

Financial Statements and Independent Auditor's Report

INFOCROSSING LLC. (formerly known as Infocrossing Inc.)

31 March 2019

Independent Auditor's Report

To the board of directors of Infocrossing LLC (formerly known as Infocrossing Inc.)

Opinion

1. We have audited the accompanying financial statements of Infocrossing LLC (formerly known as Infocrossing Inc.) ("the Company"), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Companies Act, 2013 ('the Act'), of the state of affairs of the Company as at 31 March 2019, and its profit, its cash flows and the changes in equity for the year ended on that date.
3. We conducted our audit in accordance with the Standards on Auditing issued by Institute of Chartered Accountants of India ('ICAI'). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the ICAI and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

4. The Company's Board of Directors is responsible for the preparation of these financial statements that give a true and fair view of the state of affairs, profit, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
5. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

6. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing issued by ICAI will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
7. As part of an audit in accordance with Standards on Auditing issued by ICAI, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
8. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Restriction on distribution or use

9. This report is intended solely for the information of the Company's and its ultimate holding company's board of directors for their internal use and accordingly, should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

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

Sd/-
Nikhil Vaid
Partner
Membership No.: 213356

Place: Hyderabad
Date: 16 June 2019

INFOCROSSING LLC. (formerly known as Infocrossing Inc.)**Balance Sheet as at 31 March 2019**

(Amounts in USD, unless otherwise stated)

	Note	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	4	3,547,069	3,834,047
Goodwill		11,988,964	11,988,964
Financial assets			
Other financial assets	5	24,129	44,916
Deferred tax assets	6	9,220,527	21,269,605
Non-current tax asset		2,205,121	6,233,884
Other non-current asset	7	146,424	143,313
		27,132,234	43,514,729
Current assets			
Financial assets			
Trade receivables	8	16,324,684	14,634,941
Cash and cash equivalents	9	36,028,845	396,750
Unbilled revenues		1,645,514	2,136,250
Other financial assets	10	697,783	863,854
Other current assets	7	1,066,387	544,186
		55,763,213	18,575,981
		82,895,447	62,090,710
EQUITY AND LIABILITIES			
Equity			
Share capital	11	10	10
Other equity		42,592,683	20,959,945
		42,592,693	20,959,955
Liabilities			
Non-current liabilities			
Financial liabilities			
Provisions	12	378,883	397,365
		378,883	397,365
Current liabilities			
Financial liabilities			
Borrowings	13	24,000,000	24,221,500
Trade payables	14		
Total outstanding dues of Micro and small enterprises		-	-
Total outstanding dues other than above		4,472,850	4,142,619
Other financial liabilities	15	8,577,965	4,263,167
Unearned revenues		533,961	94,976
Other current liabilities	16	913,217	1,124,049
Current tax liabilities		756,492	6,338,137
Provisions	12	669,386	548,942
		39,923,871	40,733,390
		82,895,447	62,090,710

Summary of significant accounting policies 2-3

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

For and on behalf of the Board of Directors of INFOCROSSING LLC**Sd/-**
Ashish Chawla
Director

16 June 2019

Sd/-
Mohd Ehteshamul Haque
Director

16 June 2019

INFOCROSSING LLC. (formerly known as Infocrossing Inc.)
Statement of Profit and Loss for the year ended 31 March 2019

(Amounts in USD, unless otherwise stated)

	Note	Year ended 31 March 2019	Year ended 31 March 2018
REVENUE			
Revenue from operations	17	96,096,609	93,162,613
Other income	18	3,854,310	4,546
		99,950,919	93,167,159
EXPENSES			
Employee benefits expense	19	24,944,093	24,706,596
Finance costs	20	598,959	586,419
Depreciation expense	4	1,601,774	1,616,975
Other expenses	21	45,045,952	44,208,900
		72,190,778	71,118,890
Profit before tax		27,760,141	22,048,269
Tax expense/(credit)			
Current tax		(1,462,331)	-
Deferred tax		7,589,734	16,467,394
		6,127,403	16,467,394
Profit for the year		21,632,738	5,580,875
Other comprehensive income		-	-
Total comprehensive income for the year		21,632,738	5,580,875
Earnings per equity share	22		
Equity shares of par value USD .01			
Basic and diluted		21,632.74	5,580.88
Summary of significant accounting policies	2-3		

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

For and on behalf of the Board of Directors of INFOCROSSING LLC

Sd/-
Ashish Chawla
 Director

16 June 2019

Sd/-
Mohd Ehteshamul Haque
 Director

16 June 2019

INFOCROSSING LLC. (formerly known as Infocrossing Inc.)**Cash Flow Statement for the year ended 31 March 2019**

(Amounts in USD, unless otherwise stated)

	Year ended 31 March 2019	Year ended 31 March 2018
Cash flow from operating activities		
Profit for the year	21,632,738	5,580,875
Adjustments		
Depreciation	1,601,774	1,616,975
Income tax expense	6,127,403	16,467,394
Loss on sale of fixed assets	-	10,646
Finance cost	-	586,419
Provision for bad and doubtful debt	-	388,775
Provision no longer required written back	(435,689)	-
Interest income	(115,703)	(4,246)
Operating profit before working capital changes	28,810,523	24,646,838
Adjustments for working capital changes:		
Increase in trade receivables and unbilled revenue	(763,319)	(328,403)
(Increase)/Decrease in other assets	(338,453)	449,734
Increase/(Decrease) in trade payables and unearned revenues	769,216	(2,499,920)
Increase/(Decrease) in provisions and other liabilities	4,205,928	(1,026,560)
Cash generated from operations	32,683,895	21,241,690
(Direct taxes paid)/Refund received	4,368,793	(945,475)
Net cash generated by operating activities	(A) 37,052,689	20,296,215
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(1,314,796)	(1,271,475)
Interest received	115,703	4,246
Net cash used in investing activities	(B) (1,199,093)	(1,267,229)
Cash flows from financing activities:		
Interest paid on borrowings	-	(541,158)
Proceeds from borrowings	24,000,000	-
Repayment of borrowings	(24,221,500)	(18,319,000)
Net cash used in financing activities	(C) (221,500)	(18,860,158)
Net increase in cash and cash equivalents during the period (A+B+C)	35,632,095	168,828
Cash and cash equivalents at the beginning of the year	396,750	227,922
Cash and cash equivalents at the end of the period (refer note 9)	36,028,845	396,750
Components of cash and cash equivalents (note 9)		
Balances with banks		
in current account	11,028,845	396,750
in deposit account	25,000,000	-
	36,028,845	396,750

