

# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

## **INDEPENDENT AUDITOR'S REPORT**

Golf View Corporate Tower-B  
Sector-42, Sector Road  
Gurgaon-122 002, Haryana, India

Tel : +91 124 464 4000  
Fax : +91 124 464 4050

To the Members of GlobalLogic India Limited

### **Report on the Financial Statements**

We have audited the accompanying financial statements of GlobalLogic India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of 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 financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the 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, 2015, its loss, and its cash flows for the year ended on that date.

## **Emphasis of Matter**

We draw attention to Note 32 to the financial statements which describes exceptional item of Rs. 567,184,064 accounted for by the company in the current year, of which Rs 408,006,063 was not reimbursed from a fellow subsidiary. Our opinion is not qualified in respect of this matter

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act;
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 23 to the financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

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

For **S.R. Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 101049W



---

per **Yogesh Midha**

Partner

Membership Number: 094941

Place of Signature: Gurgaon

Date: September 23, 2015



**Annexure referred to in paragraph 1 under the heading of "Report on other legal and regulatory requirements" of our report of even date**

Re: GlobalLogic India Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (ii) (a) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a) and (b) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for rendering of services. The activities of the Company do not involve purchase of inventory and the sale of goods. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii)(a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it.



# S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute except for income tax as below:

Name of the statute	Nature of dues	Amount under dispute (Rs.)	Amount not deposited (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income tax Act, 1961	Demand made by Assessing Officer	4,557,380	4,487,380	AY2009-10	Deputy Commissioner of Income Tax, New Delhi
Income tax Act, 1961	Demand made by Assessing Officer	4,534,945	2,267,473	AY 2008-09	High Court, Karnataka
Income tax Act, 1961	Demand made by Assessing Officer	27,132,517	32,99,272	AY 2006-07	High Court, New Delhi
Income tax Act, 1961	Demand made by Assessing Officer	5,731,730	5,731,730	AY 2003-04	Commissioner of Income tax- Appeals, Nagpur
Income tax Act, 1961	Demand made by Assessing Officer	5,174,192	5,174,192	AY 2002-03	Commissioner of Income tax- Appeals, Nagpur

- (d) According to the information and explanations given to us, the provisions of investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder are not applicable to the Company.
- (viii) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (ix) The Company has not taken any loan from any financial institution, bank or debenture holder, and accordingly, the requirements under paragraph 3(ix) of the Order is not applicable to the Company.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

- (xi) The Company did not have any term loans outstanding during the year.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

**For S. R. Batliboi & Associates LLP**  
**Chartered Accountants**  
**ICAI Firm Registration No. 101049W**



per **YOGESH MIDHA**  
**Partner**  
Membership No.: 094941



Place: Gurgaon  
Date: September 23, 2015

**GlobalLogic India Limited**  
**Balance Sheet as at March 31, 2015**

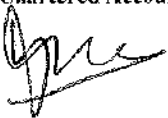
	Notes	As at March 31, 2015 Rs.	As at March 31, 2014 Rs.
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	18,04,810	17,46,170
Reserves and surplus	4	1,56,32,11,840	1,72,95,77,775
		<u>1,56,50,16,650</u>	<u>1,73,13,23,945</u>
<b>Non current liabilities</b>			
Other long-term liabilities	5	10,56,597	1,20,13,596
Long- term provisions	6	9,17,42,468	7,86,00,440
		<u>9,27,99,065</u>	<u>9,06,14,036</u>
<b>Current liabilities</b>			
Trade payables	7	10,33,41,417	15,72,97,773
Other current liabilities	7	62,30,07,486	6,75,42,720
Short- term provisions	6	3,60,72,635	3,22,89,366
		<u>76,24,21,538</u>	<u>25,71,29,859</u>
<b>TOTAL</b>		<b>2,42,02,37,253</b>	<b>2,07,90,67,840</b>
<b>Assets</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets	8.1	18,16,81,311	19,26,63,079
Intangible assets	8.2	1,42,01,045	41,40,151
Capital work in progress		-	60,64,899
Non-current investments	9	950	18,24,18,145
Deferred tax assets (net)	10	12,02,54,138	11,22,93,641
Long-term loans and advances	11	12,72,64,127	10,29,15,693
Other non-current assets	12.2	50,000	50,000
		<u>44,34,51,571</u>	<u>60,05,45,608</u>
<b>Current assets</b>			
Trade receivables	12.1	1,39,25,56,376	1,10,95,13,690
Cash and bank balances	13	36,62,67,227	15,16,35,888
Short term loans and advances	11	17,97,25,212	15,70,81,431
Other current assets	12.2	3,82,36,867	6,02,91,223
		<u>1,97,67,85,682</u>	<u>1,47,85,22,232</u>
<b>TOTAL</b>		<b>2,42,02,37,253</b>	<b>2,07,90,67,840</b>

