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In accordance with Regulation 32 of the Overseas Companies Regulations 2009.

OS AA01

Statement of details of parent law and ot

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COMPANIES HOUSE

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A14 18/04/2018 #319

COMPANIES HOUSE

Part 1 Corporate company name

Corporate name of overseas company ❶: ACCORD SOFTWARE AND SYSTEMS LIMITED

UK establishment number: B R 0 1 4 9 1 3

→ **Filling in this form**
Please complete in typescript or in bold black capitals.

All fields are mandatory unless specified or indicated by *

❶ *This is the name of the company in its home state.*

Part 2 Statement of details of parent law and other information for an overseas company

A1 Legislation

Please give the legislation under which the accounts have been prepared and, if applicable, the legislation under which the accounts have been audited.

Legislation ❷: Indian Companies Act 2014

❷ This means the relevant rules or legislation which regulates the preparation and, if applicable, the audit of accounts.

A2 Accounting principles

Accounts: Have the accounts been prepared in accordance with a set of generally accepted accounting principles?

Please tick the appropriate box.

- ☐ No. Go to Section A3.
- ☑ Yes. Please enter the name of the organisation or other body which issued those principles below, and then go to Section A3.

Name of organisation or body ❸: The Institute of Chartered Accounts India

❸ Please insert the name of the appropriate accounting organisation or body.

A3 Accounts

Accounts: Have the accounts been audited? Please tick the appropriate box.

- ☐ No. Go to Section A5.
- ☑ Yes. Go to Section A4.

OS AA01

Statement of details of parent law and other information for an overseas company

A4 Audited accounts

Audited accounts	Have the accounts been audited in accordance with a set of generally accepted auditing standards? *Please tick the appropriate box* ☐ No. Go to Part 3 'Signature' ☑ Yes Please enter the name of the organisation or other body which issued those standards below, and then go to Part 3 'Signature'	❶ Please insert the name of the appropriate accounting organisation or body
Name of organisation or body ❶	THE INSTITUTE OF CHARTERED ACCOUNTANTS IN INDIA	

A5 Unaudited accounts

Unaudited accounts	Is the company required to have its accounts audited? Please tick the appropriate box ☐ No ☐ Yes	

Part 3 Signature

	I am signing this form on behalf of the overseas company For Accord Software & Systems Pvt. Ltd.	
Signature	Signature X Bobjee Srinivas X Bobjee Srinivas Chief Financial Officer & Company Secretary This form may be signed by: Director, Secretary, Permanent representative	

OS AA01

Statement of details of parent law and other information for an overseas company

Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name

Company name Kingston Smith LLP

Address Devonshire House

60 Goswell Road

Post town London

County/Region

Postcode E C 1 M 7 A D

Country United Kingdom

DX

Telephone 020 7566 4000

Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and, if appropriate, the registered number, match the information held on the public Register.
- ☐ You have completed all sections of the form, if appropriate.
- ☐ You have signed the form.

Important information

Please note that all this information will appear on the public record.

Where to send

You may return this form to any Companies House address:

England and Wales:
The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

Scotland:
The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post).

Northern Ireland:
The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG.
DX 481 N.R. Belfast 1.

Further information

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk

Deloitte Haskins & Sells LLP

COMPANIES HOUSE

Chartered Accountants
Deloitte Centre,
Anchorage II,
100/2 Richmond Road,
Bengaluru - 560 025,
Karnataka, India

Tel: +91 80 6627 6000
Fax: +91 80 6627 6013

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ACCORD SOFTWARE & SYSTEMS PRIVATE LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **ACCORD SOFTWARE & SYSTEMS PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

In conducting 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 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 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 financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 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 financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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.

   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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company, and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   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 Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

      iv. The Company has provided requisite disclosures in the standalone financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated November 8, 2016 of the Ministry of Finance, during the period from

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November 8, 2016 to December 30, 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.

2. 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 B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firms' Registration No. 117366W/W-00018)

V.Balaji
Partner
(Membership No. 203685)

Place: Bengaluru
Date: September 27, 2017

(VB/RR/2017)

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Haskins & Sells LLP

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of **ACCORD SOFTWARE & SYSTEMS PRIVATE LIMITED** ("the Company") *as of March 31, 2017 in conjunction with our audit of* the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting 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 Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firms' Registration No. 117366W/W-00018)

V.Balaji
Partner
(Membership No. 203685)

Place: Bengaluru
Date: September 27, 2017

(VB/RR/2017)

Deloitte
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ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) 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.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.

(vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) CARO 2016 is not applicable.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, , Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2017 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (Rs.)	Amount Unpaid (Rs.)
Income Tax Act, 1961	Income tax	Deputy CIT	FY 2006-07 AY 2007-08	278,813	278,813
Income Tax Act, 1961	Income tax	CIT Appeals	FY 2007-08 AY 2008-09	413,801	413,801
Income Tax Act, 1961	Income tax	CIT Appeals	FY 2013-14 AY 2014-15	12,045,720	12,045,720
Central Excise Act, 1944	Service Tax	Appellate Tribunal CESTAT	FY 2010-14	5,442,312	5,442,312
Central Excise Act, 1944	Service Tax	Appellate Tribunal CESTAT	FY 2015-16	861,087	796,505

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company did not have dues to financial institutions and government and has not issued any debentures.

(ix) In our opinion and according to the information and explanations given to us, money raised by way of term loans have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds. The Company has not raised money by way of initial public offer or further public offer (including debt instruments).

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) The Company is a private company and hence the provisions of section 197 of the Companies Act, 2013 do not apply.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable.

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(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Act are not applicable.

(xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firms' Registration No. 117366W/W-00018)

V.Balaji
Partner
(Membership No. 203685)

Place: Bengaluru
Date: September 27, 2017

(VB/RR/2017)

Accord Software & Systems Private Limited
Balance Sheet as at 31 March, 2017

	Particulars	Note No	As at March 31, 2017 (₹)	As at March 31, 2016 (₹)
	EQUITY AND LIABILITIES			
1	**Shareholder's Funds**			
	(a) Share capital	3	90,750,000	90,750,000
	(b) Reserves and surplus	4	648,374,313	530,656,314
2	**Non-Current Liabilities**			
	(a) Long term borrowings	5	2,398,949	1,804,334
	(b) Long term provisions	6	7,394,012	7,594,975
3	**Current Liabilities**			
	(a) Short term borrowings	7	259,366,316	180,322,289
	(b) Trade payables			
	(i) Total outstanding dues to Micro enterprises and small enterprises	8(a)	8,633,937	485,801
	(ii) Total outstanding dues of creditors other than Micro enterprises and small enterprises	8(b)	56,955,993	71,623,414
	(c) Other current liabilities	9	45,417,354	30,406,213
	(d) Short term provisions	10	27,330,970	19,399,408
			1,146,621,844	933,042,748
	ASSETS			
1	**Non-current assets**			
	(a) Fixed assets			
	(i) Tangible assets	11(a)	39,296,097	48,337,748
	(ii) Intangible assets	11(b)	3,762,995	5,368,010
	(iii) Capital Work-in-Progress	11(c)	4,613,430	-
	(iv) Intangible assets under development	11(d)	9,008,279	6,420,629
	(b) Non current investments	12	153,786,753	137,013,541
	(c) Deferred tax Asset (Net)		9,184,736	8,981,249
	(d) Long term loans and advances	13	29,197,773	39,296,375
2	**Current assets**			
	(a) Current investments	14	1,142,872	10,000,000
	(b) Inventories	15	109,023,536	87,214,307
	(c) Trade receivables	16	477,213,982	331,164,692
	(d) Cash and cash equivalents	17	222,740,507	199,789,761
	(e) Short term loans and advances	18	67,972,311	58,280,885
	(f) Other current assets	19	19,678,573	1,175,551
			1,146,621,844	933,042,748

See accompanying notes forming part of the financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