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

For and on behalf of the Board of Directors of INFOCROSSING LLC

Sd/-
Ashish Chawla
Director

16 June 2019

Sd/-
Mohd Ehteshamul Haque
Director

16 June 2019

INFOCROSSING LLC. (formerly known as Infocrossing Inc.)
Statement of Changes in Equity for the year ended 31 March 2019

(Amounts in USD, unless otherwise stated)

Equity share capital	Balance as at 01 April 2017	Changes in equity share capital during the year	Balance as at 01 April 2018	Changes in equity share capital during the year	Balance as at 31 March 2019
Equity share capital of Face value USD 0.01 each	10	-	10	-	10
	10	-	10	-	10

Other equity

Particulars	Share Premium	Retained Earnings	Total
Balance as at 1 April 2017	341,085,612	(325,706,542)	15,379,070
Profit for the year	-	5,580,875	5,580,875
Other comprehensive income for the year	-	-	-
Balance as at 31 March 2018	341,085,612	(320,125,667)	20,959,945
Profit for the year	-	21,632,738	21,632,738
Other comprehensive income for the year	-	-	-
Balance as at 31 March 2019	341,085,612	(298,492,928)	42,592,683

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

For and on behalf of the Board of Directors of INFOCROSSING LLC

Sd/-
Ashish Chawla
 Director

16 June 2019

Sd/-
Mohd Ehteshamul Haque
 Director

16 June 2019

INFOCROSSING LLC

Summary of significant accounting policies and other explanatory information

(Amounts in USD, unless otherwise stated)

1. The Company overview

Infocrossing LLC. ("the Company"), previously referred as Infocrossing Inc. is a subsidiary of Wipro IT Services Inc. ('the holding company'), incorporated and domiciled in United States of America. The company has been converted to Limited liability company (LLC) w.e.f. 27th September, 2018. Wipro LLC having 100% shareholding in the company has transferred all the shares to Wipro IT Services Inc. during the year. The Company is engaged in software development services. The Company's ultimate holding company, Wipro Limited ("Wipro") is incorporated and domiciled in India.

2. Basis of preparation of financial statements

(i) Statement of compliance and basis of preparation

These financial statements are prepared in conformity with accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act, 2013 ('the Act').

(ii) Basis of measurement

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

- a) Derivative financial instruments;
- b) Financial instruments classified as fair value through other comprehensive income or fair value through profit or loss; and
- c) The defined benefit asset/(liability) is recognised as the present value of defined benefit obligation less fair value of plan assets

(iii) Use of estimates and judgment

The preparation of the financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

- a) **Revenue recognition:** The Company applies judgement to determine whether each product or services promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised product or services are combined and accounted as a single performance obligation. The Company allocates the arrangement consideration to separately identifiable performance obligation deliverables based on their relative stand-alone selling price. In cases where the Company is unable to determine the stand-alone selling price the company uses expected cost-plus margin approach in estimating the stand-alone selling price. The Company uses the percentage of completion method using the input (cost expended) method to measure progress towards completion in respect of fixed price contracts. Percentage of completion method accounting relies on estimates of total expected contract revenue and costs. This method is followed when reasonably dependable estimates of the revenues and costs applicable to various elements of the contract can be made. Key factors that are reviewed in estimating the future costs to complete include estimates of future labor costs and productivity efficiencies.

INFOCROSSING LLC

Summary of significant accounting policies and other explanatory information

(Amounts in USD, unless otherwise stated)

(iii) Use of estimates and judgements (cont'd)

Because the financial reporting of these contracts depends on estimates that are assessed continually during the term of these contracts, revenue recognised, profit and timing of revenue for remaining performance obligations are subject to revisions as the contract progresses to completion. When estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes probable. Volume discounts are recorded as a reduction of revenue. When the amount of discount varies with the levels of revenue, volume discount is recorded based on estimate of future revenue from the customer.

- b) **Impairment testing:** Investments in subsidiaries, goodwill and intangible assets are tested for impairment at least annually and when events occur or changes in circumstances indicate that the recoverable amount of the asset or the cash generating unit to which these pertain is less than its carrying value. The recoverable amount of the asset or the cash generating units is higher of value in use and fair value less cost of disposal. The calculation of value in use of a cash generating unit involves use of significant estimates and assumptions which includes turnover, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.
- c) **Income taxes:** The major tax jurisdictions for the Company is United States of America. Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.
- d) **Deferred taxes:** Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry-forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.
- e) **Defined benefit plans and compensated absences:** The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.
- f) **Expected credit losses on financial assets:** The impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.
- g) **Useful lives of property, plant and equipment:** The Company depreciates property, plant and equipment on a straight-line basis over estimated useful lives of the assets. The charge in respect of periodic depreciation is derived based on an estimate of an asset's expected useful life and the expected residual value at the end of its life. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The estimated useful life is reviewed at least annually.

INFOCROSSING LLC

Summary of significant accounting policies and other explanatory information

(Amounts in USD, unless otherwise stated)

3. Significant accounting policies

(i) Functional and presentation currency

These financial statements are presented in US Dollar (USD), which is the functional currency of the Company.

(ii) Foreign currency transactions and translation

Transactions in foreign currency are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at the exchange rates prevailing at the reporting date of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit and loss and reported within foreign exchange gains/(losses), net.

(iii) Financial instruments

a) Non-derivative financial instruments:

Non-derivative financial instruments consist of:

- financial assets, which include cash and cash equivalents, trade receivables, unbilled receivables, finance lease receivables, employee and other advances, investments in equity and debt securities and eligible current and non-current assets; Financial assets are de-recognised when substantial risks and rewards of ownership of the financial asset have been transferred. In cases where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are de-recognised only when the Company has not retained control over the financial asset.
- financial liabilities, which include long and short-term loans and borrowings, bank overdrafts, trade payables, eligible current and non-current liabilities.
- Non- derivative financial instruments are recognised initially at fair value.

