tax basis)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The company has no borrowings from banks and financial institutions. The company has margin money deposit with bank at fixed interest rate. Any movement in the market interest rate is not expected to significantly impact the fair value of deposits.

Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Company has adequate cash and bank balances and has very low amount of debt. The company monitors its capital by a careful scrutiny of the cash and bank balances, and a regular assessment of any debt requirements. In the absence of any debt, the maintenance of debt equity ratio etc. may not be of any relevance to the Company.

40 Segmental reporting

Based on the "management approach" as defined in Ind AS 108-Operating Segments, the Chief Operating Decision Maker evaluates the Group's performance as a single business segment namely travel and transportation vertical.

Geographic segments

Continents	Country
Asia Pacific	India, China, New Zealand, Japan, Hong Kong, Singapore, Indonesia, Australia, Bangladesh, Fiji, Malaysia, Maldives, South Korea, Seychelles, Taiwan, Thailand, Vietnam, Philippines and Sri Lanka
Middle East and Africa	Casablanca, Kenya, Lebanon, Tanzania, Bahrain, Iran, Kuwait, Namibia, Rwanda, Saudi Arabia, South Africa, UAE, Ethiopia and Israel
Americas	USA, Canada, Argentina, Brazil, Chile, Colombia, El Salvador, Panama and Mexico
Europe	Austria, Belgium, Denmark, France, Finland, Greece, Germany, Iceland, Italy, Norway, Poland, Portugal, Romania, United Kingdom, Luxembourg, Spain and Turkey

Notes to the consolidated financial statements *(continued)*

Segment revenues

Revenues are attributable to individual geographic segments based on location of the end customer.

Capital Employed

Capital employed comprises debtors, unbilled revenue, income received in advance, expense recoverable from clients, goodwill, fixed assets and other direct liabilities classified by reportable segments. The Company believes that it is not practicable to provide segment disclosures relating to other assets and liabilities apart from above and hence, those assets and liabilities have been included under unallocated.

Continent wise geographical revenue and capital employed (Amount in ₹)

Continent	Revenue		Non-current assets		
	For the year ended 30 June 2018	For the year ended 30 June 2017	As at 30 June 2018	As at 30 June 2017	As at 1 July 2016
Asia Pacific	**1,333,607,519**	**1,123,976,286**	603,874,405	497,138,649	515,205,945
Middle East and Africa	**624,892,137**	**653,861,045**	-	-	-
Americas	**1,192,976,245**	**1,153,353,417**	12,872,227	15,657,256	14,049,586
Europe	**662,752,313**	**742,784,086**	287,846,354	268,072,116	290,289,937
Un-allocable assets	-	-	-	-	-
Total	**3,814,228,214**	**3,673,974,834**	904,592,986	780,868,021	819,545,468

Major customer:

Revenue from three customers represented approximately ₹ 1,150,044,417 (30 June 2017: one customer represented approximately ₹ 447,113,523) of the Company's total revenues.

41 Related party transactions

A. Related party disclosures

Related parties where control exists	Name
Ultimate holding company	Canary Topco Ltd
Holding company	Accelya Holding World S.L.U.
Fellow subsidiaries	Accelya World S.L.U.
	Accelya UK Limited
	Accelya France SAS
	Accelya America, S.A. de C.V.
	Accelya Portugal Unipessoal Ltda.
Associate companies	Mercator Solutions FZE
	Canary Travel and Logistics Solutions Pvt. Ltd.
	Revenue Management Systems
Key management personnel	John Johnston * - Chairman (w.e.f. 6 October, 2016)
	Neela Bhattacherjee - Managing Director
	Gurudas Shenoy - Chief Financial Officer
	Ninad Umranikar - Company Secretary
Other related party	K.K. Nohria - Director
	Sekhar Natarajan - Director
	Nani Javeri - Director
	Sangeeta Singh - Director
	Vipul Jain ** - Director
	Catalysts for Social Action #

Note: * Mr. Philippe Lesueur resigned as Director and Chairman with effect from 5th October, 2016. Mr. John Johnston was appointed as Chairman with effect from 6th October, 2016

** Mr. Vipul Jain resigned as Director with effect from 9th August, 2017

Ceased to be a related party with effect from 9th August, 2017

Notes to the consolidated financial statements *(continued)*

B. Transactions with related parties

(Amount in ₹)

Nature of transactions	Year ended	Ultimate holding company	Holding	Fellow subsidiaries	Associate companies	Other related parties	Key management personnel	Total
Services rendered by the Company	30 June 2018	-	16,581,838	430,037,128	44,156,954	-	-	490,775,920
	30 June 2017	-	12,183,960	350,994,934	-	-	-	363,178,894
Services received by the Company	30 June 2018	-	41,629,136	180,105,603	26,860,158	-	-	248,594,897
	30 June 2017	-	28,501,182	166,941,102	-	-	-	195,442,284
Claims raised for expenses	30 June 2018	-	7,425,132	29,446,630	9,353,816	-	-	46,225,578
	30 June 2017	-	12,675,863	21,475,126	-	-	-	34,150,989
Claims received for expenses	30 June 2018	-	29,526,046	7,392,907	5,511,363	-	-	42,430,316
	30 June 2017	-	6,608,370	4,538,959	-	-	-	11,147,329
Remuneration	30 June 2018	-	-	-	-	-	29,122,105	29,122,105
	30 June 2017	-	-	-	-	-	24,027,875	24,027,875
Sitting fees	30 June 2018	-	-	-	-	1,775,000	-	1,775,000
	30 June 2017	-	-	-	-	2,287,625	-	2,287,625
Commission	30 June 2018	-	-	-	-	400,000	-	400,000
	30 June 2017	-	-	-	-	500,000	-	500,000
Dividend paid	30 June 2018	9,234	601,737,930	-	-	-	477,846	602,225,010
	30 June 2017	-	456,875,095	-	-	-	362,809	457,237,904
Contribution to Corporate Social Responsibility	30 June 2018	-	-	-	-	-	-	-
	30 June 2017	-	-	-	-	25,090,000	-	25,090,000
Balances outstanding	**As at:**							
Payable	30 June 2018	-	14,568,010	59,034,924	5,848,370	-	-	79,451,304
	30 June 2017	-	6,755,278	62,039,526	-	-	-	68,794,804
	01 July 2016	-	16,957,041	31,656,392	-	-	-	48,613,433
Trade receivables	30 June 2018	-	4,891,847	50,742,388	10,795,873	-	-	66,430,108
	30 June 2017	-	6,169,713	54,082,472	-	-	-	60,252,185
	01 July 2016	-	2,307,941	28,011,737	-	-	-	30,319,678
Unbilled revenue	30 June 2018	-	3,666,431	55,536,758	14,404,486	-	-	73,607,675
	30 June 2017	-	1,346,134	41,685,470	-	-	-	43,031,604
	01 July 2016	-	2,816,971	20,034,640	-	-	-	22,851,611

Notes to the consolidated financial statements *(continued)*

C. Of the above items, transactions in excess 10% of the total related party transactions are as under

Nature of transaction	Year ended 30 June 2018 ₹	Year ended 30 June 2017 ₹
Services rendered by the Company		
Accelya Holding World S.L.U.	**16,581,838**	12,183,960
Accelya World S.L.U.	**238,393,119**	208,896,413
Accelya France SAS	**46,762,445**	50,465,652
Accelya UK Ltd	**126,703,297**	71,753,018
Accelya America, S.A. de C.V.	**4,087,381**	4,782,772
Accelya Portugal Unipessoal Ltda.	**14,090,886**	15,097,079
Mercator Solutions FZE	**44,156,954**	-
Services received by the Company		
Accelya Holding World S.L.U.	**41,629,136**	28,501,182
Accelya World S.L.U.	**146,081,849**	147,366,990
Accelya France SAS	**6,447,626**	-
Accelya UK Ltd	**26,513,202**	18,809,047
Accelya America, S.A. de C.V.	**1,062,926**	765,065
Mercator Solutions FZE	**24,716,322**	-
Revenue Management Systems	**2,143,836**	-
Claims raised for expenses		
Accelya Holding World S.L.U.	**7,425,132**	12,675,863
Accelya World S.L.U.	**6,894,844**	9,432,526
Accelya France SAS	**5,431,099**	2,542,531
Accelya UK Ltd.	**17,020,647**	9,392,243
Accelya America, S.A. de C.V.	**-**	-
Accelya Portugal Unipessoal Ltda.	**100,040**	107,826
Mercator Solutions FZE	**7,973,570**	-
Canary Travel and Logistics Solutions Pvt. Ltd.	**1,380,246**	-
Claims received for expenses		
Accelya Holding World S.L.U.	**29,526,046**	6,608,370
Accelya World S.L.U.	**701,289**	1,127,097
Accelya UK Ltd	**6,691,618**	3,240,275
Accelya America, S.A. de C.V.	**-**	171,587
Mercator Solutions FZE	**5,511,363**	-
Dividend paid		
Canary Topco Ltd.	**9,234**	-
Accelya Holding World S.L.U.	**601,737,930**	456,875,095
Gurudas Shenoy	**116,910**	88,765
Neela Bhattacherjee	**112,806**	85,649
Ninad Umranikar	**248,130**	188,395
Remuneration		
Neela Bhattacherjee	**16,185,434**	13,408,596
Gurudas Shenoy	**8,491,395**	7,184,979
Ninad Umranikar	**4,445,276**	3,434,300