**Summary of significant accounting policies** 2.1

The accompanying notes are an integral part of financial statements


As per our report of even date

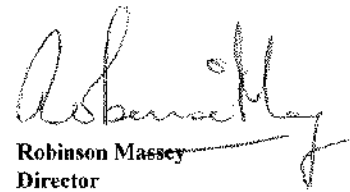
For S R Baffiboi & Associates LLP  
 ICAI Firm Registration Number - 101049W  
 Chartered Accountants

  
 per Yogesh Midha  
 Partner  
 Membership No. 094941



For and on the behalf of the Board of Directors of  
 GlobalLogic India Limited

  
 Sumit Sood  
 Director

  
 Robinson Massey  
 Director



Place: Gurgaon  
 Date: September 23, 2015

**GlobalLogic India Limited**


**Statement of Profit and Loss for the year ended March 31, 2015**

	Notes	For the year ended March 31, 2015 Rs.	For the year ended March 31, 2014 Rs.
<b>Income</b>			
Revenue from operations (net)	14	2,64,33,40,929	2,05,28,98,016
Other income	15	11,90,98,925	12,28,93,387
<b>Total revenue</b>		<b>2,76,24,39,854</b>	<b>2,17,57,91,403</b>
<b>Expenses</b>			
Employee benefit expenses	16	1,80,29,18,150	1,41,95,69,028
Operating and other expenses	17	40,94,89,661	34,67,62,780
Exceptional item	18	56,71,84,064	-
<b>Total expenses</b>		<b>2,77,95,91,875</b>	<b>1,76,63,31,808</b>
<b>Earnings before interest,taxes,depreciation and amortisation (EBITDA)</b>		<b>(1,71,52,021)</b>	<b>40,94,59,595</b>
Depreciation and amortisation expense	19	10,90,20,773	10,70,52,370
Finance costs	20	3,42,204	3,28,945
<b>Profit/ (loss) before tax</b>		<b>(12,65,14,998)</b>	<b>30,20,78,280</b>
Provision for current tax		13,98,19,112	11,18,21,673
Deferred tax income		(79,60,497)	(1,52,22,510)
<b>Total tax expense</b>		<b>13,18,58,615</b>	<b>9,65,99,163</b>
<b>Profit/ (loss) for the year</b>		<b>(25,83,73,613)</b>	<b>20,54,79,117</b>
Earnings per equity share [ nominal value of share Rs.10 (March 31,2014:Rs.10)]	22		
Basic and diluted earnings per equity share			
Computed on the basis of total profit for the year		1,711	1,177
<b>Summary of significant accounting policies</b>	2.1		

The accompanying notes are an integral part of financial statements

As per our report of even date

For S R Batliboi & Associates LLP  
ICAI Firm Registration Number - 101049W  
Chartered Accountants