Subsequent to initial recognition, non-derivative financial instruments are measured as described below:

A. Cash and cash equivalents

The Company's cash and cash equivalents consist of cash on hand and in banks and demand deposits with banks, which can be withdrawn at any time, without prior notice or penalty on the principal.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand and are considered part of the Company's cash management system. In the balance sheet, bank overdrafts are presented under borrowings within current liabilities.

B. Other financial assets:

Other financial assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. These are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any impairment losses. These comprise trade receivables, unbilled receivables and other assets.

C. Trade and other payables

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method. For these financial instruments, the carrying amounts approximate fair value due to the short-term maturity of these instruments.

INFOCROSSING LLC

Summary of significant accounting policies and other explanatory information

(Amounts in USD, unless otherwise stated)

b) De-recognition of financial instruments

The Company de-recognises a financial asset when the contractual rights to the cash flows from the financial asset expires or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. If the Company retains substantially all the risks and rewards of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a borrowing for the proceeds received. A financial liability (or a part of a financial liability) is de-recognised from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

(iv) Equity

a) Share capital and securities premium reserve

The authorised share capital of the Company as at March 31, 2019 is 230,656 divided into 23,065,567 equity shares of USD 0.01 each par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as securities premium.

Every holder of the equity shares, as reflected in the records of the Company as of the date of the shareholder meeting shall have one vote in respect of each share held for all matters submitted to vote in the shareholder meeting.

b) Retained earnings

Retained earnings comprises of the Company's undistributed earnings after taxes.

(v) Property, plant and equipment

a) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset. General and specific borrowing costs directly attributable to the construction of a qualifying asset are capitalised as part of the cost.

b) Depreciation

The Company depreciates property, plant and equipment over the estimated useful life on a straight-line basis from the date the assets are available for use. Assets acquired under finance lease and leasehold improvements are amortised over the shorter of estimated useful life of the asset or the related lease term. Term licenses are amortised over their respective contract term. Freehold land is not depreciated. The estimated useful life of assets is reviewed and where appropriate are adjusted, annually. The estimated useful lives of assets are as follows:

<u>Category</u>	<u>Useful life</u>
Buildings	28 to 40 years
Plant and machinery	5 to 21 years
Computer equipment and software	2 to 7 years
Furniture, fixtures and equipment	3 to 10 years
Vehicles	4 to 5 years

INFOCROSSING LLC

Summary of significant accounting policies and other explanatory information

(Amounts in USD, unless otherwise stated)

Depreciation (Cont'd)

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

(v) Capital advances

Deposits and advances paid towards the acquisition of property, plant and equipment outstanding as at each reporting date and the cost of property, plant and equipment not available for use before such date are disclosed under capital work- in-progress.

(vi) Goodwill

The excess of the cost of an acquisition over the Company's share in the fair value of the acquiree's identifiable assets and liabilities is recognised as goodwill. If the excess is negative, a bargain purchase gain is recognised in equity as capital reserve. Goodwill is measured at cost less accumulated impairment (if any).

Goodwill associated with the disposal of an operation that is part of cash-generating unit is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained, unless the entity can demonstrate that some other method better reflects the goodwill associated with the operation disposed of.

(vii) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is, or contains a lease if, fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

a) Arrangements where the Company is the lessee

Leases of property, plant and equipment, where the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at lower of the fair value of the leased property and the present value of the minimum lease payments. Lease payments are apportioned between the finance charge and the outstanding liability. The finance charge is allocated to periods during the lease term at a constant periodic rate of interest on the remaining balance of the liability.

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases are recognised in the statement of profit and loss on a straight-line basis over the lease term.

b) Arrangements where the Company is the lessor

In certain arrangements, the Company recognises revenue from the sale of products given under finance leases. The Company records gross finance receivables, unearned income and the estimated residual value of the leased equipment on consummation of such leases. Unearned income represents the excess of the gross finance lease receivable plus the estimated residual value over the sales price of the equipment. The Company recognises unearned income as finance income over the lease term using the effective interest method.

INFOCROSSING LLC

Summary of significant accounting policies and other explanatory information

(Amounts in USD, unless otherwise stated)

(viii) Impairment

A) Financial assets

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortised cost, debt instruments classified as FVTOCI, lease receivables, trade receivables, lease receivables, contract assets and other financial assets. Expected credit loss is the difference between the contractual cash flows and the cash flows that the entity expects to receive discounted using effective interest rate.

Loss allowances for trade receivables, contract assets and lease receivables are measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. Lifetime expected credit loss is computed based on a provision matrix which takes in to the account risk profiling of customers and historical credit loss experience adjusted for forward looking information. For other financial assets, expected credit loss is measured at the amount equal to twelve months expected credit loss unless there has been a significant increase in credit risk from initial recognition, in which case those are measured at lifetime expected credit loss.

B) Non - financial assets

The Company assesses long-lived assets such as property, plant and equipment and acquired intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or group of assets may not be recoverable. If any such indication exists, the Company estimates the recoverable amount of the asset or group of assets. The recoverable amount of an asset or cash generating unit is the higher of its fair value less cost of disposal (FVLCD) and its value-in-use (VIU). The VIU of long-lived assets is calculated using projected future cash flows. FVLCD of a cash generating unit is computed using turnover and earnings multiples. If the recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment losses previously recognised are reversed such that the asset is recognised at its recoverable amount but not exceeding written down value which would have been reported if the impairment losses had not been recognised initially.

(ix) Employee benefits

a) Social Security

Pension and social contribution plan, a defined contribution scheme, the Company makes monthly contributions based on a specified percentage of each covered employee's salary.

b) Termination benefits

Termination benefits are expensed when the Company can no longer withdraw the offer of those benefits.

c) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are recorded as expense as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

INFOCROSSING LLC

Summary of significant accounting policies and other explanatory information

(Amounts in USD, unless otherwise stated)

d) Compensated absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognises accumulated compensated absences based on actuarial valuation using the projected unit credit method. Non-accumulating compensated absences are recognised in the period in which the absences occur.

(x) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

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

(xi) Revenue

The Company derives revenue primarily from software development, maintenance of software/hardware and related services, business process services, sale of IT and other products.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. To recognize revenues, the Company applies the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenues when a performance obligation is satisfied.