V. Balaji
Partner

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS BANGALORE-25

Place : Bangalore
Date : September 27, 2017

For and on behalf of the Board

J. M. Sundaresan
Executive Chairman

Raghavendra Shenoy M
CEO & Director

Bobjee Srinivas
CFO & Company Secretary

Place : Bangalore
Date : September 27, 2017

Accord Software & Systems Private Limited Bangalore

Accord Software & Systems Private Limited

Statement of Profit and Loss for the year ended 31 March, 2017

	Particulars	Note No	For the year ended 31 March, 2017 (₹)	For the year ended 31 March, 2016 (₹)
1	Revenue from Operations (gross)	20	914,233,892	774,340,898
	Less: Excise duty	20	9,952,760	4,637,049
	Revenue from operations (net)		904,281,132	769,703,849
2	Other Income	21	30,658,417	55,949,791
3	**Total revenue (1+2)**		934,939,549	825,653,640
4	**Expenses**			
	(a) Cost of materials consumed	22(a)	124,805,592	126,877,864
	(b) Purchases of stock-in-trade (traded goods)	22(b)	17,100,882	11,380,709
	(c) Changes in inventories of work-in-progress and finished goods	22(c)	(23,276,579)	(38,772,541)
	(d) Employee benefit expenses	23	467,939,400	428,561,387
	(e) Finance costs	24	19,439,589	10,480,967
	(f) Depreciation and amortization expense		20,484,555	26,095,820
	(g) Other expenses	25	172,306,263	185,487,933
	Total expenses		798,799,702	750,112,139
5	**Profit before tax**		136,139,847	75,541,501
6	**Tax expense / (benefit)**			
	(a) Current tax		29,626,006	18,070,700
	(b) Less: MAT Credit Entitlement		(11,000,671)	(5,867,790)
	(c) Deferred tax (gain)/charge		(203,487)	(5,298,101)
	Profit for the year after tax		117,717,999	68,636,692
	Earnings per share of Rs. 10/- each:			
	- Basic & Diluted		12.97	7.56

See accompanying notes forming part of the financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

V. Balaji
Partner

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS BANGALORE-25

Place : Bangalore
Date : September 27, 2017

For and on behalf of the Board

J. M. Sundaresan — Raghavendra Shenoy M

J M Sundaresan
Executive Chairman

Raghavendra Shenoy M
CEO & Director

Bobjee Srinivas
Bobjee Srinivas
CFO & Company Secretary

Place : Bangalore
Date : September 27, 2017

Accord Software & Systems Private Limited Bangalore

Accord Software & Systems Private Limited

Cash Flow Statement for the year ended 31 March, 2017

Particulars	For the year ended 31 March, 2017 (₹)	For the year ended 31 March, 2016 (₹)
(A) Cash flow from operating activities		
Profit before taxation, exceptional and non recurring items	136,139,847	75,541,501
Adjustments for:		
Depreciation and amortization expenses	20,484,555	26,095,820
Finance Cost	19,439,589	8,528,061
Interest received	(14,527,387)	(15,404,957)
Mutual fund dividend income	(631,406)	(386,606)
(Profit) / loss on sale of assets	105,202	4,885,025
Provision for doubtful trade receivable	-	-
Profit on Sale of Shares of Subsidiary	-	(84,442)
Net unrealised exchange (gain) / loss	4,969,965	7,077,758
Net (gain) / loss on sale of investments	(1,180,400)	-
Operating Profit before working capital changes	164,799,965	106,252,160
Changes in working capital:		
(Increase)/ Decrease in Inventories	(21,809,229)	(39,938,831)
(Increase)/ Decrease in Trade Receivables	(153,142,096)	(110,850,501)
(Increase)/ Decrease in Short Term Loans and Advances	9,557,336	(19,676,484)
(Increase)/ Decrease in Long Term Loans and Advances	1,471,430	18,711,360
(Increase)/ Decrease in Other Current Assets	(18,417,893)	-
Increase/ (Decrease) in Trade Payables	(6,516,234)	(7,120,844)
Increase/ (Decrease) in Other Current Liabilities	13,679,669	(17,575,249)
Increase/ (Decrease) in Provisions	(1,287,949)	(16,390,017)
Cash generated from operations	(11,665,001)	(86,588,406)
Income Tax paid including for prior year (Net)	(20,246,227)	(17,398,205)
Net cashflow from / (used in) operating activities (A)	**(31,911,228)**	**(103,986,611)**
(B) Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(14.411,594)	(18,748,757)
Proceeds from sale of fixed assets	120,379	565,877
Bank balances not considered as Cash and cash equivalents		
- Placed	(129,703,005)	(21,311,679)
- Matured	119,054,000	-
Proceeds from sale of current investments	10,037,528	55,060,256
Interest received	14,442,258	15,154,584
Purchase of long-term investments		
- Subsidiaries	(16,773,211)	(30,222,161)
Proceeds from sale of long-term investments		
- Subsidiaries	-	29,974,106
Dividend received		
- Others	631,406	386,606
Net cash flow from / (used in) investing activities (B)	**(16,602,239)**	**30,858,832**

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS BANGALORE

Accord Software & Systems Private Limited Bangalore

Accord Software & Systems Private Limited

Cash Flow Statement for the year ended 31 March, 2017

Particulars	For the year ended 31 March, 2017 (₹)	For the year ended 31 March, 2016 (₹)
(C) Cash flow from financing activities		
Proceeds from long-term borrowings	4,898,121	3,965,381
Repayment of long-term borrowings	(5,831,581)	(13,236,324)
Net increase / (decrease) in working capital borrowings	81,181,666	87,404,646
Dividend paid (Including Dividend distribution tax)	-	(65,981)
Finance cost	(19,432,998)	(8,504,609)
Net cash flow from / (used in) financing activities (C)	**60,815,208**	**69,563,113**
(D) Net increase / (decrease) in Cash and cash equivalents (A+B+C)	**12,301,741**	**(3,564,666)**
Cash and cash equivalents at the beginning of the year	4,870,645	8,435,311
Cash and cash equivalents at the end of the year	17,172,386	4,870,645

See accompanying notes forming part of the financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

V. Balaji
Partner

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS BANGALORE-25

Date : September 27, 2017

For and on behalf of the Board

J M Sundaresan — Executive Chairman
Raghavendra Shenoy M — CEO & Director

Bobjee Srinivas
CFO & Company Secretary

Date : September 27, 2017

Accord Software & Systems Private Limited Bangalore

1 **CORPORATE INFORMATION:**

Accord Software & Systems Private Limited was incorporated on 17 December, 1991 with its registered office and main development centre located in Bangalore, India. The company has focused its business in the areas of Global Positioning System, Airborne Software and Hardware, Digital Signal Processing, Real-time embedded systems and Fabless Semiconductor operations. The company's products and services are aimed at serving various markets like Aviation, Defence, Space and Consumer electronics. The company has its operations in three european countries and also has one wholly owned subsidiary in Singapore; M/s Accord Global Pte Ltd. which was incorporated in Singapore on 18-Feb-2015.The company decided to restructure its group holdings in the previous year and accordingly the subsidiary Navika Electronics Pte Ltd. Singapore become a subsidiary of Accord Global Pte Ltd. Singapore w.e.f June 18, 2015. Another subsidiary Accord Technology LLC, USA merged with Aspen Avionics, USA on June 19, 2015 and Aspen Avionics, USA became an associate of Accord Global Pte Ltd, Singapore.

2 **SIGNIFICANT ACCOUNTING POLICIES**

a. Basis of preparation of Financial Statements:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

b. Use of Estimates:

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates are used in preparation of the financial statements are prudent and reasonable. Future results could differ due to the differences between the actual results and the estimates are recognised in the periods in which the results are known to materialise.

c. Inventories:

Inventories are valued at lower of cost or net realizable value. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Inventories comprise raw materials, stores & spares, loose tools and work in progress. They are valued at lower of cost (FIFO) and the net realisable value after providing for obsolescence and other losses, where considered necessary.

Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

d. Cash and cash equivalents:

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (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 insignificant risk of changes in value.

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS BANGALORE-25

Accord Software & Systems Private Limited Bangalore

e. Cash flow statement:

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

f. Depreciation and amortisation:

Depreciation on tangible fixed assets such as Building, Office Equipment, Furniture's & Fittings has been provided on the Straight-Line Method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets in whose case the life of the assets has been assessed as under based on technical advice taking into account the nature of the asset, anticipated technological changes, manufacturer's warranties and maintenance support for expenditure on lease hold properties where it is amortised over the period of lease or estimated useful life, whichever is lower. For the other assets depreciation is provided on Straight-Line Method over the useful life estimated by the management which are as follows:

Vehicle - 5 Years
Plant & Machinery - 5 Years
Assets costing less than Rs.5,000/- are fully depreciated in the year of acquisition.
Leasehold improvements are depreciated over the duration of the lease.

Intangible assets are amortised over their estimated useful life on straight line method as follows:
Patents- 10 years
Licenses - Over the License period or 3 Years, which ever is earlier
Software - 2 Years
Technical Know How - 3 Years
The estimated useful life of intangible assets and amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the current pattern, if any.

g. Revenue Recognition:

Sale of goods

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax and value added tax.

Income from services

The Company derives revenues from software development and related services. Arrangements with customers for software related services are either on a fixed-price, fixed-timeframe or on a time-and-material basis.
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 revenues. Revenue from fixed-price, fixed-timeframe contracts, where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to the measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the current contract estimates. Costs and earnings in excess of billings are classified as unbilled revenue while billings in excess of costs and earnings are classified as unearned revenue.

h. Other income:

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.
State level incentives are recognised as income when admitted.