Notes to the consolidated financial statements *(continued)*

Nature of transaction	Year ended 30 June 2018 ₹	Year ended 30 June 2017 ₹
Sitting fees		
K.K. Nohria	**350,000**	452,250
Sekhar Natarajan	**350,000**	502,750
Nani Javeri	**525,000**	603,250
Sangeeta Singh	**525,000**	603,250
Vipul Jain	**25,000**	126,125
Commission		
K.K. Nohria	**100,000**	100,000
Sekhar Natarajan	**100,000**	100,000
Nani Javeri	**100,000**	100,000
Sangeeta Singh	**100,000**	100,000
Vipul Jain	**-**	100,000
Contribution to Corporate Social Responsibility		
Catalysts for Social Action	**-**	25,090,000

Balances outstanding:	As at 30 June 2018 ₹	As at 30 June 2017 ₹	As at 1 July 2016 ₹
Payable			
Accelya Holding World S.L.U.	**14,568,010**	6,755,278	16,957,041
Accelya World S.L.U.	**53,975,654**	55,111,769	28,002,508
Accelya France SAS	**2,094,955**	-	-
Accelya UK Ltd	**2,871,162**	6,863,475	3,436,549
Accelya America, S.A. de C.V.	**93,153**	64,282	217,335
Mercator Solutions FZE	**5,848,370**	-	-
Trade receivables			
Accelya Holding World S.L.U.	**4,891,847**	6,169,713	2,307,941
Accelya World S.L.U.	**32,359,793**	39,593,638	19,607,063
Accelya France SAS	**4,651,704**	3,158,219	5,080,711
Accelya UK Ltd	**12,226,721**	9,706,468	3,111,684
Accelya America, S.A. de C.V.	**395,084**	375,597	212,279
Accelya Portugal Unipessoal Ltda.	**1,109,086**	1,248,550	-
Mercator Solutions FZE	**10,725,622**	-	-
Canary Travel and Logistics Solutions Pvt. Ltd.	**70,251**	-	-
Unbilled revenue			
Accelya Holding World S.L.U.	**3,666,431**	1,346,134	2,816,971
Accelya World S.L.U.	**24,877,684**	8,555,594	11,425,654
Accelya France SAS	**9,522,369**	9,132,474	4,584,516
Accelya UK Ltd	**19,632,535**	22,341,757	3,898,613
Accelya America, S.A. de C.V.	**395,084**	387,157	125,857
Accelya Portugal Unipessoal Ltda.	**1,109,086**	1,268,488	-
Mercator Solutions FZE	**14,404,486**	-	-

Notes to the consolidated financial statements *(continued)*

Nature of transaction	Year ended 30 June 2018 ₹	Year ended 30 June 2017 ₹
Key management personnel		
Managerial remuneration		
Short-term employment benefits	**28,246,836**	23,224,544
Post-employment benefits	**875,269**	803,331
Long-term employee benefits	**-**	-
Termination benefits	**-**	-
Employee share-based payments	**-**	-
Total compensation	**29,122,105**	24,027,875

The Company's management is of the opinion that its international transactions with related parties are at arms length and that the Company is in compliance with the transfer pricing legislation. Based on the above, the Company's management believes that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of the provision for tax.

42 Capital and other commitments

	30 June 2018 ₹	30 June 2017 ₹
Estimated amount of contracts remaining to be executed on capital account, to the extent not provided (net of advances)	**33,685,143**	11,663,414

43 Contingent liabilities

	30 June 2018 ₹	30 June 2017 ₹
Claims against the Company pertaining to Sales Tax with Maharashtra Sales Tax Tribunal - For F.Y. 2001-02 (disallowance of Software services and maintenance of software)	**7,870,739**	7,870,739
Contingent liability on account of rejection of refund of cenvat credit by Service Tax Department for which appeals have been filed. Claim against Company not acknowledge as debt.	**18,180,586**	18,180,586
Contingent liability on account of service tax demand and penalty by Service Tax authorities towards certain transactions were chargeable to tax under Reverse Charge Mechanism pertaining to financial year 2011-12 to 2014-15. The Company has filed an appeal against the same with CESTAT.	**59,121,804**	-
The Company has reviewed all its pending litigation and proceedings and has adequately provided where provision are required. The Company has disclosed contingent liabilities wherever applicable. The resolution of these legal proceedings is not likely to have a material and adverse effect on the results of operations or the financial position of the Company.		

Notes to the consolidated financial statements *(continued)*

44 Net dividend remitted in foreign exchange

Year of remittance (ending on)		
Period to which the dividend relates	**2016-17 (Final dividend)**	2015-16 (Final dividend)
Numbers of non-resident shareholders	**18**	17
Numbers of equity shares held on which dividend was due	**11,165,282**	11,165,711
Amount remitted (₹)	**446,611,280**	334,971,330
Period to which the dividend relates	**2017-18 (Interim dividend)**	2016-17 (Interim dividend)
Numbers of non-resident shareholders	**16**	17
Numbers of equity shares held on which dividend was due	**11,161,007**	11,165,711
Amount remitted (₹)	**156,254,098**	122,822,821

45 Disclosure under Micro Small and Medium Enterprises Development Act, 2006

Based on information and records available, the Company has no dues to micro and small enterprises during the years ended 30 June 2018 and 30 June 2017 and as at 30 June 2018 and 30 June 2017

Particulars	**As at 30 June 2018 ₹**	As at 30 June 2017 ₹
Principal amount and the interest due thereon remaining unpaid to any supplier as at the year end	**-**	-
Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible	-	-

46 Unbilled revenue include revenue based on percentage of completion basis ₹ 69,305,393 (30 June 2017: ₹ 58,696,511; 1 July 2016: ₹ 63,353,338)

47 Corporate Social Responsibility

As per the Companies Act, 2013, all companies having net worth of ₹ 500 crores or more, or turnover of ₹ 1,000 crores or more or a net profit of ₹ 5 crores or more during any financial year will be required to constitute a Corporate Social Responsibility ("CSR") committee of the Board of Directors comprising three or more directors, at least one of whom shall be an independent director. The Company has constituted a committee comprising Mr. John Johnston, Mr. Nani Javeri and Ms. Sangeeta Singh as its members. The committee is responsible for formulating and monitoring the CSR policy of the Company.

Notes to the consolidated financial statements *(continued)*

The company has implemented CSR activities through Catalysts for Social Action ("CSA") a Not-For-Profit organization dedicated to the cause of child welfare and rehabilitation for children living in orphanages. The total amount spent by the Company through CSA is ₹ 25,530,230 (previous year: ₹ 25,090,000)

(Amount in ₹)

CSR Activities	In Cash	Yet to be paid in cash	Total
(i) Construction/ acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	25,530,230	-	25,530,230

48 Statement pursuant to requirement of Schedule III of the Companies Act, 2013 relating Company's interest in subsidiary companies

(Amount in ₹)

Name of Entity	Net Assets [Total Assets - Total Liabilities]		Share in Profit or Loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit and loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
30 June 2018:								
Parent Company								
Accelya Kale Solutions Limited	96.82%	1,738,750,410	106.21%	947,163,349	12.32%	4,723,409	102.34%	951,886,758
Subsidiaries								
Kale Softech Inc.	4.57%	82,086,765	1.50%	13,375,213	21.73%	8,333,676	2.33%	21,708,889
Zero Octa UK Limited	-3.51%	(63,032,179)	-7.67%	(68,374,819)	65.95%	25,290,655	-4.63%	(43,084,164)
Kale Employee Welfare Trust	2.12%	38,093,206	-0.04%	(369,556)	0.00%	-	-0.02%	(369,556)
Total	**100.00%**	**1,795,898,202**	**100.00%**	**891,794,187**	**100.00%**	**38,347,740**	**100.00%**	**930,141,927**
30 June 2017:								
Parent Company								
Accelya Kale Solutions Limited	95.64%	1,730,946,677	97.43%	947,467,051	8.79%	(3,699,245)	101.44%	943,767,806
Subsidiaries								
Kale Softech Inc.	3.34%	60,378,159	-0.04%	(374,502)	11.73%	(4,933,515)	-0.57%	(5,308,017)
Zero Octa UK Limited	-1.10%	(19,948,299)	2.59%	25,152,703	26.21%	(11,028,300)	1.52%	14,124,403
Kale Employee Welfare Trust	2.13%	38,462,763	0.02%	222,838	53.27%	(22,411,925)	-2.38%	(22,189,087)
Total	**100.00%**	**1,809,839,300**	**100.00%**	**972,468,090**	**100.00%**	**(42,072,985)**	**100.00%**	**930,395,105**

Notes to the consolidated financial statements *(continued)*

49 Disclosure on Specified Bank Notes (SBNs)

Specified Bank Notes held and transacted during the period from 8th November, 2016 to 30th December, 2016 as provided in table below:

(Amount in ₹)

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	16,000	-	16,000
Add: Permitted receipts	-	-	-
Less: Permitted payments	-	-	-
Less: Amount deposited in banks	16,000	-	16,000
Closing cash in hand as on 30.12.2016	-	-	-

50 Impairment testing of Goodwill

For the purpose of impairment testing, carrying amount of goodwill has been allocated to the single cash generating unit (CGU) to Zero Octa UK.