At contract inception, the Company assesses its promise to transfer products or services to a customer to identify separate performance obligations. The Company applies judgement to determine whether each product or service promised to a customer is capable of being distinct, and are distinct in the context of the contract, if not, the promised products or services are combined and accounted as a single performance obligation. The Company allocates the arrangement consideration to separately identifiable performance obligations based on their relative stand-alone selling price or residual method. Stand-alone selling prices are determined based on sale prices for the components when it is regularly sold separately, in cases where the Company is unable to determine the stand-alone selling price the Company uses third-party prices for similar deliverables or the company uses expected cost-plus margin approach in estimating the stand-alone selling price.

INFOCROSSING LLC

Summary of significant accounting policies and other explanatory information

(Amounts in USD, unless otherwise stated)

Revenue (Cont'd)

For performance obligations where control is transferred over time, revenues are recognised by measuring progress towards completion of the performance obligation. The selection of the method to measure progress towards completion requires judgment and is based on the nature of the promised products or services to be provided.

The method for recognizing revenues and costs depends on the nature of the services rendered:

A. Time and materials contracts

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

B. Fixed-price contracts

i) Fixed-price development contracts

Revenues from fixed-price contracts, including software development, and integration contracts, where the performance obligations are satisfied over time, are recognised using the “percentage-of-completion” method. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity. If the Company is not able to reasonably measure the progress of completion, revenue is recognised only to the extent of costs incurred for which recoverability is probable. When total cost estimates exceed revenues in an arrangement, the estimated losses are recognised in the statement of profit and loss in the period in which such losses become probable based on the current contract estimates as an onerous contract provision.

A contract asset is a right to consideration that is conditional upon factors other than the passage of time. Contract assets primarily relate to unbilled amounts on fixed-price development contracts and are classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

A contract liability is an entity’s obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer.

Unbilled revenues on other than fixed price development contracts are classified as a financial asset where the right to consideration is unconditional upon passage of time

ii) Maintenance contracts

Revenues related to fixed-price maintenance, testing and business process services are recognised based on our right to invoice for services performed for contracts in which the invoicing is representative of the value being delivered. If our invoicing is not consistent with value delivered, revenues are recognised as the service is performed using the percentage of completion method. When services are performed through an indefinite number of repetitive acts over a specified period, revenue is recognised on a straight-line basis over the specified period unless some other method better represents the stage of completion.

In certain projects, a fixed quantum of service or output units is agreed at a fixed price for a fixed term. In such contracts, revenue is recognised with respect to the actual output achieved till date as a percentage of total contractual output. Any residual service unutilized by the customer is recognised as revenue on completion of the term.

iii) Volume based contracts

Revenues and costs are recognised as the related services are rendered.

INFOCROSSING LLC

Summary of significant accounting policies and other explanatory information

(Amounts in USD, unless otherwise stated)

C. Products

Revenue on product sales are recognised when the customer obtains control of the specified asset.

D. Others

Any change in scope or price is considered as a contract modification. The Company accounts for modifications to existing contracts by assessing whether the services added are distinct and whether the pricing is at the stand-alone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract if the additional services are priced at the stand-alone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the stand-alone selling price.

The Company accounts for variable considerations like, volume discounts, rebates and pricing incentives to customers as reduction of revenue on a systematic and rational basis over the period of the contract. The Company estimates an amount of such variable consideration using expected value method or the single most likely amount in a range of possible consideration depending on which method better predicts the amount of consideration to which the Company may be entitled.

Revenues are shown net of allowances/ returns, goods and services tax and applicable discounts and allowances.

The Company accrues the estimated cost of warranties at the time when the revenue is recognised. The accruals are based on the Company's historical experience of material usage and service delivery costs.

Incremental costs that relate directly to a contract and incurred in securing a contract with a customer are recognised as an asset when the Company expects to recover these costs and amortised over the contract term.

The Company recognizes contract fulfilment cost as an asset if those costs specifically relate to a contract or to an anticipated contract, the costs generate or enhance resources that will be used in satisfying performance obligations in future; and the costs are expected to be recovered. The asset so recognised is amortised on a systematic basis consistent with the transfer of goods or services to customer to which the asset relates.

The Company assesses the timing of the transfer of goods or services to the customer as compared to the timing of payments to determine whether a significant financing component exists. As a practical expedient, the Company does not assess the existence of a significant financing component when the difference between payment and transfer of deliverables is a year or less. If the difference in timing arises for reasons other than the provision of finance to either the customer or us, no financing component is deemed to exist.

The Company may enter into arrangements with third party suppliers to resell products or services. In such cases, the Company evaluates whether the Company is the principal (i.e. report revenues on a gross basis) or agent (i.e. report revenues on a net basis). In doing so, the Company first evaluates whether the Company controls the good or service before it is transferred to the customer. If Company controls the good or service before it is transferred to the customer, Company is the principal; if not, the Company is the agent.

(xii) Finance cost

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

(xiii) Other income

Other income comprises interest income on deposits, dividend income and gains / (losses), net, on disposal of investments. Interest income is recognised using the effective interest method. Dividend income is recognised when the right to receive payment is established.

INFOCROSSING LLC

Summary of significant accounting policies and other explanatory information

(Amounts in USD, unless otherwise stated)

(xiv) Income tax

Income tax comprises current and deferred tax. Income tax expense is recognised in the statement of profit and loss except to the extent it relates to a business combination, or items directly recognised in equity or in other comprehensive income.

a) Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted as at the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and liability simultaneously.

b) Deferred income tax

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

Deferred income tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred income tax liabilities are recognised for all taxable temporary differences except in respect of taxable temporary differences that is expected to reverse within the tax holiday period, taxable temporary differences associated with investments in subsidiaries, associates and foreign branches where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The Company offsets deferred income tax assets and liabilities, where it has a legally enforceable right to offset current tax assets against current tax liabilities, and they relate to taxes levied by the same taxation authority on either the same taxable entity, or on different taxable entities where there is an intention to settle the current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

(xv) Earnings per share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period adjusted for treasury shares held. Diluted earnings per share is computed using the weighted-average number of equity and dilutive equivalent shares outstanding during the period, using the treasury stock method for options, except where the results would be anti-dilutive.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any splits and bonus shares issues including for change effected prior to the approval of the financial statements by the Board of Directors.

INFOCROSSING LLC

Summary of significant accounting policies and other explanatory information

(Amounts in USD, unless otherwise stated)

(xvi) Cash flow statement

Cash flow are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash from operating, investing and financing activities of the Company are segregated.