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS BANGALORE-25

Accord Software & Systems Private Limited Bangalore

i. Fixed Assets (Tangible / Intangible):

(i) Fixed assets are carried at the cost less accumulated depreciation / amortisation and impairment losses. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on specifically attributable to the acquisition and installation of fixed assets like freight and other costs are capitalised till the assets are ready to be put to use. Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortisation and impairment. Borrowing costs on specific borrowings made for acquisition of qualifying assets relating to the period until it is ready for use is capitalised to the cost of asset.

(ii) Capital work in progress :
Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, *comprising direct cost, related incidental expenses and attributable interest.*
All capital expenditure including advances paid for the construction of fixed assets are shown as capital work-in-progress until completion of the project or until the asset is ready to be put to use. These costs are capitalised to the relevant items of the fixed assets on completion or putting to use.

(iii) Intangible assets under development :

Patents comprise expenses incurred for filing. On grant of the patent, expenses associated with filing shall be capitalized. Till such time the expense is recorded as patent under development.
Licenses and implementation expenses for software's are recognized as intangible assets under development and are capitalised on completion of implementation once the asset is available for use.

j. Foreign currency transactions and translations:

Initial recognition
(i) Company: Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the

(ii) Integral foreign operations: Transactions in foreign currencies entered into by the Company's integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement at the balance sheet date
(i) Company: Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

(ii) Integral foreign operations: Foreign currency monetary items (other than derivative contracts) of the Company's integral foreign operations outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company's integral foreign operations are carried at historical cost.

Treatment of exchange differences
(i) Company: Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

(ii) Integral foreign operations: Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company's integral foreign operations are recognised as income or expense in the Statement of Profit and Loss.

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS BANGALORE-25

Accord Software & Systems Private Limited Bangalore

k. Government grants, subsidies and export incentives:

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidies will be received. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in

Other government grants and subsidies are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis.

l. Investments:

Long-term investments, are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

m. Employee Benefits:

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences.

Defined contribution plans

The Company's contribution to provident fund, superannuation fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

The company's Gratuity scheme is administered through the Employee's Group Gratuity Trust and funded with Life Insurance Corporation of India. For defined benefit plans in the form of gratuity fund and post-employment medical benefits, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under :

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS BANGALORE-25

Accord Software & Systems Private Limited Bangalore

n. Segment reporting:

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

o. Leases:

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

p. Earnings per share:

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

q. Taxes on income:

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.
Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

r. Research and development expenses:

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Fixed Assets.

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS BANGALORE-25

Accord Software & Systems Private Limited Bangalore

s. Impairment of assets:

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial *year even if there is no indication that the asset is impaired:*

(a) an intangible asset that is not yet available for use; and (b) an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

t. Provisions and contingencies:

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

u. Provision for warranty:

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise - being typically upto three years.

As per the terms of the contracts, the Company provides post-contract services / warranty support to some of its customers. The Company accounts for the post-contract support / provision for warranty on the basis of the information available with the Management duly taking into account the current and past technical estimates.

The company has a warranty policy to optimize the cost.

v. Service tax input credit:

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

w. Operating cycle:

Based on the nature of products and activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS BANGALORE-25

Accord Software & Systems Private Limited Bangalore

Accord Software & Systems Private Limited
Notes forming part of the financial statements

Particulars	As at 31 March, 2017		As at 31 March, 2016	
	Number of shares	(₹)	Number of shares	(₹)
3 Share Capital:				
Authorised Share Capital				
Equity shares of ₹10 each with voting rights	10,000,000	100,000,000	10,000,000	100,000,000
Issued, Subscribed and Fully Paid Up:				
Equity shares of ₹10 each with voting rights	**9,075,000**	**90,750,000**	**9,075,000**	**90,750,000**

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening balance	Fresh issue	Other changes	Closing balance
Equity shares with voting rights				
Year ended 31 March, 2017				
- Number of shares	9,075,000	-	-	9,075,000
- Amount (₹)	90,750,000	-	-	90,750,000
Year ended 31 March, 2016				
- Number of shares	9,075,000	-	-	9,075,000
- Amount (₹)	90,750,000	-	-	90,750,000

(ii) Rights, preferences and restrictions attached to equity shares:

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

In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the company after payment of all liabilities. The distribution shall be in proportion to the number of equity shares held by the shareholders.

(iii) Details of shares held by each shareholder holding more than 5% shares:

Particulars	As at 31 March, 2017		As at 31 March, 2016	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights :				
J M Sundaresan	1,931,900	21.29	1,931,900	21.29
S Purushotham	1,931,900	21.29	1,931,900	21.29
V Narayanasamy	1,931,900	21.29	1,931,900	21.29
R Devanathan	1,819,300	20.05	1,819,300	20.05
Raghavendra Shenoy M	1,460,000	16.08	1,460,000	16.08

(iv) No equity shares were bought back during the period of five years immediately preceding the reporting date.

(v) Aggregate number of bonus shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.

Particulars	Aggregate number of shares	
	As at 31 March, 2017	As at 31 March, 2016
Equity shares with voting rights of ₹10 each fully paid up by way of bonus shares on March 03, 2014 (allotted at the rate of 4 bonus shares for every equity share held by utilisation of free reserves).	7,260,000	7,260,000

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS BANGALORE-25

Accord Software & Systems Private Limited Bangalore

Accord Software & Systems Private Limited
Notes forming part of the financial statements

	Particulars	As at 31 March, 2017 (₹)	As at 31 March, 2016 (₹)
4	**Reserves & Surplus:**		
	(a) General Reserve:		
	Opening balance	153,057,588	153,057,588
	Add: Transferred from surplus in Statement of Profit and Loss	-	-
	Closing balance	**153,057,588**	**153,057,588**
	(b) Surplus in Statement of Profit and Loss		
	Opening balance	377,598,726	309,028,015
	Profit for the year as per Statement of Profit and Loss	117,717,999	68,636,692
	Less:		
	-Tax on proposed dividend on equity shares.	-	65,981
	(Differential tax on dividend for the FY 2014-15 paid in FY 2015-16)		
	Closing balance	**495,316,725**	**377,598,726**
		648,374,313	**530,656,314**
5	**Long Term Borrowings:**		
	Secured		
	(a) Term Loans from Banks (refer note 'a' below)	4,169,777	4,073,228
	Less: Current maturities of secured term loans from banks [refer note '9(a)']	(2,700,000)	(4,073,228)
		1,469,777	-
	(b) Vehicle Loans - Banks (refer note 'b' below)	1,787,586	2,817,595
	Less: Current maturities of secured vehicle loans from banks [refer note '9(b)']	(858,414)	(1,013,261)
		929,172	1,804,334
		2,398,949	**1,804,334**

Note (a):
The long term borrowings from State Bank of India
1. Rate of interest: Base rate + 3.75%. Present effective rate is 12.65%.
2. Repayable in 36 instalments starting from December 2016.
3. Security:
   (i) First charges by hypothecation on all the fixed assets and extension of existing charge on residual value of fixed assets of the company.
   (ii) Personal guarantee of
   - Mr. J M Sundaresan
   - Mr. V Narayansamy
   - Mr. Raghavendra Shenoy
   - Mr. Devanathan Raghavan
   - Mr. Purushotham Subbarao
4. Current maturities of long-term debt are presented in Note 9.

Note (b):
1. Rate of interest ranges from 9.85% to 10.15%.
2. All the vehicle loans are repayable between 36 and 48 instalments
3. Security : Hypothecation of vehicles against loan.

Accord Software & Systems Private Limited Bangalore

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DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS BANGALORE-25

Accord Software & Systems Private Limited
Notes forming part of the financial statements

Particulars	As at 31 March, 2017 (₹)	As at 31 March, 2016 (₹)
6 Long Term Provisions:		
(a) Provision for employee benefits: [Refer Note 30]		
- Provision for compensated absences	6,117,199	4,460,606
(b) Provision - others:		
- Provision for warranty [Refer Note 35]	1,276,813	3,134,369
	7,394,012	**7,594,975**
7 Short Term Borrowings:		
Loans repayable on demand		
From State Bank of India bank, secured: [refer note below]		
Cash credit account	97,928,043	102,336,696
- Pre-shipment credit in foreign currency	75,590,470	77,985,593
Additional cash credit	85,847,803	-
	259,366,316	**180,322,289**

Note:

1. The short term borrowings from State Bank of India represent cash credit / working capital funds limit of ₹190,000,000 (including Pre-shipment credit in foreign currency limit of ₹110,000,000)
2. The facility is secured by:
   (i) Hypothecation of entire stock of raw materials, stock in process, stores, spares, receivables and other current assets.
   (ii) First charge on the unencumbered fixed assets present and future of the company.
   (iii) Further by equitable mortgage of Company's freehold Plot at No 110-K1,at KEONICS Electronic city ,Bangalore and also of one of the Director's property located at Plot at No.13 & 14 at Nehruji Street, Tambaram Sanatorium ,Chennai.
   (iv) Further to this company has given cash collateral of ₹27,541,638
   (v)The above secured loans are also personally guaranteed by all the directors namely :
   - Mr. J M Sundaresan
   - Mr. V Narayansamy
   - Mr. Raghavendra Shenoy
   - Mr. Devanathan Raghavan
   - Mr. Purushotham Subbarao
3. The additional cash credit of ₹85,847,803 is secured by lien on fixed deposit.