The recoverable amounts of the above CGU have been assessed using a value-in-use model. Value in use is generally calculated as the net present value of the projected post-tax cash flows plus a terminal value of the cash generating unit to which the goodwill is allocated. Initially a post-tax discount rate is applied to calculate the net present value of the post-tax cash flows.

The key assumptions used in the estimation of the recoverable amount are set out below:

The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

The cash flow projections included specific estimates for five years developed using internal forecasts, and a terminal growth rate thereafter. The planning horizon reflects the assumptions for short-to-midterm market developments.

The average growth rates used in extrapolating cash flows beyond the planning period ranges from 1% to 5%.

Discount rate reflects the current market assessment of the risks specific to a CGU or group of CGUs. The discount rate is estimated based on the weighted average cost of capital for respective CGU or group of CGUs. Post-tax discount rate used is 10.74%.

The company believes that any reasonably possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash generating unit.

51 Long term contracts

The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/ accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of account.

Notes to the consolidated financial statements *(continued)*

52 During the previous year, the Company has received Show Cause cum Demand notices on account of service tax demand amounting to ₹ 48,581,562 (excluding interest and penalty) by Service Tax authorities (Certain transactions were chargeable to tax under Reverse Charge Mechanism (RCM) and Cenvat credit was not eligible for certain transactions (CENVAT credit)) pertaining to financial year 2011-12 to 2014-15. The Company had filed reply to Show Cause cum Demand notices with the service tax authorities.

During the year, with respect to RCM, the Company has received an order from Central Tax & GST authorities where the commissioner has confirmed the demand of ₹ 29,560,902 and imposed penalty of ₹ 29,560,902 on the Company. The Company has filed an appeal with Customs, Excise and Service Tax Appellate Tribunal against the order.

With respect to CENVAT credit, no further update has been received on the same during the year.

53 Other matters

Information with regard to other matters specified in Schedule III to the Act is either nil or not applicable to the Company for the year.

54 Explanation of transition to Ind AS

For the purpose of reporting as set out in note 1, we have transitioned our basis of accounting from Indian generally accepted accounting principles (“IGAAP”) to Ind AS. The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 30 June 2018 including the comparative information for the year ended 30 June 2017 and the opening Ind AS balance sheet as at 1 July 2016 (the “transition date”).

In preparing our opening Ind AS balance sheet, we have adjusted amounts reported in financial statements prepared in accordance with IGAAP. An explanation of how the transition from IGAAP to Ind AS has affected our financial performance and financial position is set out in the following tables and the notes that accompany the tables. On transition, we did not revise estimates previously made under IGAAP except where required by Ind AS.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from Indian GAAP to Ind AS :

Ind AS optional exemptions

An entity may elect not to restate past business combinations that occurred before the date of transition. If entity restates any business combination that occurred before date of transition, then it has to restate all subsequent business combinations and also apply Ind AS 110 – Consolidated Financial Statements, from that date.

On transition to Ind AS, management has elected to restate past business combination on or after 1 August 2007.

Impact of retrospective application of Ind AS 103 to past business combinations

Business combination:

The Company ('Buyer') acquired ZOUK and its subsidiaries namely Zero Octa Group Limited, Zero Octa New Zealand Limited, Zero Octa Recruitment and Training (India) Pvt Limited, Zero Octa Selective Sourcing India Pvt. Limited and Zero Octa Inc. through a Share Purchase Agreement dated 7 August 2007 (`SPA'). The acquisition was done through an intermediate holding company which was subsequently liquidated. Zero Octa UK Limited provides revenue management, protection and revenue integrity solutions to clients in airlines industry. The acquisition included all tangible and intangible assets, including customers and employees.

Notes to the consolidated financial statements *(continued)*

Fair value consideration on date of acquisition

(Amount in ₹)

Component	**Present value amount**
Initial cash consideration	104,500,000
Earn-out: (contingent consideration)	
First Installment	94,200,000
Second Installment	95,700,000
Third Installment	79,100,000
Total Purchase consideration	**373,500,000**

Identifiable assets acquired and liabilities assumed

The following table summarizes the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:

(Amount in ₹)

Particulars	**Amount**
Consideration transferred (Fair value) – (A)	373,500,000
Fair value of asset taken over	
Net working capital (excluding cash)	14,200,000
Cash	13,600,000
Net Fixed assets	22,800,000
Loans and advances	9,600,000
Less: Debts	(8,800,000)
Total Fair value of tangible assets taken over – (B)	**51,400,000**
Add: Intangible assets identified	
Customer relationship	89,000,000
Total Intangible assets identified – (C)	**89,000,000**
Deferred tax liability (created on Customer relationship) - (D)	(29,663,700)
Total Fair value of Identified asset – (E) = (B+C+D)	**110,736,300**
Goodwill (A-E)	**262,763,700**
Foreign exchange differences on revaluation of Goodwill	27,347,468
Goodwill as per Ind AS as on 30 June 2016	290,111,168
Goodwill as per IGAAP as on 30 June 2016	417,995,382
Goodwill write off	**127,884,214**
Foreign exchange difference on revaluation of Goodwill	(2,629,585)
Goodwill as per Ind AS as on 30 June 2018	**287,481,583**

No amount of Goodwill is expected to be deductible for tax purpose.

Under Ind AS, an entity may elect not to restate past business combinations that occurred before the date of transition. If entity restates any business combination that occurred before date of transition, then it has to restate all subsequent business combinations and also apply Ind AS 110 – Consolidated Financial Statements, from that date.

Notes to the consolidated financial statements *(continued)*

On transition to Ind AS, management has elected to restate past business combination on or after 1 August 2007.

Under the Previous GAAP, the business combination was accounted at the book value. 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 (including foreign currency translation).

This has resulted in decrease in equity by ₹ 127,884,214 as at 1 July 2016 and 30 June 2017. There has been no impact on total comprehensive income for the year ended 30 June 2017 because of this adjustment.

Ind AS mandatory exceptions

1) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any differences in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 July 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

B. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity and profit or loss for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Reconciliation of equity: (Amount in ₹)

	As at date of transition 1 July, 2016			As at 30 June, 2017		
	Previous GAAP*	Adjustments on transition to Ind AS	Ind AS	Previous GAAP*	Adjustments on transition to Ind AS	Ind AS
ASSETS						
Non-current assets						
Property, plant and equipment	187,340,703	-	187,340,703	238,021,826	-	238,021,826
Capital work in progress	429,270	-	429,270	6,425,100	-	6,425,100
Goodwill	417,995,382	(127,884,214)	290,111,168	385,704,031	(118,004,787)	267,699,244
Other intangible assets	163,527,502	-	163,527,502	117,862,698	-	117,862,698
Intangible assets under development	125,000	-	125,000	-	-	-
Financial assets						
i. Investments	60,000	-	60,000	60,000	-	60,000
ii. Loans	48,969,628	(9,374,640)	39,594,988	47,897,195	(7,309,425)	40,587,770
iii. Other financial assets	5,493,292	15,598,410	21,091,702	8,997,174	15,234,546	24,231,720
Deferred tax assets	34,414,350	(15,350,402)	19,063,948	-	-	-
Other non-current assets	71,794,456	6,139,271	77,933,727	74,471,488	3,904,253	78,375,741
Non-current tax assets (net)	20,267,460	-	20,267,460	7,603,922	-	7,603,922
Total non-current assets	**950,417,043**	**(130,871,575)**	**819,545,468**	**887,043,434**	**(106,175,413)**	**780,868,021**

Notes to the consolidated financial statements *(continued)*

(Amount in ₹)