The amendment to Ind AS 7, require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses).

(xvii) Disposal of assets

The gain or loss arising on disposal or retirement of assets are recognised in the statement of profit and loss.

(xviii) Commitments and contingencies

Capital Commitments: As at March 31, 2019 and 2018, the Company had committed to spend nil and USD 531,048 respectively, under agreements to purchase/ construct property and equipment. These amounts are net of capital advances paid in respect of these purchases.

Contingent liabilities: As at March 31, 2019 and 2018 the Company did not have any possible obligation contingent on occurrence of some uncertain future event nor any present obligation, the amount for which cannot be measured reliably.

(xix) Segment Reporting

Management currently identifies a single reportable operating segment as per Ind AS 108- 'Segment Reporting' which is software development services. These operating segments are monitored by the company's chief operating decision maker. The Company operates primarily in United States of America and there is no other significant geographical segment.

The company is having two customers whose revenue is more than 10% of the total revenue, contributing 58% of the total revenue put together.

New Accounting standards adopted by the Company:

Ind AS 115 – Revenue from Contract with Customers

On April 1, 2018, the Company adopted Ind AS 115, "Revenue from Contracts with Customers" using the cumulative catch-up transition method applied to contracts that were not completed as at April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted.

The adoption of the new standard has not resulted in any change in opening retained earnings.

Unbilled revenues of USD 1,645,514 which are billable based on passage of time been classified as unbilled receivables.

The adoption of Ind AS 115, did not have any material impact on the statement of profit and loss for the year ended March 31, 2019.

INFOCROSSING LLC

Summary of significant accounting policies and other explanatory information

(Amounts in USD, unless otherwise stated)

A. Contract Asset and Liabilities

The Company classifies its right to consideration in exchange for deliverables as either a receivable or a contract asset.

A receivable is a right to consideration that is unconditional. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due. For example, the company recognizes a receivable for revenues related to time and materials contracts or volume-based contracts. The Company presents such receivables as part of unbilled receivables at their net estimated realizable value. The same is tested for impairment as per the guidance in Ind AS 109 using expected credit loss method.

During the year ended March 31, 2019, the Company recognised revenue of USD 94,976 arising from opening unearned revenue as at April 1, 2018

Contract assets and liabilities are reported in a net position on a contract by contract basis at the end of each reporting period.

B. Remaining Performance Obligations

Revenue allocated to remaining performance obligations represents contracted revenue that has not yet been recognised which includes unearned revenue and amounts that will be invoiced and recognised as revenue in future periods. Applying the practical expedient, the Company has not disclosed its right to consideration from customer in an amount that corresponds directly with the value to the customer of the Company's performance completed to date which are, contracts invoiced on time and material basis and volume based.

As at March 31, 2019, the aggregate amount of transaction price allocated to remaining performance obligations, other than those meeting the exclusion criteria above, was USD 832,709 of which 100% is expected to be recognised as revenues within next year. This includes contracts that can be terminated for convenience without a substantive penalty since, based on current assessment, the occurrence of the same is expected to be remote.

C. Disaggregation of Revenues

The table below presents disaggregated revenues from contracts with customers by business segment, customer location and contract-type. The Company believes that the below disaggregation best depicts the nature, amount, timing and uncertainty of revenue and cash flows from economic factors.

	Year ended 31 March 2019
Revenue	
Sales of services	96,096,609
	96,096,609
Revenue by nature of contract	
Fixed price and volume based	96,096,609
	96,096,609

Appendix B to Ind AS 21 - Foreign Currency Transactions and Advance Consideration

The Company has applied Appendix B to Ind AS 21 - Foreign Currency Transactions and Advance Consideration prospectively effective April 1, 2018. The effect on adoption of this amendment on the financial statements is insignificant.

New accounting standards not yet adopted:

Certain new standards, amendments to standards and interpretations are not yet effective for annual periods beginning after April 1 2018, and have not been applied in preparing these financial statements. New standards, amendments to standards and interpretations that could have potential impact on the financial statements of the Company are:

INFOCROSSING LLC

Summary of significant accounting policies and other explanatory information

(Amounts in USD, unless otherwise stated)

Ind AS 116

On March 30, 2019, the Ministry of Corporate Affairs issued Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. IND AS 116 introduces a single lessee accounting model and requires a lessee to recognised assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Standard also contains enhanced disclosure requirements for lessees.

The standard allows for two methods of transition: the full retrospective approach, requires entities to retrospectively apply the new standard to each prior reporting period presented and the entities need to adjust equity at the beginning of the earliest comparative period presented, or the modified retrospective approach, under which the date of initial application of the new leases standard, lessees recognize the cumulative effect of initial application as an adjustment to the opening balance of equity as at annual periods beginning on or after January 1, 2019.

The Company will adopt this standard using modified retrospective method effective April 1, 2019, and accordingly, the comparative for year ended March 31, 2018 and 2019, will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition.

Based on assessment, the adoption of the new standard is expected to recognize a right-of-use assets and corresponding lease liabilities of approximately USD 928,530 and USD 1,148,729 respectively. There will be reclassification in the cash flow categories in the statement of cash flows.

Appendix C to Ind AS 12 - Uncertainty over income tax treatments

On March 30, 2019, Ministry of Corporate Affairs issued Appendix C to Ind AS 12, which clarifies the accounting for uncertainties in income taxes. The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. The entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The effective date for adoption of Appendix C to Ind AS 12 is April 1, 2019. The Company will apply Appendix C to Ind AS 12 prospectively from the effective date and the effect on adoption of Ind AS 12 on the financial statement is insignificant.

Amendment to Ind AS 12 – Income Taxes

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 12 – Income Taxes. The amendments clarify that an entity shall recognise the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the entity originally recognised those past transactions or events that generated distributable profits were recognised. The effective date of these amendments is annual periods beginning on or after April 1, 2019. The Company is currently assessing the impact of this amendment on the Company's consolidated financial statements.