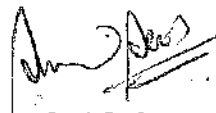


per Yogesh Midha  
Partner  
Membership No.094941

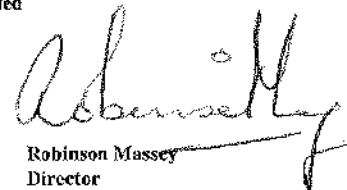


Place: Gurgaon  
Date: September 23, 2015

For and on the behalf of the Board of Directors of  
GlobalLogic India Limited



Sumit Sood  
Director



Robinson Massey  
Director





**GlobalLogic India Limited**  
**Cash Flow Statement for the year ended March 31, 2015**

	For the year ended March 31, 2015	For the year ended March 31, 2014
	Rs.	Rs.
<b>A. Cash flow from operating activities</b>		
Net profit before taxation	(12,65,14,998)	30,20,78,280
Adjustments for:		
Depreciation/amortization	10,90,20,765	10,70,52,370
Unrealised loss / (gain) difference (net)	(4,98,60,898)	5,03,03,438
Interest income	(1,91,50,815)	(49,20,209)
Loss on write off/sale of fixed assets (net)	1,13,433	1,49,777
Exceptional item (refer note 18)	56,71,84,064	-
Liabilities written back	(27,43,089)	(1,28,57,896)
Provision for doubtful advances / debts	-	1,31,303
<b>Operating profit before working capital changes</b>	<b>47,80,48,462</b>	<b>44,19,37,063</b>
Movements in working capital :		
(Increase)/decrease in trade receivables	(20,23,98,251)	(52,60,21,269)
(Increase)/decrease in other assets	2,21,94,376	(3,08,94,790)
Decrease in margin money deposit	-	2,88,990
Decrease/(increase) in loans and advances	(1,16,95,495)	23,68,22,426
Increase in provisions	1,22,39,403	1,73,04,116
Decrease in trade payable and other liabilities	(7,82,99,085)	(2,42,00,127)
Cash generated from operations	22,00,89,410	11,52,36,409
Direct taxes paid	(15,78,94,753)	(12,52,81,450)
<b>Net cash from operating activities</b>	<b>6,21,94,657</b>	<b>(1,00,45,041)</b>
<b>B. Cash flows used in investing activities</b>		
Purchase of fixed assets	(10,61,97,198)	(7,95,88,064)
Investments in fixed deposits	-	-
Decrease/(increase) in capital work in progress	60,64,899	1,49,72,203
Investments in fixed deposits	16,00,00,000	-
Proceeds from sale of fixed assets	1,09,954	56,468
Purchase of non-current investments	-	(18,24,18,145)
Interest received	2,37,14,695	66,12,627
<b>Net cash from (used in) investing activities</b>	<b>8,36,92,350</b>	<b>(24,03,64,911)</b>
<b>C. Cash flows from financing activities</b>		
Proceeds from issuance of share capital	-	50
Proceeds from share premium	-	84,950
<b>Net cash from (used in) financing activities</b>	<b>-</b>	<b>85,000</b>
<b>Net increase in Cash and cash equivalents</b>	<b>14,58,87,007</b>	<b>(25,03,24,952)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>15,16,35,888</b>	<b>40,19,60,840</b>
<b>Add: Transferred consequent to amalgamation of companies (refer note 35)</b>	<b>6,80,44,332</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>36,55,67,227</b>	<b>15,16,35,888</b>

Components of Cash and cash equivalents as at	March 31, 2015	March 31, 2014
	Rs.	Rs.
Cash on hand	34,217	1,11,199
Balances with scheduled banks:		
On current accounts	17,32,73,130	10,15,24,689
On deposit accounts	19,22,59,880	5,00,00,000
<b>Cash and cash equivalents at the end of the year (refer note 13)</b>	<b>36,55,67,227</b>	<b>15,16,35,888</b>

**Note:**

- i) The Cash Flow Statement has been prepared under the indirect method as given in the notified Accounting Standard on Cash Flow Statement (AS-3).
- ii) Cash flows have been adjusted for the balances transferred from the transferor companies IP Unity Communications Limited and GL Software Limited consequent to amalgamation (refer note 35).
- iii) Previous year's figures have been regrouped / rearranged wherever necessary.

As per our report of even date

For S R Batliboi & Associates LLP  
 ICAI Firm Registration Number - 101049W  
 Chartered Accountants

per Yogesh Midha  
 Partner  
 Membership No. 094941



Place: Gurgaon  
 Date: September 23, 2015

For and on the behalf of the Board of Directors of  
 GlobalLogic India Limited

Sumit Sood  
 Director

Robinson Massey  
 Director



**1. Corporate information**

GlobalLogic India Limited (GLIL or "the company") (formerly known as GlobalLogic India Private Limited) is a subsidiary of GlobalLogic Inc. (formerly known as Induslogic Inc.) United States. The Company provides software development and IT enabled services to its customers.

**2. Basis of preparation**

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

Comparative figures do not include the figures of erstwhile IP Unity Communications Limited and GL Software Limited which are amalgamated with the Company effective April 1, 2014. Consequently, the comparative figures are not comparable with the figures for the year ended March 31, 2015.

**2.1 Summary of significant accounting policies**

**(a) Use of estimates**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

**(b) Tangible fixed assets**

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

**(c) Depreciation on tangible fixed assets**

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management.

Depreciation on assets purchased during the year is provided on pro rata basis from the date of purchase of fixed assets.

Individual assets costing up to Rs 5,000 are depreciated fully in the year of purchase which is not as per the requirement of Schedule II to the Companies Act 2013. However, the same did not have any material impact on financial statements of the company for the current year.

Leasehold improvements are amortised on a straight line basis over the lower of lease term or useful life of the respective assets.

The management's estimate of the useful life of the various fixed assets used for depreciation are as follows:

Category of assets	Useful lives estimated by the management (years)
Plant and machinery	5
Computers and data processing units	3
Furniture and fittings	5
Office equipments	5

The management has estimated, supported by independent assessment by professionals, the useful lives of the following classes of assets.

- Plant and machinery and furniture and fittings are depreciated over the estimated useful lives of 5 years, which are lower than those indicated in schedule II.
- Computers and data processing units (comprising of Servers and networks) are depreciated over the estimated useful lives of 3 years, which are lower than those indicated in schedule II.

**(d) Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over a period of 3 years.

The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

**(e) Impairment of tangible and intangible assets**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. No impairment charge has been recorded by the company as of March 31, 2015 and March 31, 2014.



**(f) Leases**

*Where the company is lessee*

Finance leases, which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income.