	As at date of transition 1 July, 2016			As at 30 June, 2017		
	Previous GAAP*	Adjustments on transition to Ind AS	Ind AS	Previous GAAP*	Adjustments on transition to Ind AS	Ind AS
Current assets						
Financial assets						
i. Investments	241,338,977	-	241,338,977	380,244,014	34,510,000	414,754,014
ii. Trade and other receivables	391,861,747	(721,108)	391,140,639	664,537,970	(550,276)	663,987,694
iii. Loans	-	-	-	-	-	-
iv. Cash and cash equivalents	240,196,810	1,560,422	241,757,232	210,108,865	1,418,617	211,527,482
v. Other bank balances	27,488,553	33,972,165	61,460,718	31,095,886	34,288	31,130,174
vi. Other financial assets	274,063,540	32,761,550	306,825,090	181,584,823	117,317,387	298,902,210
Other current assets	50,775,801	2,671,807	53,447,608	71,599,315	2,783,911	74,383,226
Current tax assets (net)	-	-	-	1,995,794	-	1,995,794
Total current assets	**1,225,725,428**	**70,244,836**	**1,295,970,264**	**1,541,166,667**	**155,513,927**	**1,696,680,594**
TOTAL ASSETS	**2,176,142,471**	**(60,626,739)**	**2,115,515,732**	**2,428,210,101**	**49,338,514**	**2,477,548,615**
EQUITY AND LIABILITIES						
Equity						
Equity share capital	149,268,660	-	149,268,660	149,268,660	-	149,268,660
Other equity	982,055,482	478,537,494	1,460,592,976	1,655,762,360	4,808,280	1,660,570,640
Total equity	**1,131,324,142**	**478,537,494**	**1,609,861,636**	**1,805,031,020**	**4,808,280**	**1,809,839,300**
Non-current liabilities						
Financial liabilities						
i. Other financial liabilities	3,269,201	-	3,269,201	6,131,927	-	6,131,927
Deferred tax liabilities	-	-	-	(43,923,175)	44,531,423	608,248
Provisions	49,062,697	-	49,062,697	50,149,458	-	50,149,458
Other non-current liabilities	15,101,353	-	15,101,353	10,505,539	-	10,505,539
Total non-current liabilities	**67,433,251**	**-**	**67,433,251**	**22,863,749**	**44,531,423**	**67,395,172**
Current liabilities						
Financial liabilities						
i. Trade and other payables	118,967,612	7,020	118,974,632	172,574,644	-	172,574,644
ii. Other financial liabilities	164,451,955	-	164,451,955	216,254,833	-	216,254,833
Provisions	579,118,191	(538,946,896)	40,171,295	44,876,147	-	44,876,147
Current tax liabilities (net)	70,552,930	(224,357)	70,328,573	72,627,857	(1,190)	72,626,667
Other current liabilities	44,294,390	-	44,294,390	93,981,852	-	93,981,852
Total current liabilities	**977,385,078**	**(539,164,233)**	**438,220,845**	**600,315,333**	**(1,190)**	**600,314,143**
TOTAL EQUITY & LIABILITIES	**2,176,142,471**	**(60,626,739)**	**2,115,515,732**	**2,428,210,102**	**49,338,513**	**2,477,548,615**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation for the purpose of this note.

Notes to the consolidated financial statements *(continued)*

Reconciliation of profit or loss for the year ended 30 June 2017 (Amount in ₹)

	30 June 2017		
	Previous GAAP*	Adjustments on transition to Ind AS	Ind AS
Revenue			
Revenue from operations	3,673,974,834	-	3,673,974,834
Other income	114,025,217	89,072,665	203,097,882
Total income	**3,788,000,051**	**89,072,665**	**3,877,072,716**
Expenses			
Employee benefit expenses	1,404,387,949	(2,707,149)	1,401,680,800
Operating and other expense	824,916,177	2,627,848	827,544,025
Depreciation and amortization expense	143,755,182	-	143,755,182
Total expenses	**2,373,059,308**	**(79,301)**	**2,372,980,007**
Profit before tax	1,414,940,743	89,151,966	1,504,092,709
Tax expenses:			
Current tax	506,343,998	934,076	507,278,074
Tax expense for earlier year's	4,674,349	-	4,674,349
Deferred tax	(9,508,825)	29,181,021	19,672,196
Profit for the period	**913,431,221**	**59,036,869**	**972,468,090**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligation	-	(3,699,245)	(3,699,245)
Income tax related to items that will not be reclassified to profit or loss	-	-	-
Items that will be reclassified to profit or loss			
Exchange differences on translation of foreign operations	-	(38,373,740)	(38,373,740)
Income tax related to items that will be reclassified to profit or loss	-	-	-
Total comprehensive income for the period	**913,431,221**	**16,963,884**	**930,395,105**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Notes to the consolidated financial statements *(continued)*

Notes to the reconciliations:

A. Reconciliation of Equity (Amount in ₹)

	Note	As at 30 June 2017	As at 1 July 2016
Equity under previous GAAP attributable to shareholders		1,805,031,020	1,131,324,142
Ind AS Impact:			
Impact on account of proposed dividend	1	-	538,946,896
Impact of applying expected credit loss model	2	(550,276)	(721,108)
Impact of fair valuation of financial instruments	3	(611,261)	(553,562)
Impact of Mark to market adjustment	4	130,043,266	45,859,960
Income tax adjustments		(44,531,423)	(15,350,402)
Business combination - Goodwill written off		(127,884,215)	(127,884,215)
Reversal of FCTR accounted on Goodwill write off amount		9,879,427	-
Consolidation of trust	7	38,462,762	38,239,925
Equity under Ind AS attributable to shareholders		**1,809,839,300**	**1,609,861,636**

Notes to the consolidated financial statements *(continued)*

B. Reconciliation of Total Comprehensive Income (Amount in ₹)

	Note	Year ended 30 June 2017
Profit as per previous GAAP		913,431,221
Ind AS Impact:		
Impact of applying expected credit loss model	2	170,832
Impact of fair valuation of financial instruments	3	(57,699)
Impact of Mark to market adjustment	4	84,183,306
Actuarial loss on employee defined benefit plans recognised in OCI	5	3,699,245
Income tax impact on above adjustments		(29,181,021)
Consolidation of trust	7	222,206
Net profit for the year as per Ind AS		**972,468,090**
Other comprehensive income (OCI):		
Remeasurements of post-employment benefit obligation	5	(3,699,245)
Exchange differences on translation of foreign operations		(38,373,740)
Total comprehensive income as reported under Ind AS		**930,395,105**

Note:

1 Proposed dividend

Under previous GAAP, dividends proposed by the Board of Directors after the reporting date but before the approval of financial statements were considered to be adjusting event and accordingly recognised (along with related dividend distribution tax) as liabilities at the reporting date. Under Ind AS, dividend so proposed by the board are considered to be non-adjusting event. Accordingly, provision for proposed dividend and dividend distribution tax recognised under previous GAAP has been reversed.

2 Allowance for credit loss

On transition to Ind AS, the Company has recognised impairment loss on trade receivables based on the expected credit loss model as required by Ind AS 109. Consequently, trade receivables has been reduced with a corresponding decrease in retained earnings on the date of transition.

3 Fair valuation of financial instruments

Under Ind AS, Security deposits are a financial instrument which have to be measured at its fair value on initial recognition. The fair value shall be determined by discounting the amount over the expected term of the deposit using an interest rate applicable to a similar deposit with an external unrelated party having a similar maturity pattern and similar credit characteristics.

Notes to the consolidated financial statements *(continued)*

4 Mark to market adjustment

Under Ind AS, all derivatives to be measured at fair value on the reporting date with both unrealized gains and unrealized losses being recognised in the income statement for the period in which such changes arise.

5 Actuarial gain/ loss

Under previous GAAP, the company recognised actuarial gains and losses in profit and loss. Under Ind AS, all actuarial gains and losses are recognised in other comprehensive income (OCI). However, this has no impact on the total comprehensive income and total equity as on 1 July 2016 and 30 June 2017.

6 Translation reserve

In accordance with Ind AS 101, the company has elected to deem all foreign currency translation difference that arose prior to the date of transition in respect of all foreign operations to be nil at the date of transition.

7 Consolidation of trust

The Company has setup an Employee Welfare Trust (“Trust”) for the purpose of employee welfare activities and providing ESOP to a certain class of employees. In accordance with Ind AS 110, the company has concluded that the company has power over the relevant activities of the trust. Therefore, the company has consolidated the trust as per the requirement of the standard.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Rajiv Shah
Partner
Membership No: 112878

Place : Mumbai
Date : 3rd August 2018

For and on behalf of Board of Directors
Accelya Kale Solutions Limited
CIN: L74140PN1986PLC041033

John Johnston
Chairman
DIN: 07258586

Neela Bhattacherjee
Managing Director
DIN: 01912483

Gurudas Shenoy
Chief Financial Officer

Ninad Umranikar
Company Secretary
Membership No: ACS14201

Place : Mumbai
Date : 3rd August 2018

FORM AOC - 1 (PART A)

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

(All amounts in ₹ unless otherwise stated)

Sr no	Name of the subsidiary	Kale Softech Inc	Zero Octa UK Limited
1	Reporting currency	USD	GBP
2	Exchange rate on the last date of the financial year	68.47	90.00
3	Financial year end on	30th June 2018	30th June 2018
4	Share capital	890,110	99,900
5	Reserves and surplus	139,132,615	65,500,560
6	Total assets	274,636,320	142,543,800
7	Total Liabilities	134,613,595	76,943,340
8	Investments	-	-
9	Turnover	1,037,973,361	338,739,390
10	Profit before taxation	74,578,003	34,006,500
11	Provision for taxation	25,588,061	6,462,540
12	Profit after taxation	48,989,943	27,543,960
13	Proposed Dividend	-	-
14	% of shareholding	100%	100%

For and on behalf of Board of Directors
Accelya Kale Solutions Limited
CIN: L74140PN1986PLC041033

John Johnston
Chairman
DIN: 07258586

Neela Bhattacherjee
Managing Director
DIN: 01912483

Gurudas Shenoy
Chief Financial Officer

Ninad Umranikar
Company Secretary
Membership No: ACS14201

Place : Mumbai
Date : 3rd August 2018

Shareholder Information

1. **Annual General Meeting**

Date and Time	-	Wednesday, 10th October, 2018 at 12.00 noon
Venue	-	Sumant Moolgaokar Auditorium, 'A Wing', Ground Floor, Mahratta Chamber of Commerce, Industries and Agriculture, Trade Tower, ICC Complex, 403, Senapati Bapat Road, Pune 411 016
Book Closure Dates	-	Monday, 1st October, 2018 to Wednesday, 10th October, 2018 (both days inclusive)
Purpose	-	Dividend and Annual General Meeting

2. **Registered Office Address**

Accelya Enclave, 685/2B & 2C, 1st Floor, Sharada Arcade, Satara Road, Pune - 411 037

3. **Listing Details**

No. of securities listed - 1 to 14926261

Name, Address & Telephone Nos. of the Stock Exchanges	Scrip Code	Date of Listing	Listing fees For 2017-18
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001 Tel.: (022) 22721233 / 34	532268	November 16, 1999	Paid
National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 Tel.: (022) 2659 8100 –14	ACCELYA	December 1, 1999	Paid

4. **Share Transfer System**

The Share Transfer Committee of the Board usually meets every 15 days to approve physical transfer of shares.