Amendment to Ind AS 19 - Plan Amendment, Curtailment or Settlement

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements requiring an entity to determine the current service costs and the net interest for the period after the re-measurement using the assumptions used for the re-measurement; and determine the net interest for the remaining period based on the re-measured net defined benefit liability or asset. These amendments are effective for annual reporting periods beginning on or after April 1, 2019. The Company will apply the amendment from the effective date and the effect on adoption of the amendment on the consolidated financial statement is insignificant

INFOCROSSING LLC. (formerly known as Infocrossing Inc.)
Summary of significant accounting policies and other explanatory information

(Amounts in USD, unless otherwise stated)

4 Property, plant and equipment

	Building	Plant and machinery	Furniture and fixtures	Office equipments	Vehicles	Total
Gross block (at cost)						
Balance as at 01 April 2017	576,199	26,638,410	655,046	1,142,479	21,235	29,033,370
Additions	130,199	781,453	282,195	56,375	21,253	1,271,475
Disposals	-	5,651,317	-	-	21,235	5,672,552
Balance as at 31 March 2018	706,398	21,768,547	937,241	1,198,854	21,253	24,632,293
Additions	11,362	1,166,122	40,706	96,605	-	1,314,796
Disposals	-	-	-	-	-	-
Balance as at 31 March 2019	717,760	22,934,669	977,947	1,295,459	21,253	25,947,089
Accumulated depreciation						
Balance as at 01 April 2017	504,427	23,232,263	410,188	675,063	21,235	24,843,177
Depreciation charge	47,764	1,379,109	78,653	108,741	2,708	1,616,975
Disposals	-	5,640,672	-	-	21,235	5,661,906
Balance as at 31 March 2018	552,191	18,970,701	488,841	783,804	2,708	20,798,246
Depreciation charge	94,267	1,261,596	123,388	117,209	5,313	1,601,774
Disposals	-	-	-	-	-	-
Balance as at 31 March 2019	646,458	20,232,297	612,230	901,013	8,021	22,400,020
Net block						
Balance as at 31 March 2018	154,207	2,797,846	448,400	415,050	18,545	3,834,047
Balance as at 31 March 2019	71,302	2,702,372	365,718	394,446	13,232	3,547,069

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INFOCROSSING LLC. (formerly known as Infocrossing Inc.)
Summary of significant accounting policies and other explanatory information

(Amounts in USD, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
5 Financial Assets		
Other financial assets	24,129	44,916
	24,129	44,916
6 Deferred Tax Assets		
Business loss carried forward	26,994,922	34,584,656
Deferred tax liabilities	(17,774,395)	(13,315,051)
	9,220,527	21,269,605
7 Other assets		
Non-current		
Prepaid expenses	146,424	143,313
	146,424	143,313
Current		
Prepaid expenses	1,032,279	544,187
Employee travel and other advances	34,107	-
	1,066,386	544,187
8 Trade receivables		
Unsecured		
Considered good	16,309,423	11,716,795
Considered doubtful	129,873	565,562
	16,439,296	12,282,357
Less: Provision for doubtful receivables	(129,873)	(565,562)
	16,309,423	11,716,795
With Group Companies - Considered good (refer note 24)	15,261	2,918,146
	16,324,684	14,634,941
9 Cash and cash equivalents		
Balances with banks		
In current accounts	11,028,845	396,750
Deposits with maturity less than 3 months	25,000,000	-
	36,028,845	396,750
10 Other financial assets		
Current		
Balances due from related parties	697,783	825,748
Employee travel and other advances	-	38,106
	697,783	863,854

INFOCROSSING LLC. (formerly known as Infocrossing Inc.)
Summary of significant accounting policies and other explanatory information

(Amounts in USD, unless otherwise stated)

	As at	As at
	31 March 2019	31 March 2018
11 Share capital		
Authorised capital		
23,065,567 (2018: 23,065,567) equity shares [Par value of USD 0.01 per share]	230,656	230,656
Issued and paid up share capital		
1,000 (2018: 1,000) equity shares [Par value of USD 0.01 per share]	10	10
	10	10

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

Number of shares outstanding as at beginning of the year	1,000	1,000
Number of shares issued during the year	-	-
Number of shares outstanding as at the end of the year	1,000	1,000

b) Details of share holding pattern by related parties

Name of shareholders		
Wipro LLC:		
No of Shares	-	1,000
% of the holding	-	100%
Wipro IT Services Inc:		
No of Shares	1,000	-
% of the holding	100%	-

c) Terms / Rights attached to equity shares

The Company has only one class of equity shares having a par value of USD .01 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pay dividends in United States Dollar. The dividend proposed by the Board of Directors is subject to shareholders approval in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company, after distributing of all preferential amounts, if any, in proportion to the number of equity shares held by the shareholders.

d) There has been no issue of bonus shares or issue of shares for consideration other than cash or share buy back during five years immediately preceding 31 March 2019.

	As at	As at
	31 March 2019	31 March 2018
12 Provisions		
Non-current		
Compensated absences	378,883	397,365
	378,883	397,365
Current		
Compensated absences	669,386	548,942
	669,386	548,942

	As at	As at
	31 March 2019	31 March 2018
13 Borrowings		
Current		
Unsecured		
Loan repayable on demand	-	24,221,500
Loan from related parties	24,000,000	-
	24,000,000	24,221,500

INFOCROSSING LLC. (formerly known as Infocrossing Inc.)
Summary of significant accounting policies and other explanatory information

(Amounts in USD, unless otherwise stated)

	As at	As at
	31 March 2019	31 March 2018
14 Trade payables		
Total outstanding dues of Micro and small enterprises	-	-
Total outstanding dues other than above:		
Payable to others	2,727,452	602,579
Payable to related parties (refer note 24)	1,745,397	3,540,040
	4,472,850	4,142,619
	As at	As at
	31 March 2019	31 March 2018
15 Other financial liabilities		
Current		
Salary payable	1,306,505	1,544,258
Accrued expenses	6,655,998	2,455,876
Interest accrued but not due on borrowings	615,462	45,261
Bank overdraft	-	217,772
	8,577,965	4,263,167
	As at	As at
	31 March 2019	31 March 2018
16 Other Liabilities		
Current		
Advances from customers	119,380	119,380
Statutory liabilities	694,437	943,734
Other liabilities	99,400	60,930
	913,217	1,124,049

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INFOCROSSING LLC. (formerly known as Infocrossing Inc.)**Summary of significant accounting policies and other explanatory information**

(Amounts in USD, unless otherwise stated)