8 Trade Payables:		
(a) Total outstanding dues to Micro, Small, Medium enterprises	8,633,937	485,801
(b) Total outstanding dues of creditors other than Micro, Small, Medium enterprise [Refer note '34' for dues to related parties]	56,955,993	71,623,414
	65,589,930	**72,109,215**

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS BANGALORE-25

Accord Software & Systems Private Limited Bangalore

Accord Software & Systems Private Limited
Notes forming part of the financial statements

Particulars	As at 31 March, 2017 (₹)	As at 31 March, 2016 (₹)
9 Other Current Liabilities:		
(a) Current maturities of long-term debt		
- Current maturities of secured term loans from banks [refer note '5(a)']	2,700,000	4,073,228
- Current maturities of secured vehicle loans from banks [refer note '5(b)']	858,414	1,013,261
(b) Interest accrued but not due on borrowings	50,456	43,865
(c) Advances from customers and others	3,672,670	3,015,455
(d) Payables on purchase of fixed assets	3,455,408	602,452
(e) Statutory Dues	25,719,717	16,575,201
(f) Payables towards funded defined benefit obligation [refer note 30]	8,960,689	5,082,751
	45,417,354	**30,406,213**
10 Short Term Provisions:		
(a) Provision for employee benefits: [Refer note 30]		
- Provision for compensated absences	3,609,667	3,174,204
(b) Provision for Warranty [Refer note 35]	2,542,946	4,065,395
(c) Provision for tax [Net of advance tax and tax deducted at source Rs 8,447,649, previous year Rs 6,456,191]	21,178,357	12,159,809
	27,330,970	**19,399,408**

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS BANGALORE-25

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Accord Software & Systems Private Limited Bangalore

Accord Software & Systems Private Limited

Notes forming part of the financial statements

11. Fixed assets

(₹ Amount)

	Particulars	Gross Block				Accumulated Depreciation				Net Block	
		Balance as at 01 April, 2016	Additions	Disposals	Balance as at 31 March, 2017	Balance as at 01 April, 2016	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31 March, 2017	Balance as at 31 March, 2017	Balance as at 31 March, 2016
(a)	Tangible Assets:										
	Freehold Land	7,850,757	-	-	7,850,757	-	-	-	-	7,850,757	7,850,757
		(7,850,757)	(-)	(-)	(7,850,757)	(-)	(-)	(-)	(-)	(7,850,757)	(7,850,757)
	Leasehold improvements	24,338,207	72,768	1,547,722	22,863,253	21,123,266	834,601	1,547,722	20,410,145	2,453,108	3,214,941
		(24,053,182)	(285,025)	(-)	(24,338,207)	(20,130,062)	(993,204)	(-)	(21,123,266)	(3,214,941)	(3,923,120)
	Plant and Equipment	71,204,638	4,538,848	5,233,282	70,510,203	51,894,448	8,099,034	5,212,206	54,781,276	15,728,928	19,310,190
		(67,099,479)	(4,105,159)	(-)	(71,204,638)	(43,834,086)	(8,060,362)	(-)	(51,894,448)	(19,310,190)	(23,265,393)
	Computers and accessories	29,421,035	899,219	3,349,751	26,970,503	26,267,745	2,587,754	3,335,915	25,519,584	1,450,919	3,153,290
		(30,521,657)	(480,880)	(1,581,502)	(29,421,035)	(23,154,662)	(4,679,716)	(1,566,633)	(26,267,745)	(3,153,290)	(7,366,995)
	Furniture and Fixtures	12,073,677	6,323	1,659,480	10,420,520	9,250,120	488,613	1,622,227	8,116,506	2,304,014	2,823,557
		(11,991,271)	(82,406)	(-)	(12,073,677)	(8,673,795)	(576,325)	(-)	(9,250,120)	(2,823,557)	(3,317,476)
	Vehicles	18,048,041	-	-	18,048,041	10,858,023	2,387,163	-	13,245,186	4,802,856	7,190,018
		(15,517,893)	(3,595,033)	(1,064,885)	(18,048,041)	(9,279,869)	(2,589,941)	(1,011,787)	(10,858,023)	(7,190,018)	(6,238,024)
	Office equipment	11,922,834	1,719,866	2,671,385	10,971,316	7,141,762	1,678,898	2,517,968	6,302,692	4,668,624	4,781,072
		(9,783,333)	(2,347,084)	(207,583)	(11,922,834)	(5,943,548)	(1,405,797)	(207,583)	(7,141,762)	(4,781,072)	(3,839,785)
	Tools	4,145,791	42,530	-	4,188,321	4,131,868	19,560		4,151,428	36,893	13,923
		(4,145,791)	(-)	(-)	(4,145,791)	(3,831,728)	(300,140)	(-)	(4,131,868)	(13,923)	(314,063)
	Total Tangible Assets	179,004,980	7,279,554	14,461,621	171,822,913	130,667,232	16,095,623	14,236,038	132,526,816	39,296,097	48,337,748
		(170,963,363)	(10,895,587)	(2,853,970)	(179,004,980)	(114,847,750)	(18,605,485)	(2,786,003)	(130,667,232)	(48,337,748)	(56,115,613)

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS BANGALORE-25

Accord Software & Systems Private Limited Bangalore

Accord Software & Systems Private Limited

Notes forming part of the financial statements

11. Fixed assets

(₹ Amount)

	Particulars	Gross Block				Accumulated Depreciation				Net Block	
		Balance as at *01 April, 2016*	Additions	Disposals	Balance as at *31 March, 2017*	Balance as at *01 April, 2016*	Depreciation / amortisation *expense for the* year	Eliminated on disposal of assets	Balance as at *31 March, 2017*	Balance as at *31 March, 2017*	Balance as at *31 March, 2016*
(b)	Intangible assets :										
	License	7,243,517	-	-	7,243,517	7,243,517	-	-	7,243,517	-	-
		(7,243,517)	(-)	(-)	(7,243,517)	(7,127,719)	(115,798)	(-)	(7,243,517)	(-)	(115,798)
	Technical Know-how	34,418,614	-	-	34,418,614	34,418,614	-	-	34,418,614	-	-
		(34,418,614)	(-)	(-)	(34,418,614)	(34,111,349)	(307,265)	(-)	(34,418,614)	(-)	(307,265)
	Patent	880,280	1,454,752	140,655	2,194,377	125,064	89,345	-	214,408	1,979,969	755,216
		(-)	(880,280)	(-)	(880,280)	(-)	(125,064)	(-)	(125,064)	(755,216)	(-)
	Computer Software	44,551,146	1,469,819	2,528,811	43,492,154	39,938,352	4,299,587	2,528,811	41,709,128	1,783,026	4,612,794
		(40,332,595)	(4,218,551)	(-)	(44,551,146)	(32,996,144)	(6,942,208)	(-)	(39,938,352)	(4,612,794)	(7,336,451)
	Total Intangible Assets	**87,093,557**	**2,924,571**	**2,669,466**	**87,348,662**	**81,725,547**	**4,388,932**	**2,528,811**	**83,585,667**	**3,762,995**	**5,368,010**
		(81,994,726)	(5,098,831)	(-)	(87,093,557)	(74,235,212)	(7,490,335)	(-)	(81,725,547)	(5,368,010)	(7,759,514)
(c)	Capital Work-In-Progress:										
	Capital Work-in-Progress - PE&M	-	4,613,430	-	4,613,430	-	-	-	-	4,613,430	-
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
	Building under construction	-	-	-	-	-	-	-	-	-	-
		(5,382,935)	(-)	(5,382,935)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
	Total Capital Work In Progress	-	4,613,430	-	4,613,430	-	-	-	-	4,613,430	-
		(5,382,935)	(-)	(5,382,935)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
(d)	Intangible assets under development:										
	Patents	1,382,102	1,942,026	1,454,752	1,869,377	-	-	-	-	1,869,377	1,382,102
		(1,976,540)	(285,842)	(880,280)	(1,382,102)	(-)	(-)	(-)	(-)	(1,382,102)	(1,976,540)
	Software	5,038,527	2,100,376	-	7,138,903	-	-	-	-	7,138,903	5,038,527
		(2,711,735)	(2,326,792)	(-)	(5,038,527)	(-)	(-)	(-)	(-)	(5,038,527)	(2,711,735)
	Total Intangible Assets under development	6,420,629	4,042,402	1,454,752	9,008,279	-	-	-	-	9,008,279	6,420,629
		(4,688,275)	(2,612,634)	(880,280)	(6,420,629)	(-)	(-)	(-)	(-)	(6,420,629)	(4,688,275)
	Total Fixed Assets	272,519,166	18,859,956	18,585,838	272,793,284	212,392,779	20,484,555	16,764,849	216,112,483	56,680,801	60,126,387
	Previous year	(263,029,299)	(18,607,052)	(9,117,185)	(272,519,166)	(189,082,962)	(26,095,820)	(2,786,003)	(212,392,779)	(60,126,387)	

Other Notes to 'Fixed Assets':

(i) Figures in the brackets represent previous year amounts.