If there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term. Any scheduled rent increases are recognised on a straight line basis.

*Where the company is the lessor*

Assets subject to operating leases are included in fixed assets. Lease income is recognised in the Profit and Loss Account on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the Profit and Loss Account. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Statement of Profit and Loss.

**(g) Revenue recognition**

Service revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Service revenue on time-and-materials jobs is recognized on cost plus basis or on the basis of resources deployed in accordance with the specific terms agreed with the customer, whether or not invoiced.

Revenues are shown net of taxes and applicable discounts and allowances.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss

**(h) Foreign currency translation**

*Foreign currency transactions and balances*

(i) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

(iii) Exchange differences

The company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as below:

1. Exchange differences arising on a monetary item that, in substance, forms part of the company's net investment in a non-integral foreign operation is accumulated in the foreign currency translation reserve until the disposal of the net investment. On the disposal of such net investment, the cumulative amount of the exchange differences which have been deferred and which relate to that investment is recognized as income or as expenses in the same period in which the gain or loss on disposal is recognized.
2. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset. For this purpose, the company treats a foreign monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination.
3. Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortized over the remaining life of the concerned monetary item.
4. All other exchange differences are recognized as income or as expenses in the period in which they arise

**(i) Stamp duty on registration of lease agreements**

Stamp duty payable to local authorities on registration of lease agreement, are recognised as prepaid expense and charged off to Statement of Profit and Loss on an equitable basis over the non cancellable lease period.

**(j) Retirement and other employee benefits**

*(i) Defined contribution plan*

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The company has no obligation, other than the contribution payable to the provident fund.

*(ii) Defined benefit plan*

In accordance with Indian law, the company provides for gratuity, a defined benefit retirement plan (the "Gratuity Plan") covering all employees. The Gratuity Plan provides a lump sum payment to vested employees on retirement or on termination of employment for an amount based on the respective employee's salary and the years of employment with the company. The company estimates its liability as of each balance sheet date based on an actuarial valuation performed by an independent actuary using project unit credit method. All the actuarial gain and losses are recognized immediately under the Gratuity Plan.



*(iii) Compensated absences*

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

**(k) Borrowing costs**

Borrowing costs, if any, directly attributable to the acquisition/construction of fixed assets that take substantial period of time to get ready for intended use, up to the date of completion of such acquisition or construction, are capitalized. Borrowing costs other than the above are charged to the Statement of Profit and Loss in the year in which they are incurred.

**(l) Income taxes**

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

**(m) Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

**(n) Segment reporting policies**

The company's primary business segment is providing software development and IT enabled services to its holding company in the United States of America. Accordingly, there are no other reportable business or geographical segments to be disclosed as per notified AS 17 on "Segment Reporting".

**(o) Provisions**

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

**(p) Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

**(q) Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

**(r) Derivative Instruments not in the nature of notified AS 11, 'The effect of changes in Foreign Exchange Rates'**

The company enters into various foreign currency option contracts that are not in the nature of forward contracts designated under notified AS 11 as they are not entered to establish the amount of the reporting currency required or available at the settlement date of a transaction. The company uses derivative instruments to economically hedge foreign exchange exposure related to its cash flows and monetary assets, and not for speculative trading purposes. As per the ICAI Announcement, accounting for such derivative contracts, are marked to market on a portfolio basis, and the net loss after considering the offsetting effect on the underlying hedge item is charged to the statement of profit and loss. Net gains are ignored keeping in view the principle of prudence as enunciated in AS 1, 'Disclosure of Accounting Policies'. Any subsequent changes in fair values, occurring after the balance sheet date, is accounted in the subsequent period.



**(s) Measurement of EBITDA**

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit/(loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expense, finance costs and tax expense.

**(t) Investments**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

**(u) Amalgamation accounting**

The company treats an amalgamation in the nature of merger if it satisfies all the following criteria:

- (i) All the assets and liabilities of the transferor company become, after amalgamation, the assets and liabilities of the transferee company.
- (ii) Shareholders holding not less than 90% of the face value of the equity shares of the transferor company (other than the equity shares already held therein, immediately before the amalgamation, by the transferee company or its subsidiaries or their nominees) become equity shareholders of the transferee company.
- (iii) The consideration for amalgamation receivable by those equity shareholders of the transferor company who agree to become shareholders of the transferee company is discharged by the transferee company wholly by the issue of equity shares, except that cash may be paid in respect of any fractional shares.
- (iv) The business of the transferor company is intended to be carried on, after the amalgamation, by the transferee company.
- (v) The transferee company does not intend to make any adjustment to the book values of the assets and liabilities of the transferor company, except to ensure uniformity of accounting policies.

All other amalgamations are in the nature of purchase.