	Year ended 31 March 2019	Year ended 31 March 2018
17 Revenue from operations		
Sale of services	96,096,609	93,162,613
	96,096,609	93,162,613
	Year ended 31 March 2019	Year ended 31 March 2018
18 Other income		
Interest Income	115,703	4,246
Others*	3,302,918	300
Provision no longer required written back	435,689	-
	3,854,310	4,546
* USD 3,302,918 relates to Nebraska state tax refund received during the year		
	Year ended 31 March 2019	Year ended 31 March 2018
19 Employee benefits expense		
Salaries and wages	24,625,631	24,420,490
Staff welfare expenses	103,081	112,213
Compensated absences	215,382	173,893
	24,944,093	24,706,596
	Year ended 31 March 2019	Year ended 31 March 2018
20 Finance Cost		
Interest on borrowings	598,959	586,419
	598,959	586,419
	Year ended 31 March 2019	Year ended 31 March 2018
21 Other expenses		
Sub contracting / technical fees / third party application	40,495,169	38,588,149
Repairs and maintenance	534,608	483,123
Communication	853,968	1,464,013
Rent	952,284	1,012,340
Power and fuel	120,319	117,374
Travel	858,840	917,875
Legal and professional	277,504	229,733
Loss on sale of fixed assets	-	10,646
Provision for doubtful debts	-	388,775
Miscellaneous	953,260	996,872
	45,045,952	44,208,900
	Year ended 31 March 2019	Year ended 31 March 2018
22 Earning per share (EPS)		
Net profit after tax attributable to the equity shareholders	21,632,738	5,580,875
Weighted average number of equity shares - for basic and diluted EPS	1,000	1,000
Earnings per share - basic and diluted	21,632.74	5,580.88

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INFOCROSSING LLC. (formerly known as Infocrossing Inc.)**Summary of significant accounting policies and other explanatory information**

(Amounts in USD, unless otherwise stated)

23 Operating leases

The Company has taken a lease, office and residential facilities under non-cancellable operating lease agreements that are renewable on a periodic basis at the option of both the lessor and lessee. Rental payments under such lease during the year are \$ 952,284 (31 March 2018: \$ 1,012,340).

	As at 31 March 2019	As at 31 March 2018
Not later than 1 year	844,806	944,178
Later than 1 year but not later than 5 years	540,985	1,405,082
Later than 5 years	-	-

24 Related party disclosure**a Parties where control exists:**

Name	Relationship
Wipro Limited	Ultimate Holding Company
Wipro LLC	Holding Company
Wipro Gallagher Solutions Inc.	Fellow Subsidiary
Wipro Data Centre and Cloud Services, Inc.	Fellow Subsidiary
Healthplan Services, Inc.	Fellow Subsidiary
Wipro Promax Analytics Solutions LLC	Fellow Subsidiary
Appirio Inc.	Fellow Subsidiary
Wipro BPO Philippines LTD.Inc.	Fellow Subsidiary
Wipro Holdings Investment Korlátolt Felelősségű Társaság	Fellow Subsidiary

b The Company has the following related party transactions:

Particulars	Relationship	Year ended 31 March 2019	Year ended 31 March 2018
Sale of services			
Wipro Limited	Ultimate Holding Company	179,539	400,275
Purchase of services			
Wipro LLC	Holding Company	300,000	225,000
Wipro Data Centre and Cloud Services, Inc.	Fellow Subsidiary	4,994,827	21,246,991
Corporate Guarantee Commission			
Wipro Limited	Ultimate Holding Company	-	237,500
Interest Payment			
Wipro Holdings Investment Korlátolt Felelősségű Társaság	Fellow Subsidiary	615,462	-
Loan from Related parties			
Wipro Holdings Investment Korlátolt Felelősségű Társaság	Fellow Subsidiary	24,000,000	-

INFOCROSSING LLC. (formerly known as Infocrossing Inc.)**Summary of significant accounting policies and other explanatory information**

(Amounts in USD, unless otherwise stated)

c Balances with related parties as at year end are summarised below:

Particulars	Relationship	Year ended 31 March 2019	Year ended 31 March 2018
Payable:			
Wipro Limited	Ultimate Holding Company	2,122,046	2,149,774
Wipro Holdings Investment Korlátolt Felelősségű Társaság	Fellow Subsidiary	24,615,462	-
Receivable:			
Wipro LLC	Holding company	1,089,453	1,096,920
Wipro Data Centre and Cloud Services, Inc.	Fellow Subsidiary	-	1,256,099
Appirio Inc.	Fellow Subsidiary	110	110
Healthplan Services, Inc.	Fellow Subsidiary	110	110
Wipro Promax Analytics Solutions LLC	Fellow Subsidiary	20	20
Wipro BPO Philippines LTD.Inc.	Fellow Subsidiary	-	-
Wipro Gallagher Solutions Inc.	Fellow Subsidiary	-	370

25 Effective Tax Rate (ETR) reconciliation

	Year ended 31 March 2019	Year ended 31 March 2018
Income tax expense in the Statement of Profit and Loss comprises of:		
Current tax	(1,462,331)	0.00
Deferred tax	7,589,734	16,467,394
	6,127,403	16,467,394

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized as below:

	Year ended 31 March 2019	Year ended 31 March 2018
Profit before income tax	27,760,141	22,048,269
Enacted income tax rate		
Federal income tax	28%	34%
State tax	0%	4%
Computed expected tax expense	7,772,839	8,378,342
Effect of:		
Expenses disallowed	(994,744)	(4,513)
On account of change in enacted tax rate of future years	-	7,596,287
Tax expenses relating to prior years	(650,692)	-
Others	-	497,278
Total income tax expense	6,127,403	16,467,394

INFOCROSSING LLC. (formerly known as Infocrossing Inc.)
Summary of significant accounting policies and other explanatory information

(Amounts in USD, unless otherwise stated)

26 Financial instruments

Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 31 March 2019 were as follows :

Particulars	Note	FVTPL	FVTOCI	Amortized cost	Total carrying value	Total fair value
Financial assets :						
Trade receivables	8	-	-	16,324,684	16,324,684	16,324,684
Cash and cash equivalents	9	-	-	36,028,845	36,028,845	36,028,845
Unbilled revenues				1,645,514	1,645,514	1,645,514
Other financial assets	10	-	-	721,912	721,912	721,912
Total financial assets		-	-	54,720,955	54,720,955	54,720,955
Financial liabilities :						
Borrowings	13	-	-	24,000,000	24,000,000	24,000,000
Trade payables	14	-	-	4,472,850	4,472,850	4,472,850
Other financial liabilities	15	-	-	8,577,965	8,577,965	8,577,965
Total financial liabilities		-	-	37,050,815	37,050,815	37,050,815