(ii) All assets are owned by the Company unless otherwise stated.

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS BANGALORE-25

Accord Software & Systems Private Limited Bangalore

Accord Software & Systems Private Limited
Notes forming part of the financial statements

Particulars	As at 31 March, 2017 (₹)	As at 31 March, 2016 (₹)
12 Non Current Investments:		
(a) Investment in unquoted, fully paid-up equity instruments		
- of subsidiaries		
139,600 equity shares (as at March 31, 2016 :139,600) of SGD 1 each in Accord Global Pte Ltd., Singapore	9,027,390	9,027,390
	9,027,390	9,027,390
(b) Investment in unquoted, fully paid-up preference shares		
- of subsidiaries		
22,85,550 (as at March 31, 2016 : 20,35,550) 8% Redeemable Preference shares of USD 1 each in Accord Global Pte Ltd., Singapore	144,759,363	127,986,151
	153,786,753	137,013,541
13 Long-term Loans & Advances:		
(a) Security Deposits		
Unsecured, considered good	5,743,737	5,975,725
(b) Prepaid Expenses	1,231,691	843,183
(c) Advance Income Tax and Tax Deducted at Source [Net of Provision for tax ₹135,420,901, as at March 31, 2016 ₹117,781,008] [refer note '1' below]	2,964,741	4,601,813
(d) MAT Credit Entitlement	10,000,000	16,972,250
(e) Balances with government and statutory authorities [refer note '2' below]		
(i) Service Tax credit receivable	9,181,893	10,901,404
(ii) Customs Duty receivable	73,711	-
(f) Advances to Employee trust	2,000	2,000
	29,197,773	39,296,375

Note (1):
Advance Income Tax includes ₹2,472,585 paid under protest for the financial years 2006-07, 2007-08 & 2013-14.

Note (2):
Balances with government and statutory authorities include:
(a) Provisional customs duty of ₹73,711 paid, valuation order pending from Special Valuation Branch (SVB)
(b) CENVAT credit of service tax against which refund applications for an amount of ₹6,869,785 have been filed and the same is pending before adjudicating authority for disposal and ₹2,312,109 for which refund is rejected and appeal has been filed.

14 Current Investments		
Investment in Mutual Fund	1,142,872	10,000,000
	1,142,872	10,000,000
Aggregate amount of unquoted investments	1,142,872	10,000,000

Particulars	As at 31 March, 2017		As at 31 March, 2016	
	No. of units	(₹)	No. of units	(₹)
Quoted Investments				
SBI Blue chip Fund - Dividend Reinvestment Plan	81416	1,142,872	610,061	10,000,000

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS BANGALORE-25

Accord Software & Systems Private Limited Bangalore

Accord Software & Systems Private Limited
Notes forming part of the financial statements

	Particulars	As at 31 March, 2017 (₹)	As at 31 March, 2016 (₹)
15	Inventories:		
	Valued at lower of cost or net realisable value		
	(a) Raw Materials	27,570,727	29,008,031
	Goods in Transit	117,790	147,836
	(b) Work in Progress	81,335,019	58,058,440
		109,023,536	87,214,307
16	Trade Receivables:		
	Unsecured, considered good		
	(a) Outstanding for a period exceeding six months from the date they were due for payment	83,941,688	14,671,963
	(b) Other Trade receivables [Refer note '34' for dues to related parties]	393,272,294	316,492,729
	Doubtful trade receivables	-	714,842
	Less:- Provision for doubtful trade receivables	-	(714,842)
		477,213,982	331,164,692

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DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS BANGALORE-25

Accord Software & Systems Private Limited Bangalore

Accord Software & Systems Private Limited
Notes forming part of the financial statements

Particulars	As at 31 March, 2017 (₹)	As at 31 March, 2016 (₹)
17 Cash and cash equivalents :		
Cash and cash equivalents (As per AS 3 Cash Flow Statement)		
(a) Cash on hand	99,878	52,934
(b) Cheques, drafts on hand	12,820,712	-
(c) Balances with bank		
(i) In current accounts	2,683,294	2,531,205
(ii) In EEFC accounts	1,568,502	2,286,506
Total - Cash and Cash equivalents(as per AS 3 Cash Flow Statement)	17,172,386	4,870,645
Other Bank Balances		
(i) In other deposit accounts		
- original maturity more than 3 months but less than 12 months	29,000,000	148,054,000
(ii) In earmarked accounts		
- Balances held as margin money or security against borrowings, guarantees and other commitments	176,503,469	46,805,047
(iii) Others (Locker deposit)	64,652	60,069
Total - Other Bank Balances	205,568,121	194,919,116
	222,740,507	**199,789,761**

The details of specified Bank Notes (SBN) held and transacted during the peiod from 08 Noveinber, 2016 to 30 December, 2016 as provided in the Table below:-

	SBNs	Other Denomination Notes	Total
Closing Cash in Hand as on 08 November, 2016	66,500	264	66,764
Add Permitted Receipts	-	510,292	510,292
Less : Permitted Payments	-	(465,947)	(465,947)
Less : Amount Deposited in Banks	*(66,500)*	-	*(66,500)*
Closing Cash in Hand as on 30 December, 2016	-	44,609	44,609

18 Short Term Loans and Advances:		
Unsecured considered good		
(a) Security deposit	245,000	581,600
(b) Prepaid Expenses	9,093,299	7,313,008
(c) Advances with employees (refer note 1 below)	1,458,340	3,610,223
(d) Advance to suppliers	10,427,736	13,684,358
(e) Balances with government and statutory authorities (refer note 2 below)		
(i) CENVAT credit receivable	396,996	989,191
(ii) Service Tax credit receivable	15,629,293	21,995,913
(f) MAT Credit Entitlement	29,248,762	10,000,000
(g) Other advances	1,472,885	106,592
	67,972,311	**58,280,885**
Note:		
(1) Advances with employees include travel advances to Key Managerial Personnel (KMP)	140,692	258,204

(2) Service tax credit receivable includes amounts of ₹3,440,886 against which refund applications have been filed and the same is pending before adjudicating authority for disposal (the probability of receipt of which has been identified to be high).

19 Other Current Assets:		
Interest accrued but not due on deposits with banks	1,260,680	1,175,551
Unbilled Revenue	18,417,893	-
	19,678,573	**1,175,551**

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS BANGALORE-25

Accord Software & Systems Private Limited Bangalore

Accord Software & Systems Private Limited
Notes forming part of the financial statements

Particulars	For the year ended 31 March, 2017 (₹)	For the year ended 31 March, 2016 (₹)
20 Revenue from Operations		
(a) Sale of products (Refer Note (i) below)	377,357,537	242,674,362
(b) Sale of services (Refer Note (ii) below)	536,838,046	531,452,505
(c) Other operating revenues (Refer Note (iii) below)	38,309	214,031
Revenue from operations (Gross)	914,233,892	774,340,898
Less: Excise duty	(9,952,760)	(4,637,049)
Total	904,281,132	769,703,849
Note (i) : Sale of products comprise		
Manufactured goods		
- Global Positioning System (GPS)	314,626,350	198,101,796
- Others	41,789,684	21,329,822
	356,416,034	219,431,618
Traded goods		
- Global Positioning System (GPS)	-	15,315,497
- Others	20,941,503	7,927,247
	20,941,503	23,242,744
	377,357,537	242,674,362
Note (ii) : Sale of services comprise		
Software Development Services & Engineering Services	536,838,046	531,452,505
	536,838,046	531,452,505
Note (iii) : Other operating revenues comprise		
Royalty Income	38,309	214,031
	38,309	214,031
21 Other Income		
(a) Interest income (refer note (i) below)	14,527,387	15,404,957
(b) Dividend income from current investment	631,406	386,606
(c) Net gain on sale of :		
(i) Current investments	1,180,400	-
(ii) Long-term investments	-	84,442
(d) Other non-operating income (refer note (ii) below)	14,319,224	40,073,786
Total	30,658,417	55,949,791
Note (i) : Interest income		
Interest on deposits with bank	14,527,387	15,404,957
	14,527,387	15,404,957
Note (ii) : Other non-operating income		
License Fees	-	34,629,000
Business Support Service	861,000	851,250
Creditors & Other liabilities no longer required written back	144,828	4,053,434
Other non-operating income *(net)*	13,313,396	540,102
	14,319,224	40,073,786
22(a) Cost of materials consumed		
Opening Stock of Raw material	29,008,031	26,986,928
Add: Purchases of Raw Material	117,458,880	122,343,011
Freight, Customs and Clearing Charges	5,909,408	6,555,956
Less : Closing Stock of Raw Material	27,570,727	29,008,031
	124,805,592	126,877,864
22(b) Purchases of stock-in-trade (traded goods)		
Purchases of stock-in-trade (traded goods)	17,100,882	11,380,709
	17,100,882	11,380,709
22(c) Changes in inventories of work-in-progress		
Opening Stock of Work in progress	58,058,440	19,285,899
Closing Stock of Work in progress	81,335,019	58,058,440
	(23,276,579)	(38,772,541)