Break up of shareholding in physical and demat mode (As on 30th June, 2018)

Type of Holding	Percentage to Share Capital
Physical	0.73%
Dematerialized	99.27%
Total	**100.00%**

5. **ISIN Numbers**

NSDL:

ISIN No.	Description	Type of Shares
INE793A01012	KALE CONSULTANT EQ	Equity Share

CDSL:

ISIN No.
INE793A01012

6. Registrar and Share Transfer Agent (address for correspondence)

Karvy Computershare Private Limited
Karvy Selenium, Tower B,
Plot 31-32, Gachibowli Financial District,
Nanakramguda,
Hyderabad – 500 032
Tel. No. (040) 67162222
Fax No. (040) 23001153
Email: einward.ris@karvy.com
Contact Person: Mr. Mohammed Mohsinuddin

7. Accelya Kale Share Price (NSE) Vs. NSE S&P CNX Nifty Index

Month	Accelya Kale Share Price (₹)		NSE S&P CNX Nifty	
	High	Low	High	Low
July, 2017	1,469.95	1,305.20	10,114.85	9,543.55
August, 2017	1,445.00	1,335.00	10,137.85	9,685.55
September, 2017	1,539.90	1,368.35	10,178.95	9,687.55
October, 2017	1,499.00	1,390.05	10,384.50	9,831.05
November, 2017	1,413.00	1,260.00	10,490.45	10,094.00
December, 2017	1,525.00	1,355.00	10,552.40	10,033.35
January, 2018	1,636.90	1,405.05	11,171.55	10,404.65
February, 2018	1,459.90	1,330.00	11,117.35	10,276.30
March, 2018	1,388.00	1,282.05	10,525.50	9,951.90
April, 2018	1,419.00	1,310.00	10,759.00	10,111.30
May, 2018	1,359.00	1,150.00	10,929.20	10,417.80
June, 2018	1,284.70	1,112.00	10,893.25	10,550.90

8. Distribution of Shareholding as on 30th June, 2018

Shareholding Range	No. of Shareholders	Percentage	Shareholding	Percentage
Up to 500	17,842	96.44	1,129,287	7.57
501 – 1000	337	1.82	261,139	1.75
1001 – 2000	166	0.90	238,733	1.60
2001 – 3000	50	0.27	126,199	0.84
3001 – 4000	26	0.14	91,262	0.61
4001 – 5000	17	0.09	79,014	0.53
5001 – 10000	33	0.18	247,863	1.66
10001 and above	29	0.16	12,752,764	85.44
TOTAL	**18,500**	**100.00**	**14,926,261**	**100.00**

9. Investor Complaints

During the year, the Company received 42 complaints all of which were resolved during the year and there were no complaints pending at the end of the year.

The Company has received letters from Stock Exchanges confirming NIL complaints pending, the details of which are given below:

Stock Exchange	Date of Letter / Email
BSE Limited	October 13, 2017
National Stock Exchange of India Limited	October 16, 2017
BSE Limited	January 16, 2018
National Stock Exchange of India Limited	January 3, 2018
BSE Limited	April 03, 2018
National Stock Exchange of India Limited	April 02, 2018
BSE Limited	July 04, 2018
National Stock Exchange of India Limited	July 03, 2018

The Company has set up a Stakeholders Relationship Committee, which monitors overall investor complaints in co-ordination with Registrar & Share Transfer agent.

10. Financial Calendar

The tentative calendar of meeting of Board of Directors for consideration of quarterly financial results for the financial year ending 30th June, 2018 is as follows:

Quarter /Year ended	Month of approval of Financial Results
30th September, 2018	October / November, 2018
31st December, 2018	January / February, 2019
31st March, 2019	April / May, 2019
30th June, 2019	July / August, 2019

ACCELYA KALE SOLUTIONS LIMITED

Regd. Off.: Accelya Enclave, 685/2B & 2C, 1st Floor, Sharada Arcade, Satara Road, Pune – 411 037.
Tel No.: +91 20 6608 3777 Fax: +91 20 2423 1639 Email: accelyakale.investors@accelya.com
Website: https://w3.accelya.com
CIN: L74140PN1986PLC041033

NOTICE

NOTICE IS HEREBY GIVEN THAT the thirty second Annual General Meeting (AGM) of the members of Accelya Kale Solutions Limited (CIN: L74140PN1986PLC041033) will be held on Wednesday, the 10th day of October, 2018 at 12.00 noon at Sumant Moolgaokar Auditorium, 'A Wing', Ground Floor, Mahratta Chamber of Commerce, Industries and Agriculture, Trade Tower, ICC Complex, 403, Senapati Bapat Road, Pune 411 016, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements (including audited consolidated financial statements) for the year ended 30th June, 2018, together with the Reports of the Directors and Auditors thereon.

2. To confirm payment of interim dividend and declare a final dividend on equity shares.

3. To appoint a Director in place of Mr. John Johnston (DIN : 07258586), who retires by rotation and being eligible, offers himself for re-appointment.

4. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

   "**RESOLVED THAT** pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, B S R & Co. LLP, Chartered Accountants, (Firm's Registration No. 101248W/W-100022), be and is hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this AGM till the conclusion of the 33rd AGM of the Company."

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass, with or without modifications, the following resolution as an **ORDINARY RESOLUTION**:

   "**RESOLVED THAT** pursuant to Regulation 26(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other Securities and Exchange Board of India regulations as may be applicable in this regard, the approval and confirmation of the members be and is hereby accorded to the participation of the employees and / or directors of the Company (as identified by Topco (defined below) from time to time) ***(Managers)*** in the global management allocation (as may be amended from time to time) ***(Global Allocation)***, adopted by Canary Topco Limited (***Topco*** and together with its subsidiaries, the ***Accelya Group***).

   "**RESOLVED FURTHER THAT** the approval and confirmation of the members be and is hereby accorded to the Global Allocation relating to the Managers, and to Topco in respect of the Global Allocation relating to the Managers including to offer and/or implement the Global Allocation, and to all acts, deeds and things done in relation thereto, and such Global Allocation comprising of, inter-alia, (a) the Managers subscribing to certain securities of Topco and thereupon, the issuance of such securities by Topco to the Managers ***(Topco Shares)***, and (b) the Managers selling such Topco Shares and receiving amounts as consideration for the sale of their respective Topco Shares in certain circumstances including upon occurrence of the following 'exit events': (i) winding up of Topco or a holding company of Topco, (ii) listing of the shares of Topco or any holding company of Topco on any internationally recognized stock exchange, or (iii) the completion of an acquisition where a person acquires a controlling interest in Topco or in a holding company of Topco where such person did not previously have such a controlling interest in that company or disposal of all or substantially all of the assets of the Accelya Group, and subject to the Accelya Group meeting certain performance-based parameters for certain classes of Topco Shares.

"**RESOLVED FURTHER THAT** the payment of such amounts to the Managers be subject to terms of the Global Allocation as adopted (and amended) by Topco from time to time.

"**RESOLVED FURTHER THAT** the approval and confirmation of the members be and is hereby accorded to the implementation of the Global Allocation with respect to the Managers and all such steps and actions as may be necessary in connection with the Global Allocation including without limitation the Managers entering into agreements and/or arrangements to implement the Global Allocation be and are hereby approved and confirmed.

"**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolutions, the Board of Directors of the Company and any person authorized by the Board of Directors of the Company, be and are hereby authorized, in each case, acting severally, to do any and all such acts, deeds and things, take such steps and actions and give such directions as it or any such authorized person may in his / her absolute discretion deem necessary, appropriate or desirable to give effect to the above resolutions, settle any questions that may arise in this regard, and to modify, finalize and / or execute any documents and writing related thereto."