The company accounts for all amalgamations in the nature of merger using the pooling of interest method. The application of this method requires the company to recognize any non-cash element of the consideration at fair value. The company recognizes assets, liabilities and reserves, whether capital or revenue, of the transferor company at their existing carrying amounts and in the same form as at the date of the amalgamation. The balance in the statement of profit and loss of the transferor company is transferred to the general reserve. The difference between the amount recorded as share capital issued, plus any additional consideration in the form of cash or other assets, and the amount of share capital of the transferor company is adjusted in reserves.

(This space has been intentionally left blank)



**GlobalLogic India Limited**  
**Notes to financial statements for the year ended March 31, 2015**

**3. Share Capital**

	March 31, 2015 Rs.	March 31, 2014 Rs.
<b>Authorised share capital *</b>		
2,050,000 (March 31, 2014: 1,500,000) equity shares of Rs. 10 each	2,05,00,000	1,50,00,000
<b>Issued, subscribed and fully paid up shares</b>		
180,481 (March 31, 2014: 174,617) equity shares of Rs. 10 each	18,04,810	17,46,170
	<b>18,04,810</b>	<b>17,46,170</b>

\* The authorised share capital of IP Unity Communications Limited amounting to Rs. 500,000 and GL Software Limited amounting to Rs 5,000,000 stands transferred to the Company and be treated as part of the authorised share capital of the Company (refer note 35).

**(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

**Equity shares**

	March 31, 2015		March 31, 2014	
	No.	Rs.	No.	Rs.
At the beginning of the period	1,74,617	17,46,170	1,74,612	17,46,120
Issued during the year	5,864	58,640	5	50
<b>Outstanding at the end of the period</b>	<b>1,80,481</b>	<b>18,04,810</b>	<b>1,74,617</b>	<b>17,46,170</b>

**(b) Terms/ rights attached to equity shares**

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

**(c) Shares held by holding/ultimate holding company and/or their subsidiaries/associates**

Out of equity shares issued by the company, shares held by its holding company, ultimate holding company and their subsidiaries/associates are as below:

	March 31, 2015 Rs.	March 31, 2014 Rs.
<b>GlobalLogic Inc. USA, the holding company</b>		
180,475 (March 31, 2014: 174,606) equity shares of Rs. 10 each fully paid	18,04,750	17,46,060
<b>GlobalLogic Technologies Limited, subsidiary of the holding company</b>		
1 (March 31, 2014: 1) equity shares of Rs. 10 each fully paid*	10	10
<b>GL Software Limited, subsidiary of the holding company</b>		
Nil (March 31, 2014: 6) equity shares of Rs. 10 each fully paid*	-	60
<b>IP Unity Communications Limited, subsidiary company</b>		
Nil (March 31, 2014: 1) equity shares of Rs. 10 each fully paid*	-	10
<b>Mr. Mandeep Mehta</b>		
1 (March 31, 2014: 1) equity shares of Rs. 10 each fully paid*	10	10
<b>Mr. Robinson Massey</b>		
1 (March 31, 2014: 1) equity shares of Rs. 10 each fully paid*	10	10
<b>Ms. Ranji Srivastava</b>		
1 (March 31, 2014: 1) equity shares of Rs. 10 each fully paid*	10	10
<b>Mr. Sumit Sood</b>		
1 (March 31, 2014: Nil) equity share of Rs. 10/- each fully paid *	10	-
<b>Mr. Kunal Dutt</b>		
1 (March 31, 2014: Nil) equity share of Rs. 10 each fully paid*	10	-

\* equity share held on behalf of GlobalLogic Inc. USA

**(d) Details of shareholders holding more than 5% shares in the company**

	March 31, 2015		March 31, 2014	
	Nos.	% holding	Nos.	% holding
<b>Equity shares of Rs.10 each fully paid</b>				
GlobalLogic Inc. USA, the holding company	1,80,475	99.997%	1,74,606	99.999%

As per records of the company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(This space has been intentionally left blank)



**GlobalLogic India Limited**
**Notes to financial statements for the year ended March 31, 2015**
**4. Reserve and surplus**