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS BANGALORE-25

Accord Software & Systems Private Limited Bangalore

Accord Software & Systems Private Limited
Notes forming part of the financial statements

	Particulars	For the year ended 31 March, 2017 (₹)	For the year ended 31 March, 2016 (₹)
23	**Employee Benefits Expenses**		
	Salaries and wages	425,250,010	389,499,728
	Contributions to provident and other funds [Refer Note 30]	14,331,190	13,197,776
	Gratuity expense	5,552,338	3,597,792
	Staff welfare expenses	22,805,862	22,266,091
		467,939,400	428,561,387
24	**Finance Costs**		
	Interest expense on:		
	(i) On borrowings	17,225,630	8,528,061
	(ii) Others		
	- Interest expense on delayed payment of taxes	37,799	741,406
	(iii) Other borrowing cost	2,176,160	1,211,500
		19,439,589	10,480,967
25	**Other Expenses**		
	Job work and testing charges	8,276,792	17,055,925
	Power and fuel	5,709,555	5,374,066
	Rent	21,039,401	19,896,481
	Repairs and maintenance:		
	- Buildings	926,348	2,034,015
	- Machinery	2,482,521	2,392,027
	- Others	6,233,657	4,636,136
	Bank charges	3,863,737	3,314,336
	Insurance	1,676,031	2,662,645
	Rates and taxes	2,034,289	9,123,818
	Travelling and conveyance	31,774,706	27,361,195
	Legal and professional charges	56,601,858	44,725,251
	Payment to auditors (refer note (i) below)	800,000	925,000
	Communication expenses	3,273,093	3,372,902
	Advertisement and sales promotion	3,896,670	1,379,739
	Recruitment and training expenses	443,780	297,858
	Sales commission	1,152,405	1,393,873
	Liquidated damages	1,392,985	5,614,418
	Security service charges	2,472,173	1,421,925
	Foreign exchange loss *(net)*	9,580,378	4,833,433
	Loss on sale / disposal of fixed assets *(net)*	105,202	4,885,025
	Donation	50,000	24,900
	Contribution to political parties	-	-
	Contribution to national defence fund or any other fund approved by the Central Government for the purpose of national defence	-	-
	Miscellaneous expenses	8,483,569	9,662,556
	Printing and stationery	955,481	1,378,988
	Provision for warranty claim (Refer Note 35)	(1,818,932)	5,980,997
	Provision for doubtful trade receivables	(714,842)	714,842
	Bad debts written off	467,839	-
	Expenditure on corporate social responsibility [refer note 29]	518,760	491,260
	Machinery hiring charges	628,807	4,534,322
		172,306,263	185,487,933
	Note (i) Payment to auditors* :		
	for audit	600,000	775,000
	for taxation matters	200,000	150,000
		800,000	925,000

** Above amounts are exclusive of service tax*

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DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS BANGALORE-25

Accord Software & Systems Private Limited Bangalore

Accord Software & Systems Private Limited

Notes forming part of the financial statements

Particulars	As at 31 March, 2017 (₹)	As at 31 March, 2016 (₹)
26 Contingent Liabilities and Commitments		
(a) Contingent Liabilities		
(i) Bond executed in favour of the Customs Authorities which is covered by bank guarantee to the extent of Rs.3,61,250	7,225,000	7,225,000
(ii) Claims against the Company not acknowledged as debts		
- Disputed tax liabilities under appeal (refer note '1' below)	49,585,489	33,080,923
- Others	213,513	-
(iii) Bonus payable to employees as per The Payment of Bonus (Amendment) Act, 2015 for FY 2014-2015	1,976,868	1,976,868
	59,000,870	42,282,791

1. Disputed tax liabilities under appeal:

[a] The Assessing Officer has made an incremental adjustment of ₹108,904,717 to the Profits of the Company for the Assessment Year 2012-2013, by disallowing certain weighted deductions of Research & Development expenses. There is no material consequential tax demand on the company as it had paid tax under MAT for that year which has now been fully appropriated against this year. The MAT credit claimed by the Company in the subsequent years aggregating to ₹32,667,122 stands reduced.

[b] The entire demand ₹413,801 has been paid under protest for Assessment Year 2008-09 with respect to disallowance of certain capital expenditure and is pending on appeal.Company expects that these adjustments are likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.

[c] Contingent Liabilities to the extent of Rs.6,238,817/- (previous year - Rs.Nil) pertains to penalty on CENVAT credits reversed relating to the years 2014-15 and 2015-16.

[d] Contingent liabilities to the extent of Rs.10,265,749 (previous year - Rs.Nil) due to non-consideration of MAT credit by the Assessing Officer and is pending on appeal.

(b) Commitments		
Estimated amount of contracts remaining to be executed on		
- Capital Purchases	1,536,277	27,000
- Purchases	31,669,332	-
Total Contingent Liabilities and Commitments	33,205,609	27,000

Particulars	As at 31 March, 2017 (₹)	As at 31 March, 2016 (₹)
27 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006		
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	8,633,937	485,801
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS BANGALORE-25

Accord Software & Systems Private Limited Bangalore

28 Full particulars of loans given, investment made, guarantees given, security provided together with purpose in terms of section 186 (4) of the Companies Act, 2013

Name of entity	Full Particulars	Purpose	As at 31 March, 2017 (₹)	As at 31 March, 2016 (₹)
Guarantees Given				
Navika Electronics Pte Ltd., Singapore	Bank Guarantee of USD 19,500 to Advanced Numerical Research & Analysis Group (ANURAG), Ministry of Defence	Performance bank guarantee provided to ANURAG on behalf of Navika Electronics Pte Ltd. Singapore	1,279,200	1,302,015

29 **Corporate Social Responsibility (CSR)**

Persuant to section 135 of the Companies Act, 2013, a CSR committee has been formed by the company. The areas for CSR activities are promoting education, rendering help at the time of natural calamities, contribution to technology incubators approved by Central Government, etc which are in persuant to Schedule VII of Companies Act,2013.

Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof aggregated to ₹518,760 which comprises of following:

- Contribution towards to welfare trust providing eligible activities	518,760	491,260
	518,760	491,260
The balance amount remaining to be spent for the year	2,072,888	2,408,343

30 **Employee Benefits:**

(i) Defined Contribution Plan:

During the year the following amounts have been recognised in the Statement of Profit and Loss on account of defined contribution plans.

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Contribution to Superannuation	2,570,887	2,623,645
Employer's contribution to Provident Fund (India)	11,760,303	10,574,131
Total	14,331,190	13,197,776

(ii) Defined Benefit Plans

The Company provides for gratuity, (funded with LIC of India) under a defined benefit plan (the gratuity plan) to its employees. The gratuity plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee's last drawn salary and years of employment with the Company.

The Company has a leave accumulation policy which can be availed/ encashed, in the future.