6. To consider and if thought it, to pass, with or without modification(s), the following resolution as an **SPECIAL RESOLUTION**:

"**RESOLVED THAT** pursuant to the provisions of sections 196, 197, 203 and all other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and subject to such other sanctions / approvals, as may be necessary or required, consent of the members be and is hereby accorded for the re-appointment of Ms. Neela Bhattacherjee (DIN 01912483) as the Managing Director of the Company for a period of three (3) years with effect from 1st July, 2018 upto 30th June, 2021 on the following terms and conditions:

A. Basic Salary and Allowances

Basic Salary and Allowances upto ₹ 11,753,687 (Rupees Eleven million seven hundred and fifty three thousand six hundred and eighty seven only) per annum.

B. Perquisites and Other Allowances

i) Leave Travel Allowance for self and family.
ii) Insurance: As per rules of the Company.
iii) Provision of Company Car and fuel maintenance.
iv) Provision of driver / Reimbursement of driver's salary.

C. Other Benefits

i) Employer's Contribution to Provident Fund
ii) Gratuity: As per rules of the Company.
iii) Leave: As per rules of the Company.

D. Incentive

Ms. Bhattacherjee shall be entitled to incentive provided that the total amount to be paid to Ms. Bhattacherjee towards incentive shall not exceed ₹ 8,550,000 (Rupees Eight million five hundred and fifty thousand only) per annum.

"**RESOLVED FURTHER THAT** the overall remuneration payable to Ms. Neela Bhattacherjee shall not exceed ₹ 22,093,200 (Rupees Twenty two million ninety three thousand two hundred only) per annum.

"**RESOLVED FURTHER THAT** Ms. Neela Bhattacherjee shall be entitled for increase upto 20% in the overall remuneration on an annual basis as may be decided by the Board.

"**RESOLVED FURTHER THAT** in the absence or inadequacy of profits in any financial year, subject to the approval of the Central Government, the overall remuneration of ₹ 22,093,200 (Rupees Twenty two million ninety three thousand two hundred only) per annum payable to Ms. Neela Bhattacherjee by way of salary, perquisites, other allowances and benefits as aforesaid shall be treated as minimum remuneration.

"**RESOLVED FURTHER THAT** Ms. Neela Bhattacherjee shall not be liable to retirement by rotation.

"RESOLVED FURTHER THAT the Board be and is hereby authorised to enter into appropriate agreement(s) with Ms. Neela Bhattacherjee is respect of her appointment as Whole Time Director/Managing Director, with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed between the Board of Directors and Ms. Neela Bhattacherjee and also to take all such steps, including making an application to the Central Government, if necessary, proper and expedient to give effect to this resolution."

7. To consider and if thought it, to pass, with or without modification(s), the following resolution as an **SPECIAL RESOLUTION**:

   "**RESOLVED THAT** Dr. K. K. Nohria (DIN: 00060015), who, in accordance with an ordinary resolution passed at the 28th Annual General Meeting of the Company held on 25th September, 2014, was appointed as an Independent Director of the Company until 24th September, 2019 but as prescribed by Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (Notification No. SEBI/LAD-NRO/GN/2018/10 dated 9th May, 2018) a special resolution is required to be passed for continuance of his directorship as an Independent Director, being more than seventy five years of age, be continued to be on the Board of Directors of the Company as an Independent Director until 24th September, 2019 vide this special resolution."

By the Order of the Board of Directors

Ninad Umranikar
Company Secretary
ACS14201

Place: Mumbai
Date: 3rd August, 2018

Notes :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument appointing proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than 48 hours before the meeting. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company.

2. The Register of Members and Transfer Books of the Company will be closed from Monday, the 1st day of October, 2018 to Wednesday, the 10th day of October, 2018 (both days inclusive), for the purpose of dividend and AGM.

3. If the Final Dividend as recommended by the Board of Directors is approved at the AGM, payment of such dividend will be made on Thursday, 25th October, 2018 as under:

   a) To all Beneficial Owners in respect of shares held in dematerialized form as per the data made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on Saturday, the 29th day of September, 2018;

   b) To all Members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on Saturday, the 30th day of September, 2018.

4. **Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, Karvy Computershare Private Limited (Karvy) to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Karvy.**

5. **MEMBERS HOLDING SHARES IN PHYSICAL FORM ARE REQUESTED TO CONSIDER CONVERTING THEIR HOLDING TO DEMATERIALIZED FORM TO ELIMINATE ALL RISKS ASSOCIATED WITH PHYSICAL SHARES (LOSS OR MISPLACE OF SHARE CERTIFICATE). MEMBERS CAN CONTACT THE COMPANY OR KARVY FOR ASSISTANCE IN THIS REGARD.**

6. Members desiring any information as regards the accounts and operations of the Company are requested to send their queries to the Company, at least 10 days in advance, so as to enable the management to keep the information ready.

7. **Members wishing to claim dividends, which remain unclaimed, are requested to correspond with Karvy.**

   Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will as per section 124 of the Companies Act, 2013 (section 205A of the ertswhile Companies Act, 1956) be transferred to the Investor Education Protection Fund.

8. The Notice of the AGM along with the Annual Report for 2017-18 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.

9. **To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with Karvy / Depositories.**

10. In compliance with the provisions of section 108 of the Act and the Rules framed thereunder read with regulation 44 of the SEBI Listing Regulations, Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy, on all resolutions set forth in this Notice.

The instructions for e-voting are as under:

A. For members who receive notice of annual general meeting through e-mail:

Use the following URL for e-voting: https://evoting.karvy.com

ii. Enter the login credentials i.e. user id and password mentioned in your email. Your Folio No. /DP ID Client ID will be your user ID. However, if you are already registered with Karvy for e-voting, you can use your existing USER ID and password for casting your vote.

iii. After entering the details appropriately click on “LOGIN”.

iv. You will reach the ‘password change’ menu wherein you are required to mandatorily change your password. The new password should comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$,etc.,). The system will prompt you to change your password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the EVENT i.e., **Accelya Kale Solutions Limited**.

vii. On the voting page, the number of shares (which represents the number of votes) as held by the member will appear. If you desire to cast all the votes assenting/dissenting to the Resolution then enter all shares and click “FOR”/“AGAINST” as the case may be or partially in “FOR” and partially in “AGAINST”, but the total number in “FOR/AGAINST” taken together should not exceed your total shareholding. You may also choose the option “ABSTAIN” and the shares held will not be counted under either head.

viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.

ix. Cast your vote by selecting an appropriate option and click on “SUBMIT”. A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. **Once you confirm, you will not be allowed to modify your vote subsequently.** During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.

x. Corporate/Institutional Members (i.e. other than individuals, HUF, NRI, etc.,) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter, etc., together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer through email info@napco.in. They may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format “Corporate Name_EVENT No.”

xi. The voting rights shall be as per the number of equity shares held by the members as on 3rd day of October, 2018 (cut-off date).

xii. Members who have acquired shares after the dispatch of the Annual Report but before the cut-off date may obtain the user ID and password by sending a request at **evoting@karvy.com** or mohsin.mohd@karvy.com

xiii. Remote e-voting facility where members can cast their vote online shall be open from: **7th October, 2018 (9.00 a.m.) till 9th October, 2018 (5.00 p.m.)**

xiv. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for members and e-voting User Manual available at the 'download' section of https://evoting.karvy.com or call Karvy Computershare Private Limited on 1800 345 4001 (toll free).

B. For members who receive the notice of annual general meeting in physical form

In case of Members whose email addresses are not registered with the Company/ Depository Participants, their User ID and initial password/ PIN is provided on the Attendance Slip being sent with the AGM Notice. Annual General Meeting Notice

Please follow all steps mentioned in A above, to cast your vote.

C. Other Instructions

i. The Board of Directors has appointed Mr. Nilesh A. Pradhan, Practising Company Secretary (FCS No. 5445 CP No. 3659) as the Scrutinizer to scrutinize the e-voting process and voting at the venue of the Annual General Meeting in a fair and transparent manner.

ii. The Scrutinizer shall, after the conclusion of voting at the annual general meeting, first count the votes cast at the meeting, thereafter unlock the votes through e-voting in the presence of at least two witnesses, not in the employment of the Company and not later than three days from the conclusion of the meeting, prepare a consolidated scrutinizer's report and submit the same to the Chairman of the Company.

iii. The results declared along with the Scrutinizer's report shall be placed on the Company's website (https://w3.accelya.com/investor-relations) and on the website of Karvy (http://evoting.karvy.com) and shall also be communicated to the stock exchanges. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of AGM i.e. 10th October, 2018.