	March 31, 2015 Rs.	March 31, 2014 Rs.
<b>Capital reserve</b>		
Balance as per last financial statements	32,21,071	32,21,071
Add: Additions/transferred on account of amalgamation (refer note 35)	27,99,860	-
Less: Adjustment on amalgamation (refer note 35)	(3,99,990)	-
<b>Closing balance</b>	<b>56,20,941</b>	<b>32,21,071</b>
<b>Securities premium account</b>		
Balance as per last financial statements	1,26,46,351	1,25,61,401
Add: Additions/transferred on account of amalgamation (refer note 35)	18,20,41,950	-
Less: Adjustments on amalgamation	(18,20,39,176)	84,950
<b>Closing balance</b>	<b>1,26,49,125</b>	<b>1,26,46,351</b>
<b>General reserve account</b>		
Balance as per last financial statements	2,55,00,000	2,55,00,000
Add: Additions/transferred on account of amalgamation (refer note 35)	7,03,514	-
<b>Closing balance</b>	<b>2,62,03,514</b>	<b>2,55,00,000</b>
<b>Surplus in the statement of profit and loss</b>		
Balance as per last financial statements	1,68,82,10,353	1,48,27,31,236
Add: Additions/transferred on account of amalgamation (refer note 35)	8,89,01,520	-
Profit/ (loss) for the year	(25,83,73,613)	20,54,79,117
<b>Net surplus in the statement of profit and loss</b>	<b>1,51,87,38,260</b>	<b>1,68,82,10,353</b>
<b>Total reserve and surplus</b>	<b>1,56,32,11,840</b>	<b>1,72,95,77,775</b>

**5. Other long term liabilities**

	March 31, 2015 Rs.	March 31, 2014 Rs.
Others:		
Lease equalisation reserve	10,56,597	1,20,13,596
<b>Total</b>	<b>10,56,597</b>	<b>1,20,13,596</b>

**6. Provisions**

	Long-term		Short-term	
	March 31, 2015 Rs.	March 31, 2014 Rs.	March 31, 2015 Rs.	March 31, 2014 Rs.
<b>Provision for employee benefits</b>				
Provision for compensated absence	-	-	1,14,38,710	1,01,70,751
Provision for gratuity (refer note 29)	9,17,42,468	7,86,00,440	2,46,33,925	1,84,93,215
	<b>9,17,42,468</b>	<b>7,86,00,440</b>	<b>3,60,72,635</b>	<b>2,86,63,966</b>
<b>Other provisions</b>				
Provision for mark-to-market losses on derivative contracts	-	-	-	36,25,400
	-	-	-	<b>36,25,400</b>
<b>Total</b>	<b>9,17,42,468</b>	<b>7,86,00,440</b>	<b>3,60,72,635</b>	<b>3,22,89,366</b>



7. Other current liabilities

	March 31, 2015 Rs.	March 31, 2014 Rs.
Trade payables (refer note 31 for details of dues to micro and small enterprises)	10,33,41,417	15,72,97,773
<b>Other liabilities</b>		
Payable for capital goods	44,35,477	51,45,952
Interest free deposits	6,84,222	6,84,222
Lease equalisation reserve	1,21,89,648	1,46,71,234
Retention money	2,00,000	8,28,000
Statutory liabilities	2,83,83,214	2,18,89,147
Other liabilities - related parties	57,71,14,925	2,43,24,165
<b>Total</b>	<b>62,30,07,486</b>	<b>6,75,42,720</b>
	<b>72,63,48,903</b>	<b>22,48,40,493</b>

9. Non-current investments

	March 31, 2015 Rs.	March 31, 2014 Rs.
<b>Non-trade investments (valued at cost unless stated otherwise)</b>		
Investments in equity instruments (Unquoted)		
1 no. (31 March 2014: 1) equity shares of Rs 950 each fully paid-up in GlobalLogic Technologies Limited*	950	950
Nil (31 March 2014: 39,995) equity shares of Rs 4,561 each fully paid-up in TP Unity Communications Limited*	-	18,24,17,195
<b>Total</b>	<b>950</b>	<b>18,24,18,145</b>

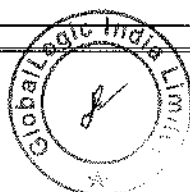
\* held on behalf of GlobalLogic Inc. USA (Holding Company)

10. Deferred tax asset (net)

	March 31, 2015 Rs.	March 31, 2014 Rs.
<b>Deferred tax asset</b>		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	7,00,62,670	5,67,99,539
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	69,46,100	2,09,19,391
Provision for doubtful debts and advances	3,46,492	3,40,305
Provision for gratuity and leave encashment	4,23,79,756	3,30,02,133
Expenses incurred on merger	5,19,120	-
Mark-to-market losses on derivative contracts	-	12,32,273
<b>Net Deferred tax asset</b>	<b>12,02,54,138</b>	<b>11,22,93,641</b>