(a) The principal actuarial assumptions used in the valuation of the above liabilities are as follows:

Actuarial Assumptions	For the year ended 31 March 2017 Gratuity	For the year ended 31 March 2016 Gratuity	For the year ended 31 March 2017 Leave	For the year ended 31 March 2016 Leave
Discount factor	7.34%	7.71%	6.72%	7.71%
Salary Escalation	2.00%	4.00%	4.00%	4.00%
Estimated rate of return on plan assets	7.34%	7.71%	0.00%	0.00%
Retirement Age	60 Years	60 Years	60 Years	60 Years
Mortality Rate	Indian Assured Lives (2006-08) Ultimate mortality table	Indian Assured Lives (2006-08) Ultimate mortality table	Indian Assured Lives (2006-08) Ultimate mortality table	Indian Assured Lives (2006-08) Ultimate mortality table

The estimates of future increase in compensation levels, which is with reference to basic and dearness allowance considered in the actuarial valuation, have taken into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS BANGALORE-25

Accord Software & Systems Private Limited Bangalore

Accord Software & Systems Private Limited
Notes forming part of the financial statements

(b) Reconciliation of present value of obligation

	Gratuity		Leave	
	Funded Obligation		Unfunded Obligation	
	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2017	For the year ended 31 March 2016
Present value of obligation at beginning of the year	18,842,135	15,104,041	7,634,811	6,426,991
Current Service Cost	2,521,107	2,489,426	3,900,252	3,714,526
Interest Cost	1,421,107	1,132,418	576,987	483,100
Actuarial (gain)/loss	2,132,138	949,036	(2,082,811)	(2,667,606)
Benefits Settled	(820,269)	(832,786)	(302,373)	(322,200)
Present value of obligation at end of the year	24,096,218	18,842,135	9,726,866	7,634,811

(c) Reconciliation of fair value of plan assets (Gratuity - funded obligation)

	For the year ended 31 March 2017	For the year ended 31 March 2016
Fair value of plan assets at beginning of the year	13,759,384	11,238,844
Expected return on plan assets	1,040,270	922,413
Actuarial gain/(loss)	(518,256)	50,675
Contributions made	1,674,400	2,380,238
Benefits settled	(820,269)	(832,786)
Fair value of plan assets at end of the year	15,135,529	13,759,384

(d) Net (Asset)/Liability recognised in the Balance Sheet

	Gratuity (funded)		Leave Salary (Unfunded)	
	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2017	For the year ended 31 March 2016
i) Present value of obligation at end of the year	24,096,218	18,842,135	9,726,866	7,634,810
ii) Fair value of plan assets at end of the year	15,135,529	13,759,384	-	-
iii) Net present value of funded obligation recognised as (asset)/liability in the Balance Sheet	8,960,689	5,082,751	9,726,866	7,634,810

(e) (Income)/ Expense recognised in the Profit and Loss Statement

	Funded Obligation		Unfunded Obligation	
	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2017	For the year ended 31 March 2016
Current Service Cost	2,521,107	2,489,426	3,900,252	3,714,526
Interest Cost	1,421,107	1,132,418	576,987	483,100
Expected return on plan assets	(1,040,270)	(922,413)	-	-
Actuarial (gain) /loss	2,650,394	(50,675)	(2,082,811)	(2,667,606)
Total (Income)/ expense recognised in the Statement of Profit and Loss for the year	5,552,338	2,648,756	2,394,428	1,530,020

(f) Experience adjustment for funded schemes

	2016-17	2015-16	2015-16	2014-15	2013-14
Fair value of the obligation at the end of the period	24,096,218	18,842,135	15,104,041	13,048,369	10,905,071
Fair value of the planned assets at the end of the period	15,135,529	13,759,384	11,238,844	10,437,559	8,134 493
Excess of Obligation over Plan Assets - Surplus / (Deficit)	(8,960,689)	(5,082,751)	(3,865,197)	(2,610,810)	(2,770,578)
Experience Adjustments (Loss)/gain:					
Experience Adjustments on plan liabilities	6,685,632	949,036	426,145	820,496	(385,036)
Experience Adjustments on plan assets	518,256	(148,119)	200,593	144,295	153,596

The above disclosures are based on information certified by the independent actuary to the extent available and also LIC of India in the case of funded obligation and relied upon by the auditors.

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS BANGALORE-25

Accord Software & Systems Private Limited Bangalore

Accord Software & Systems Private Limited
Notes forming part of the financial statements

31 Unhedged foreign currency exposure

Foreign currency exposure not hedged by a derivative instrument

Currency	As at 31 March, 2017		As at 31 March, 2016	
	Amount (in FC)	Amount (in ₹)	Amount (in FC)	Amount (in ₹)
Receivables:				
US$	1,892,236	121,292,344	1,600,114	105,479,547
EUR	140,042	9,538,261	46,960	3,482,554
GBP	1,407,802	112,117,351	1,401,074	132,079,246
SG$	31,188	1,425,279	6,000	291,900
Payables:				
US$	1,233,841	80,939,995	1,225,039	81,795,867
EUR	11,728	825,165	15,599	1,182,115
GBP	22,259	1,832,554	86,147	8,283,065
EEFC account balance:				
US$	18,601	1,192,314	22,192	1,462,906
EUR	7,627	519,450	16,100	1,193,960
GBP	31,463	2,505,677	22,216	2,094,318

32 Segment Reporting:

(a) Primary- Business Segment:

The primary reporting of the Company has been performed on the basis of business segment. The operations of the company is organised into two business segments, Software & Engineering Services and Global Navigation Satellite Systems (GNSS).

	Software & Engineering Services	GNSS	Total
Revenue	536,838,046	367,443,086	904,281,132
	(417,363,910)	(352,339,939)	(769,703,849)
Other Income	-	12,872,770	12,872,770
	-	(34,629,000)	(34,629,000)
Total Allocated Segment Revenue	536,838,046	380,315,856	917,153,902
	(417,363,910)	(386,968,939)	(804,332,849)
Employee benefit expense	307,566,234	160,373,166	467,939,400
	(249,294,605)	(180,918,887)	(430,213,492)
Changes in inventories	9,128,769	109,501,126	118,629,895
	(259,248)	(99,226,784)	(99,486 032)
Other Expenses	59,410,812	65,343,265	124,754,077
	(61,877,173)	(69,786,971)	(131,664,144)
Total Allocated Segment Expenses	376,105,815	335,217,557	711,323,372
	(311,431,026)	(349,932,642)	(661,363,668)
Segment result	160,732,231	45,098,299	205,830,530
	(105,932,884)	(37,036,297)	(142,969,181)
Unallocated corporate expenses			47,552,186
			(52,171,684)
Operating profit			158,278,344
			(90,797,497)
Finance Costs			19,439,589
			(10,480,967)
Other Income			17,785,647
			(21,320,791)
Depreciation			20,484,555
			(26,095,820)
Profit before Tax			136,139,847
			(75,541,501)
Tax Expense			18,421,849
			(6,904,809)
Profit for the Period after tax expenses			117,717,999
			(68,636,692)

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS BANGALORE-25

Accord Software & Systems Private Limited Bangalore

Accord Software & Systems Private Limited
Notes forming part of the financial statements

Other Information	Software & Engineering Services	GNSS	Total
Segment assets	149,557,264	460,908,847	610,466,111
	(201,787,145)	(239,259,985)	(441,047,130)
Unallocated corporate assets			536,155,733
			(491,995,618)
Total assets			1,146,621,844
			(933,042,748)
Segment liabilities	2,959,996	46,066,146	49,026,142
	(25,278,343)	(72,820,409)	(98,098,752)
Unallocated corporate liabilities			1,097,595,702
			(834,943,996)
Total liabilities			1,146,621,844
			(933,042,748)
Capital expenditure	251,845	6,527,264	6,779,109
	(705,217)	(11,143,881)	(11,849,098)

(b) Secondary - Geographical Segments

Secondary segment disclosures are based on location of customers in respect of revenue, as all the segment assets are located in India, further disclosure of segment assets on geographical basis is not given.

Revenue by Geographical Area:	For the year ended 31 March, 2017	For the year ended 31 March, 2016
India	319,970,758	204,933,092
European Union	435,374,988	438,617,309
North America	148,115,631	125,834,748
Asia Pacific	819,755	318,700
	904,281,132	769,703,849

Figures in the parenthesis represent previous year

33 Expenditure on Research & Development :

	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Acquisition of capital goods	5,712,029	6,731,914
Material consumed (including consumption of stores)	900,338	1,841,908
Personnel Costs	72,902,415	57,381,593
Operating and other expenses	296,414	740,279
Total (A)	79,811,196	66,695,694
Transferred to Fixed Assets:		
Plant & Machinery (Including Testing Equipment's)	4,628,529	4,018,275
Computers and Software	1,083,500	2,713,639
Total (B)	5,712,029	6,731,914
Debited to Statement of Profit & Loss (A - B)	74,099,167	59,963,780

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS BANGALORE-25

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Accord Software & Systems Private Limited Bangalore

Accord Software & Systems Private Limited
Notes forming part of the financial statements

34 Related Party Disclosures

a) Related Parties

#	Related Party	Relationship
1	Accord Global Pte Ltd. Singapore	Wholly owned subsidiary Company
2	Accord North America LLC, USA	Subsidiary Company (Wholly owned subsidiary of Accord Global Pte Ltd, Singapore)
3	Navika Electronics Pte Ltd,Singapore	Subsidiary Company (Wholly owned subsidiary of Accord Global Pte Ltd, Singapore)
4	J M Sundaresan	Key Management Personnel
5	S Purushotham	Key Management Personnel
6	V Narayanasamy	Key Management Personnel
7	R Devanathan	Key Management Personnel
8	Raghavendra Shenoy M	Key Management Personnel
9	Aspen Avionics, USA	Associate Company of Wholly owned subsidiary (w.e.f 19 June 2015)
10	Accord Technology LLC, USA	Wholly owned subsidiary Company of associate
11	Infoscript Services (P) Ltd	Entities where KMPs have significant influence
12	Accord Global Technology Solutions Pvt	Entities where KMP have significant control
12	Accord Software & Systems Employees Superannuation Fund.	Entities where KMP have significant influence (till June 8, 2016)
13	Accord Software & Systems Employees Gratuity Fund.	Entities where KMP have significant influence (till June 8, 2016)
14	Accord Technology LLC, USA	Associate Company of Wholly owned subsidiary (w.e.f 19 June 2015)