By the Order of the Board of Directors

Ninad Umranikar
Company Secretary
ACS14201

Place: Mumbai
Date: 3rd August, 2018

Statement

(Pursuant to section 102 of the Companies Act, 2013)

As required by section 102 of the Companies Act, 2013 (Act), the following statement sets out all material facts relating to the business mentioned under Items No. 5 to 7 of the Notice:

Item No. 5

Canary Topco Limited (**Topco**, and together with its subsidiaries, the ***Accelya Group***), a company incorporated in England, UK, and an indirect holding company of Accelya Kale Solutions Limited ***(Company)***, has a global management allocation ***(Global Allocation)*** for certain identified key employees, managers and/or directors of the companies forming part of the Accelya Group based in various countries across the world (including employees and/or directors of the Company in India), who contribute to the Accelya Group ***(Key Managers)***. The aim of the Global Allocation is, inter alia, to encourage such Key Managers to continue their strong leadership to grow the Accelya Group (including the Company) by allowing the Key Managers to acquire shares in Topco at the fair market value of such shares. For the avoidance of doubt, the Global Allocation requires a personal investment from the Key Managers and all securities acquired under the Global Allocation must be paid for by the relevant Key Manager. The Global Allocation is not directed solely at the Company's employees and/or directors and currently of a total of approximately 42 Key Managers, approximately 9-10 include the Company's employees and/or directors. Such number could change from time to time at the discretion of Topco.

The salient features of the Global Allocation are set out below:

Global Allocation

1. The Global Allocation comprises of, inter alia, Key Managers (including employees and/or directors of the Company) subscribing to certain securities of Topco, at fair market value and thereupon, Topco issuing such securities to the Key Managers (Topco Shares), and the payment of such subscription amounts being funded personally by such Key Managers.

2. Upon the occurrence of certain events, the Key Managers may (like other shareholders of Topco) sell such Topco Shares and receive the consideration for the sale of their respective Topco Shares. The events include the following 'exit' events which relate to Topco and a holding company of Topco and are as follows: (i) winding up of Topco or a holding company of Topco, (ii) listing of the shares of Topco or any holding company of Topco on any internationally recognized stock exchange, or (iii) the completion of an acquisition where a person acquires a controlling interest in Topco or in a holding company of Topco where such person did not previously have such a controlling interest in that company or disposal of all or substantially all of the assets of the Accelya Group ***(Exit)***.

3. The Topco Shares comprise different classes of securities, entitling the holder of such securities to the value attributable to such securities at the time of Exit, subject to the satisfaction of certain performance-based parameters and thresholds at the time of Exit for certain classes of Topco Shares. These parameters include the market capitalization of Topco meeting certain thresholds relating to the return and the internal rate of return achieved by the Topco investors. The holders of the Topco Shares shall not be entitled to receive notice of or attend general meetings of Topco, nor vote at any general meeting of Topco.

4. There is no assured return guaranteed and, as with any equity investment, there is no guarantee that amounts equal to or in excess of the subscription amounts paid for the Topco Shares will be received by any of the Key Managers.

5. The amounts to be paid in respect of the Topco Shares will be paid to the relevant Key Managers (including employees and/or directors of the Company) by the purchaser or on its behalf, directly or indirectly, at that time as consideration for their Topco Shares.

General

6. There will be no net financial impact, liability or burden on the Company under the Global Allocation and further the Global Allocation will not have any net financial impact on the Company's liability, profit and loss account, balance sheet and/or cash flow.

7. The Global Allocation may be offered, inter *alios*, to employees of the Accelya Group as identified by Topco from time to time and may include any key managerial personnel, directors and/or employees of the Company.

The offering or participation in the Global Allocation will not imply a guaranteed Exit, nor will it imply any intent on the part of the promoters of the Company or its affiliates to actively or passively dispose of its interests in the Accelya Group. The Global Allocation merely intends that, in the future, upon the occurrence of a specific event including an Exit, the key employees of the Accelya Group will also benefit from the overall value creation of the Accelya Group in their role as shareholders of Topco.

The inclusion of directors / employees of the Company as part of the Global Allocation is recognition of their talent, strong leadership, strategic direction and hard work in seeking to create value for the Company's shareholders, other stakeholders and the Accelya Group. It is intended that by way of their participation in the Global Allocation, they will be encouraged to continue their hard work and efforts towards the growth of the Company and the value which they create for its shareholders and stakeholders.

The Board of Directors at its meeting held on 3rd August 2018 had considered and approved the above Global Allocation and recommended the same to the public shareholders by means of an ordinary resolution.

Regulation 26(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ***(Listing Regulations)*** stipulates that no employee, key managerial personnel, director or promoter of a listed entity is to enter into any agreement with any shareholder or any other third party for compensation or profit sharing in connection with dealings in the securities of the listed entity, unless prior approval of the Board of Directors as well as public shareholders by way of an ordinary resolution, has been obtained for the purpose.

Although the Global Allocation may not fall within the letter of Regulation 26(6) of the Listing Regulations, as a matter of abundant caution, good practice and corporate governance, this matter is being presented for the approval of the public shareholders of the Company by way of an ordinary resolution.

The Board recommends the Resolution at Item No. 5 for approval by the Members.

Any directors or employees who are Key Managers and their relatives may be deemed to be interested in the resolutions. The promoters of the Company, directors of the Company (other than independent directors) and interested employees and their relatives may be deemed to be interested in the resolution and will abstain from voting on this resolution.

Item No. 6

The term of Ms. Neela Bhattacherjee as Managing Director expired on 30th June, 2018. The Board of Directors, at its meeting held on 28th June, 2018 passed a resolution for re-appointment of Ms. Neela Bhattacherjee as Managing Director for a period of three (3) years from 1st July, 2018, subject to the approval by shareholders in the general meeting.

The Remuneration and Compensation Committee and the Board of Directors, subject to the approval of the shareholders in the ensuing Annual General Meeting, approved the remuneration payable to Ms. Neela Bhattacherjee.

Neela Bhattacherjee has been working with Accelya Kale for the past 18 years. Under her leadership, the Company strengthened its product portfolio and increased revenues from existing and new airline customers. She was instrumental in setting up Accelya Kale's UK operations for European Sales and Support. She also played a key role in the inorganic growth strategy of the Company and the integration of the businesses post acquisition. As a member of the Executive Management Team, Ms. Neela Bhattacherjee has not only been instrumental in developing Accelya Kale's business but also shaping the culture of the organization.

Prior to her current assignment at Accelya Kale, Ms. Neela Bhattacherjee was Director and CEO of Softcell Consultants Pvt. Ltd. She had also worked at A. F. Ferguson Management Consultants.

The Board is confident that under the able leadership of Ms. Neela Bhattacherjee as Managing Director, the Company will scale new heights.

Ms. Neela Bhattacherjee is not a director in any other company. She holds 2,089 equity shares in the Company.

The Board recommends the Special Resolution at Item No. 6 for approval by the Members.

None of the Directors of the Company, key managerial personnel and their relatives, except Ms. Neela Bhattacherjee, herself, is concerned or interested in the Special Resolution set out in Item No. 6 of the Notice.

Item No. 7

The members of the Company, at the 28th Annual General Meeting held on 25th September, 2014, had approved the appointment of Dr. K. K. Nohria (DIN: 00060015) as an independent director for a period of 5 years from 25th September, 2014 until 24th September, 2019.

Pursuant to the proposed amendment in Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (Notification No. SEBI/LAD-NRO/GN/2018/10 dated 9th May, 2018), the appointment or continuance of non-executive director who has attained the age of seventy five years is not valid unless a Special Resolution is passed in this regard. Having regard to the qualifications, rich experience, contribution and expert knowledge of Dr. K. K. Nohria to the Company, his continuance of appointment as an independent director will be in the best interest of the Company.

Brief profile of Dr. Nohria

Dr. Nohria has over 50 years' experience in electrical and electronics industry. He served as managing director of Crompton Greaves Ltd. since 1985 and had been associated with them since 1978. He later went on to serve as chairman of Crompton Greaves Ltd., from 1997 to July 22, 2004.

Dr. Nohria is actively associated with a wide range of organizations covering businesses, industry associations and educational institutions. He has also served as president of ASSOCHAM (Association Chamber of Commerce and Industry), Bombay Chamber of Commerce and Industry, All India Management Association, All India Electrical and Electronics Manufacturers Association, CII (Confederation of Indian Industry) Western Region, amongst others. Dr. Nohria is recipient of various awards including the Golden Key Award for Value Engineering, the Lifetime HRD Achievement Award and Best Corporate Manager of the Year Award. He graduated in Electrical Engg. from BHU (Benaras Hindu University) in 1954 and pursued further management studies at Manchester Technical College, UK. He was awarded an Honorary D. Litt. degree from Benares Hindu University.

Companies in which Dr. Nohria is a director:

Companies in which Dr. K. K. Nohria is a Director	
Accelya Kale Solutions Limited	Maini Materials Movement Private Limited
Grow Talent Company Limited	Maini Precision Products Limited
Jolly Board Limited	CoreEl Technologies Private Limited
CG-PPI Adhesive Products Limited	Net Creations Private Limited
Pradeep Metals Limited	Polymermann (Asia) Private Limited
CTR Manufacturing Industries Limited	Igarashi Motors India Limited
Fontus Water Private Limited	Inspired Leadership Gurukul

Dr. Nohria does not hold any equity shares in the Company.

The Board recommends the Special Resolution at Item No. 7 for approval by the Members.

None of the Directors of the Company, key managerial personnel or their relatives, except Dr. K. K. Nohria, himself, is concerned or interested in the special resolution set out in Item No. 7 of the Notice.