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

Particulars	Note	FVTPL	FVTOCI	Amortized cost	Total carrying value	Total fair value
Financial assets :						
Trade receivables	8	-	-	14,634,941	14,634,941	14,634,941
Cash and cash equivalents	9	-	-	396,750	396,750	396,750
Unbilled revenues		-	-	2,136,250	2,136,250	2,136,250
Other financial assets	10	-	-	908,770	908,770	908,770
Total financial assets		-	-	18,076,711	18,076,711	18,076,711
Financial liabilities :						
Borrowings	13	-	-	24,221,500	24,221,500	24,221,500
Trade payables	14	-	-	4,142,619	4,142,619	4,142,619
Other financial liabilities	15	-	-	4,263,167	4,263,167	4,263,167
Total financial liabilities		-	-	32,627,286	32,627,286	32,627,286

Notes to financial instruments

- i. The management assessed that the fair value of cash and cash equivalents, trade receivables, loans, other financial assets, trade payables, borrowings and other financial liabilities approximate the carrying amount largely due to short-term maturity of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

ii. Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability.

Measurement of fair value of financial instruments

The Company's finance team performs valuations of financial items for financial reporting purposes, including Level 3 fair values, in consultation with third party valuation specialist for complex valuations, wherever necessary. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximizing the use of market-based information.

INFCROSSING LLC. (formerly known as Infocrossing Inc.)

Summary of significant accounting policies and other explanatory information

(Amounts in USD, unless otherwise stated)

27 Financial risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement
Credit risk	Cash and cash equivalent, trade receivables, financial assets measured at amortized cost	Ageing analysis
Liquidity risk	Borrowings and other financial liabilities	Rolling cash flow forecasts
Market risk – Interest rate	Long-term borrowings at variable rates	Sensitivity analysis

The Company's risk management is carried out by a central treasury department (of the group) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such interest rate risk, credit risk and investment of excess liquidity.

A Credit risk

Credit risk arises from cash and cash equivalents, trade receivables, investments carried at amortized cost and deposits with banks and financial institutions. The finance function of the Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on-going basis throughout each reporting period. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due. A default on a financial asset is when the counterparty fails to make contractual payments when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

Expected credit loss for trade receivables under simplified approach

Trade receivables are secured in a form that registry of sold residential/commercial units is not processed till the time the Company does not receive the entire payment. Hence, as the Company does not have significant credit risk, it does not present the information related to ageing pattern. The company has widespread customer base and no single customer accounted for 10% or more of revenue in any of the years indicated. During the periods presented, the Company made no write-offs of trade receivables and it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off.

B Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

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INFOCROSSING LLC. (formerly known as Infocrossing Inc.)
Summary of significant accounting policies and other explanatory information

(Amounts in USD, unless otherwise stated)

Financial risk management (continued)

B Liquidity risk (continued)

Maturities of financial liabilities

The tables below analyze the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

31 March 2019	Less than 1 year	1 year to 5 years	5 years and above	Total
Non-derivatives				
Borrowings	24,000,000	-	-	24,000,000
Trade payables	4,472,850	-	-	4,472,850
Other financial liabilities	8,577,965	-	-	8,577,965
Total	37,050,815	-	-	37,050,815
<hr/>				
31 March 2018	Less than 1 year	1 year to 5 years	5 years and above	Total
Non-derivatives				
Borrowings	24,221,500	-	-	24,221,500
Trade payables	4,142,619	-	-	4,142,619
Other financial liabilities	4,263,167	-	-	4,263,167
Total	32,627,286	-	-	32,627,286

C Interest rate risk

The Company's variable rate borrowing is subject to interest rate. Below is the overall exposure of the borrowing:

Particulars	31 March 2019	31 March 2018
Variable rate borrowing	24,000,000	24,221,500
Fixed rate borrowing	-	-
	24,000,000	24,221,500

Interest rate risk

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	31 March 2019	31 March 2018
Interest rates – increase by 50 basis points (50 bps)	120,000	121,108
Interest rates – decrease by 50 basis points (50 bps)	(120,000)	(121,108)

28 Capital management

For the purpose of the Company's capital management, capital includes issued capital, additional paid in capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company monitors capital using a gearing ratio, which is net debt divided by total equity as below:

- Equity includes equity share capital and all other equity components, which attributable to the equity holders
- Net Debt includes borrowings, less cash and cash equivalents.

	Note	As at 31 March 2019	As at 31 March 2018
Borrowings	Financial liabilities	24,000,000	24,221,500
Less: Cash and cash equivalents	Financial assets	(36,028,845)	(396,750)
Net Debt		(12,028,845)	23,824,750
<hr/>			
Equity share capital	Equity	10	10
Other equity	Equity	42,592,683	20,959,945
Total capital		42,592,693	20,959,955

Gearing Ratio

(0.28) 1.14

In order to achieve the objective of maximising shareholders value, the Company's capital management, amongst other things, aims to manage its capital structure and makes adjustments in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the current and previous years.

INFOCROSSING LLC. (formerly known as Infocrossing Inc.)
Summary of significant accounting policies and other explanatory information

(Amounts in USD, unless otherwise stated)

29 Borrowings

Sl.No	Particulars	Nature of security	Repayment details	31 March 2019	31 March 2018
Term loans from banks					
i.	Bank of America	Unsecured	Repayable on demand	-	24,221,500
		Effective rate of interest per annum			2.42%
ii.	Wipro Holdings Investment Korlátolt Felelősségű Társaság	Unsecured		24,000,000	-
		Effective rate of interest per annum		3.52%	-
		Total		24,000,000	24,221,500

30 Prior Period Comparatives

Figures for the previous year have been regrouped/reclassified wherever necessary to correspond with the current year's classification / disclosure.

31 Events occurring after the reporting date

No adjusting or significant non-adjusting events have occurred between 31 March 2019 and the date of authorization of these financial statements.

For and on behalf of the Board of Directors of INFOCROSSING LLC

Sd/-
Ashish Chawla
 Director

16 June 2019

Sd/-
Mohd Ehteshamul Haque
 Director

16 June 2019