(Amounts in ₹)

Particulars	Key Management Personnel	Subsidiaries	Associates	Entities in which KMP / relatives of KMP can exercise significant influence
Salary, bonus & allowances *				
i) J M Sundaresan	7,551,000 (9,928,220)	- -	- -	- -
ii) S Purushotham	7,551,000 (9,928,220)	- -	- -	- -
iii) V Narayanasamy	7,481,000 (9,784,220)	- -	- -	- -
iv) R Devanathan	7,481,000 (9,712,220)	- -	- -	- -
v) Raghavendra Shenoy M	7,481,000 (9,784,220)	- -	- -	- -
Investment made during the year in Accord Global Pte Ltd, Singapore	- -	16,773,211 (30,222,161)	- -	- -
Sale of Preference shares of Accord Global Pte Ltd, Singapore	- -	- (30,444,675)	- -	- -
Sale of Investments to Accord Global Pte Ltd, Singapore	- -	- (99,294)	- -	- -
Sales to				
- Navika Electronics Pte Ltd	- -	781,446 (34,733,669)	- -	- -
- Accord Technology LLC, USA	- -	- -	33,422,545 (5,599,395)	- -
- Aspen Avionics,USA	- -	- -	16,330,925 (50,151,654)	- -
Business Support Services - Income from Navika Electronics Pte Ltd	- -	861,000 (861,250)	- -	- -
Royalty income from Navika Electronics Pte Ltd	- -	38,309 (214,031)	- -	- -
Purchases from				
- Navika Electronics Pte Ltd	- -	1,627,456 (1,683,933)	- -	- -
- Accord Technology LLC, USA	- -	- -	4,609,940 (4,804,374)	- -
Amounts written back - Accord Technology LLC, USA	- -	- -	- (3,804,427)	- -
Expenses incurred on party's behalf				
- Navika Electronics Pte Ltd	- -	303,977 (290,123)	- -	-
- Accord Global Pte Ltd	- -	268,227 (66,761)	- -	
- Accord North America LLC	- -	16,332 -	- -	-
Expenses incurred by party on behalf of Accord Software & Systems Pvt Ltd				-
- Accord North America LLC	- -	18,001,078 (4,755,595)	- -	-
- Accord Technology LLC, USA	- -	- -	- (349,291)	

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS BANGALORE-25

Accord Software & Systems Private Limited Bangalore

Particulars	Key Management Personnel	Subsidiaries	Associates	Entities in which KMP / relatives of KMP can exercise significant influence
Loans/ Advances given				
Loans/ Advances repayment received Navika Electronics Pte Ltd		(17,669,305)		
Interest on the Loans/Advances given				
Performance Bank Guarantee issued - Navika Electronics Pte Ltd	- -	- (1,302,015)		
Balances outstanding at the end of the year				
(a) Trade receivables				
- Navika Electronics Pte Ltd	- -	20,202,228 (34,302,019)	- -	- -
- Aspen Avionics,USA	- -	- -	44,079,775 (32,388,474)	-
- Accord North America LLC	-	15,850 -	- -	- -
- Accord Global Pte Ltd	- -	259,928 -	- -	- -
- Accord Technology LLC, USA	- -	- -	28,717,780 (2,504,960)	- -
(b) Loans and advances				
- Navika Electronics Pte Ltd	- -	2,432,595 (2,493,695)	- -	- -
- Accord Technology LLC, USA	- -	- -	- -	- -
- Accord North America LLC	- -	- (52,748)	- -	- -
(c) Trade payables				
- Aspen Avionics,USA	- -	- -	- (508,442)	- -
- Accord North America LLC	- -	- (187,657)	- -	- -
- Navika Electronics Pte Ltd	- -	1,550,581 -	- -	- -
- Accord Technology LLC, USA	- -	- -	1,167,680 (508,442)	- -
(c) Advance Received				
- Aspen Avionics,USA	- -	64,127 (99,300)	- -	- -
- Accord Technology LLC, USA	- -	- -	1,507,374 -	- -
Key Management Personnel				
(i) J M Sundaresan	(Cr) (275,000)	- -		- -
(ii) S Purushotham	(Cr) (270,000)	- -		- -
(iii) V Narayanasamy	(Cr) (283,750)	- -	- -	- -
(iv) R Devanathan	(Cr) (270,000)	- -	- -	- -
(v) Raghavendra Shenoy M	(Cr) (101,546)	- -	- -	- -

Note: Figures in bracket relate to the previous year

Note: There have been no amounts in respect of related parties that have been written off / written back

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS BANGALORE-25

Accord Software & Systems Private Limited Bangalore

Accord Software & Systems Private Limited
Notes forming part of the financial statements

Particulars	For the year ended 31 March, 2017 (₹)	For the year ended 31 March, 2016 (₹)
35 Provision for Warranty:		
The Company has made provision for contractual obligations based on its assessment of the amount it estimates to incur to meet such obligations, details of which are given below:		
Opening Balance	7,199,764	4,199,963
Add: Charge for the year	(1,818,932)	5,980,997
Less: Utilizations	1,561,073	2,981,196
Less: Reversals	-	-
Closing Balance	**3,819,759**	**7,199,764**
36 CIF value of imports		
I. Components and spare parts;	30,364,082	38,188,332
II. Capital goods;	4,258,217	1,298,357
37 Expenditure in foreign currency		
Professional & Consultancy Charges	31,112,243	19,299,176
Other matters	117,900,501	90,807,407
	149,012,744	**110,106,583**
38 Particulars of Production/ Sales:		
Global Positioning System		
Quantity produced and sold	7,491	6,235
Sales Value	265,552,712	189,250,962
GPS Accessories		
Quantity produced and sold	32	10
Sales Value	200,493	488,400
Others		
Quantity produced and sold	9,695	28,425
Sales Value	48,669,270	20,335,269
Sales as per Milestone	124,246,574	77,767,582
Sale of License	-	34,629,000
Engineering Services	465,161,370	459,808,886
Others	412,400	21,829,644

The Company is predominantly in the business of software development and its software is embedded along with certain components to assemble customized GPS and other related products.

39 Raw Materials Consumed		
Imported	35,754,117	39,887,762
Imported % to total	25.20%	28.85%
Indigenous	106,152,357	98,370,811
Indigenous % to total	74.80%	71.15%
Total	**141,906,474**	**138,258,573**

The Components are used in the assembly of customized GPS and other related products. Considering the innumerable quantity of small components there are no components/materials which fall under broad heads with value less than 10% of total consumption and hence it is not practicable to give the quantitative information relating to components consumed.

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS BANGALORE-25

Accord Software & Systems Private Limited Bangalore

Accord Software & Systems Private Limited
Notes forming part of the financial statements

Particulars	For the year ended 31 March, 2017 (₹)	For the year ended 31 March, 2016 (₹)
40 Earnings in Foreign Currency		
I. Export of goods calculated on F.O.B. basis.	20,127,812	34,469,550
II. Royalty Income	38,309	214,031
III. Sale of Services and Other Income	547,633,351	565,567,426
	567,799,472	600,251,007

41 The Company has entered into a Scheme of Arrangement with Accord Global Technology Solutions Private Limited, Accord Ideation Private Limited and their respective shareholders which provides for demerger of Global Services Division and Ideation Division of the Company into Accord Global Technology Solutions Private Limited and Accord Ideation Private Limited respectively. The Appointed Date for the demerger is April 1, 2017. Subsequent to March 31, 2017, a joint application has been filed before the Hon'ble National Company Law Tribunal, Bengaluru Bench seeking dispensation from convening the meetings.

42 Most of the product sales in the domestic market have been made to Government Departments against Excise duty exemption certificate (EDEC) and hence there is no element of Excise duty on the sales made. Consequently, no Excise Duty has been collected on the sales of these products made during the year to such departments.

43 **Comparatives:**
Previous year figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

Signatures to the Notes to the Financial Statements

For and on behalf of the Board

J. M. Sundaresan Raghavendra Shenoy M

J M Sundaresan
Executive Chairman

Raghavendra Shenoy M
CEO & Director

Bobjee Srinivas

Bobjee Srinivas
CFO & Company Secretary

Place : Bangalore
Date : September 27, 2017

Accord Software & Systems Private Limited Bangalore

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS BANGALORE-25