11. Loans and advances

	Non-current		Current	
	March 31, 2015 Rs.	March 31, 2014 Rs.	March 31, 2015 Rs.	March 31, 2014 Rs.
<b>Security deposit</b>				
Unsecured, considered good	1,96,47,160	1,91,92,464	1,50,23,585	44,22,037
	<b>1,96,47,160</b>	<b>1,91,92,464</b>	<b>1,50,23,585</b>	<b>44,22,037</b>
<b>Loan and advances to related parties (note 24)</b>				
Unsecured, considered good- related party	-	-	13,45,34,338	11,00,84,284
Unsecured, considered good- director	-	-	-	-
Unsecured, considered good	-	-	13,45,34,338	11,00,84,284
<b>Advances recoverable in cash or kind</b>				
Advance to suppliers	-	-	12,40,822	18,46,973
Prepaid Expenses	4,30,139	45,001	52,80,137	30,80,485
Advances to employees	-	-	68,98,839	49,90,792
Unsecured, considered good	4,30,139	45,001	1,34,19,798	99,18,250
Doubtful	-	-	1,31,303	1,31,303
	<b>4,30,139</b>	<b>45,001</b>	<b>1,35,51,101</b>	<b>1,00,49,553</b>
Provision for doubtful advances	-	-	(1,31,303)	(1,31,303)
	<b>4,30,139</b>	<b>45,001</b>	<b>1,34,19,798</b>	<b>99,18,250</b>
<b>Other Loans and advances</b>				
Minimum alternative tax credit	9,43,070	-	-	-
Service tax input credit	-	-	87,20,260	2,02,38,238
Advance income taxes (net of provision for taxation of Rs. 608,090,042) (Previous year Rs. 454,901,229)	10,43,22,439	7,99,09,240	-	-
Loans to employees	19,21,319	37,68,988	80,27,231	1,24,18,622
	<b>10,71,86,828</b>	<b>8,36,78,228</b>	<b>1,67,47,491</b>	<b>3,26,56,860</b>
Provision for doubtful advances	-	-	-	-
	<b>10,71,86,828</b>	<b>8,36,78,228</b>	<b>1,67,47,491</b>	<b>3,26,56,860</b>
<b>Total</b>	<b>12,72,64,127</b>	<b>10,29,15,693</b>	<b>17,97,25,212</b>	<b>15,70,81,431</b>





8. Fixed assets

8.1 Tangible assets

Cost or valuation As at April 1, 2013 Additions Disposals As at March 31, 2014	Leasehold improvements	Plant and machinery	Furniture and fittings	Office equipments	Computers & data processing units	Amount in Rs.	
						Total	
11,46,23,463	4,07,03,159	9,22,75,194	7,27,70,246	18,66,27,252	50,69,99,314		
1,02,03,311	84,16,224	14,76,261	1,30,08,525	4,37,83,998	7,68,88,319		
29,16,703	18,258	11,30,876	8,72,957	51,50,529	1,00,89,323		
12,19,10,071	4,91,01,125	9,26,20,579	8,49,05,814	22,52,60,721	57,37,98,310		
Cost or valuation As at April 1, 2014	12,19,10,071	4,91,01,125	9,26,20,579	8,49,05,814	22,52,60,721	57,37,98,310	
Transferred on account of amalgamation (refer note 35)	1,23,16,753	20,39,998	48,85,174	20,15,536	76,47,237	2,89,04,698	
Additions	1,01,06,124	28,90,485	47,27,837	1,35,55,494	5,93,08,612	9,05,88,552	
Disposals	-	-	5,56,302	1,31,550	36,43,335	43,31,187	
As at March 31, 2015	14,43,32,948	5,40,31,608	10,16,77,288	10,03,45,294	28,85,73,235	68,89,60,373	
Depreciation As at April 1, 2013	4,56,61,801	1,51,46,775	3,87,99,236	3,88,71,914	15,24,67,756	29,09,47,482	
Additions	2,74,97,777	90,09,035	1,61,81,720	1,34,42,096	3,39,40,199	10,00,70,827	
Disposals	29,16,703	17,778	9,99,074	8,14,911	51,34,612	98,83,078	
As at March 31, 2014	7,02,42,875	2,41,38,032	5,39,81,882	5,14,99,099	18,12,73,343	38,11,35,231	
Depreciation As at April 1, 2014	7,02,42,875	2,41,38,032	5,39,81,882	5,14,99,099	18,12,73,343	38,11,35,231	
Transferred on account of amalgamation (refer note 35)	1,03,50,937	20,39,998	48,83,096	20,15,536	75,36,410	2,68,25,977	
Additions	3,17,80,538	94,60,050	1,72,22,686	1,42,63,378	3,06,99,002	10,34,25,654	
Disposals	-	-	5,56,302	90,224	34,61,274	41,07,800	
As at March 31, 2015	11,23,74,350	3,56,38,080	7,55,31,362	6,76,87,789	21,60,47,481	50,72,79,062	
Net Block As at March 31, 2014	5,16,67,196	2,49,63,093	3,86,38,697	3,34,06,715	4,39,87,378	19,26,63,079	
As at March 31, 2015	3,19,58,598	1,83,93,528	2,61,45,926	3,26,57,505	7,25,25,784	18,16,81,311	