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REGISTRATIONOF E – MAIL ADDRESS FORM

As per Rule 18 of the Companies (Management and Administration) Rules, 2014,

Karvy Computershare Private Limited
Unit : Accelya Kale Solutions Limited
Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda
Hyderabad - 500 032

I / We shareholder(s) of Accelya Kale Solutions Limited, hereby accord my / our approval to receive documents viz annual reports, notices of general meetings / postal ballot, other documents etc. in electronic mode.

I / We request you to note my / our latest email address, as mentioned below. If there is any change in the e–mail address, I / we will promptly communicate the same to you. I / We attach the self-attested copy of PAN Card / passport towards identification proof for the purpose of verification.

Folio No / DP ID and Client ID	
Name of first / sole share holder	
Name of joint share holder(s) if any	
Registered Address	
E-mail address (to be registered)	

Place:

Date :

(Signature of shareholder)

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accelya

ACCELYA KALE SOLUTIONS LIMITED

Regd. Off.: Accelya Enclave, 685/2B & 2C, 1st Floor, Sharada Arcade, Satara Road, Pune – 411 037.
Tel No.: +91 20 6608 3777 Fax: +91 20 2423 1639 Email: accelyakale.investors@accelya.com
Website: https://w3.accelya.com
CIN: L74140PN1986PLC041033

ECS Mandate Form for payment of Dividend

(In case of physical holding - send to our Registrar and Transfer Agent
In case of demat holding - send to your Depository Participant)

I/We request you to arrange for payment of my / our dividend through ECS facility by crediting the same to my / our bank account as per details given below:

1. First / Sole Shareholder's Name									
2. If shares not Dematerialised - Registered Folio No.									
3. If shares Dematerialised - DPID No. and Client ID No.									
4. * Particulars of Bank Account									
a. Bank Name									
b. Branch Name									
c. Address of the Branch									
d. 9 - digit MICR code number of the Bank and Branch as appearing on the MICR Cheque issued by the Bank.									
e. Account type	Savings ( ) Current ( )								
f. Account Number as appearing on the Cheque Book									

* Please attach a cancelled photocopy of cheque issued by the Bank for verification of the above details.

I/We hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incomplete or incorrect information or for any other reason, I/we would not hold the Company responsible or liable. In case of ECS facility not being available for any reason, the bank account details provided above may be incorporated in the payment instrument and sent to my/our Bankers at the address provided above and be considered as a mandate by me/us. This instruction will hold good for payment of dividend for subsequent years also unless revoked by me/us in writing.

Yours faithfully,

____

Name and signature of First/Sole Shareholder

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ACCELYA KALE SOLUTIONS LIMITED

Regd. Off.: Accelya Enclave, 685/2B & 2C, 1st Floor, Sharada Arcade, Satara Road, Pune – 411 037.
Tel No.: +91 20 6608 3777 Fax: +91 20 2423 1639 Email: accelyakale.investors@accelya.com Website: https://w3.accelya.com
CIN: L74140PN1986PLC041033

Form No. MGT-11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s)	:
Registered address	:
E-mail Id	:
Folio No/ Client Id	:
DP ID	:

I/We, being the member (s) of ________________________ shares of the above named company, hereby appoint

1. Name : ______________________________
   Address : ______________________________
   E-mail Id : ______________________________
   Signature : ______________________________ or failing him / her
2. Name : ______________________________
   Address : ______________________________
   E-mail Id : ______________________________
   Signature : ______________________________ or failing him / her
3. Name : ______________________________
   Address : ______________________________
   E-mail Id : ______________________________
   Signature : ______________________________

as my / our proxy to attend and vote (on a poll) for me / us on my / our behalf at the 32nd Annual General Meeting of the Company to be held on the 10th October, 2018 at 12.00 noon at Sumant Moolgaokar Auditorium, 'A Wing', Ground Floor, Mahratta Chamber of Commerce, Industries and Agriculture, Trade Tower, ICC Complex, 403, Senapati Bapat Road, Pune 411 016 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. Adoption of audited financial statements (including audited consolidated financial statements) for the year ended 30th June, 2018 and the Directors' and Auditors' Report (Ordinary Resolution)
2. Confirmation of payment of interim dividend and declaration of final dividend (Ordinary Resolution)
3. Re-appointment of Mr. John Johnston as Director of the Company, liable to retire by rotation (Ordinary Resolution)
4. Appointment of Statutory Auditors (Ordinary Resolution)
5. Approval for participation of employees and / or directors of the Company (as identified by Topco Limited from time to time) in the global management allocation adopted by Canary Topco Limited.
6. Approval for re-appointment of Ms. Neela Bhattacherjee as Managing Director of the Company and remuneration payable to her.
7. Approval for continuation of Dr. K. K. Nohria as an Independent Director of the Company.

Affix Revenue Stamp

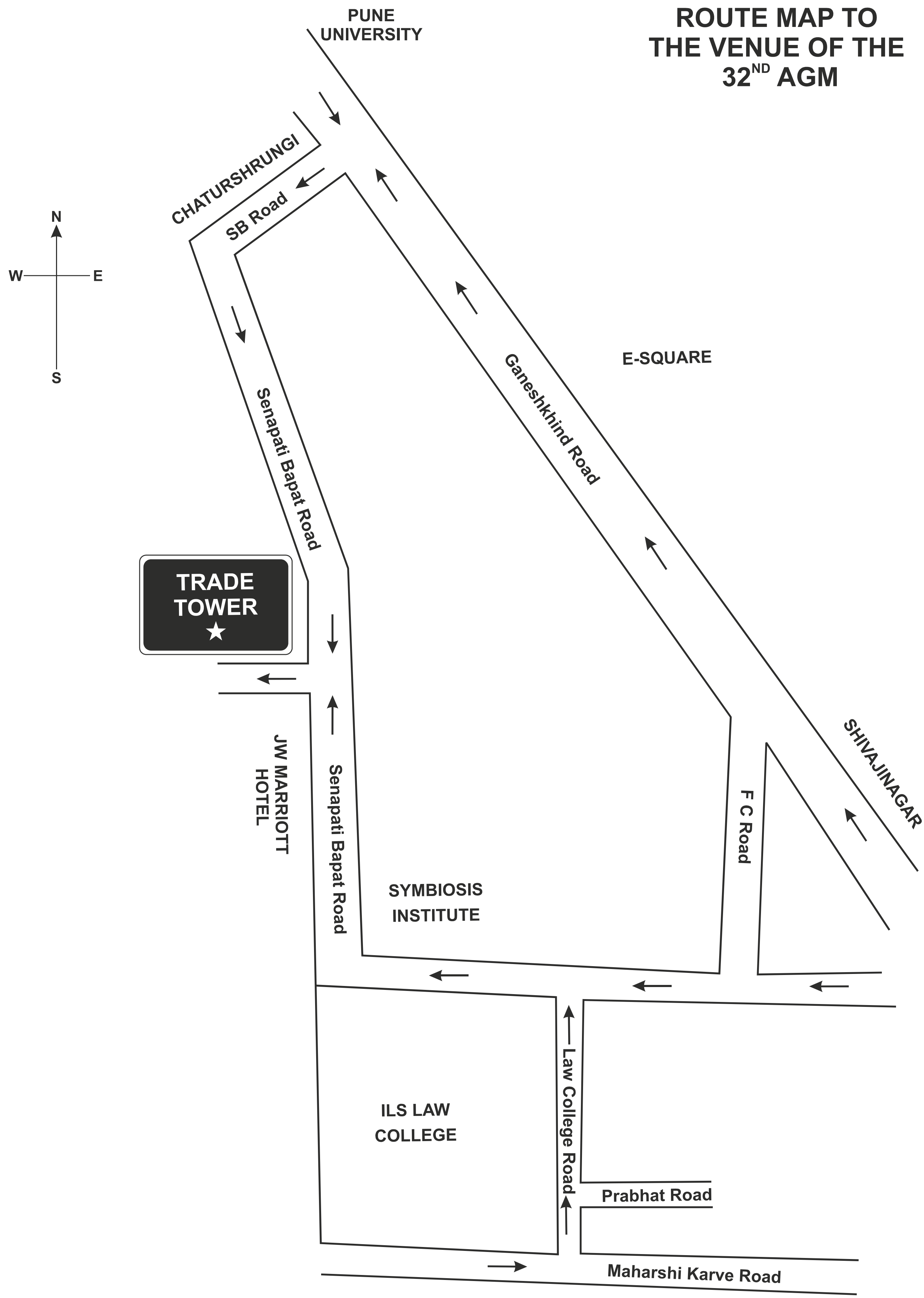
Signed this ______________ day of ____________________________ 2018.

Signature of shareholder : ________________________

Signature of Proxy holder(s) : ________________________

Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

ROUTE MAP TO THE VENUE OF THE 32ND AGM



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accelya

Registered Office: Accelya Enclave, 685/2B & 2C, 1st Floor, Sharada Arcade, Satara Road, Pune – 411037, India.
Tel: +91 20 66083777 Fax: +91 20 24231639 E-mail: accelyakale.investors@accelya.com
https://w3.accelya.com CIN: L74140PN1986PLC041033