8.2 Intangible assets

Cost or valuation As at April 1, 2013 Additions Disposals As at March 31, 2014	Total
10,83,64,474	10,83,64,474
26,99,745	26,99,745
63,33,629	63,33,629
10,47,30,590	10,47,30,590
Transferred on account of amalgamation (refer note 35)	5,76,443
Additions	1,56,08,647
Disposals	-
As at March 31, 2015	12,09,15,680
Amortisation As at April 1, 2013	9,99,42,525
Additions	69,81,543
Disposals	63,33,629
As at March 31, 2014	10,05,90,439
Amortisation As at April 1, 2014	10,05,90,439
Transferred on account of amalgamation (refer note 35)	5,29,077
Additions	55,95,119
Disposals	-
As at March 31, 2015	10,67,14,635
Net Block As at March 31, 2014	41,40,151
As at March 31, 2015	1,42,01,045



Loans and advances due by directors or other officers etc.

	Non-current		Current	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	Rs.	Rs.	Rs.	Rs.
<b>Loans and advances to related parties include</b>				
Due from Globallogic, Inc. USA (Holding company) (refer note 24)	-	-	8,35,06,757	5,83,41,234
Due from fellow subsidiaries (refer note 24)	-	-	5,10,27,581	5,17,43,036

GlobalLogic India Limited

Notes to financial statements for the year ended March 31, 2015

12. Trade receivables and other assets

12.1 Trade receivables	Non-current		Current	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	Rs.	Rs.	Rs.	Rs.
Unsecured, considered good unless otherwise stated				
<b>Debts outstanding for a period exceeding six months from the date they are due for payment</b>				
Unsecured, considered good	-	-	5,98,218	18,72,46,884
Doubtful	-	-	8,69,888	8,69,888
	-	-	14,68,106	18,81,16,772
Less: Provision for doubtful debts	-	-	(8,69,888)	(8,69,888)
(A)	-	-	5,98,218	18,72,46,884
<b>Other Receivables</b>				
Unsecured, considered good	-	-	1,39,19,58,158	92,22,66,806
Doubtful	-	-	-	-
	-	-	1,39,19,58,158	92,22,66,806
Less: Provision for doubtful debts	-	-	-	-
(B)	-	-	1,39,19,58,158	92,22,66,806
<b>Total (A + B)</b>	-	-	<b>1,39,25,56,376</b>	<b>1,10,95,13,690</b>
<b>Trade receivables include:</b>				
Due from Globallogic, Inc. USA (Holding company) (refer note 24)	-	-	1,30,61,51,834	1,07,33,17,008
Due from fellow subsidiaries (refer note 24)	-	-	52,99,892	68,98,085

12.2 Other assets	Non-current		Current	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	Rs.	Rs.	Rs.	Rs.
Unsecured, considered good unless otherwise stated				
Non-current bank balances (note 13)	50,000	50,000	-	-
<b>Others</b>				
Unbilled revenue - related party	-	-	-	-
Unbilled revenue	-	-	3,69,11,485	5,94,15,131
Interest accrued on fixed deposits	-	-	13,25,382	8,76,092
	-	-	3,82,36,867	6,02,91,223
<b>Total</b>	<b>50,000</b>	<b>50,000</b>	<b>3,82,36,867</b>	<b>6,02,91,223</b>

Unbilled revenue includes:

Due from Globallogic, Inc. USA (Holding company) (refer note 24)	1,76,51,677	2,52,19,898
--	-------------	-------------

13. Cash and bank balances	Non-current		Current	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	Rs.	Rs.	Rs.	Rs.
<b>Cash and cash equivalents</b>				
Balances with banks:				
- On current accounts	-	-	17,32,73,130	10,15,24,689
- Deposits with original maturity of less than three months	-	-	19,22,59,880	5,00,00,000
Cash on hand	-	-	34,217	1,11,199
<b>other bank balances:</b>				
- Deposits with original maturity of more than 3 months but less than 12 months.	-	-	-	-
- Margin money deposits *	50,000	50,000	7,00,000	-
	<b>50,000</b>	<b>50,000</b>	<b>36,62,67,227</b>	<b>15,16,35,888</b>
Amount disclosed under non-current assets (note 12.2)	(50,000)	(50,000)	-	-
<b>Total</b>	-	-	<b>36,62,67,227</b>	<b>15,16,35,888</b>

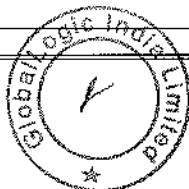
\* Represents guarantees given to sales tax, customs & central excise authorities.



## GlobalLogic India Limited

Notes to financial statements for the year ended March 31, 2015

	Year ended March 31, 2015 Rs.	Year ended March 31, 2014 Rs.
<b>14. Revenue from operations</b>		
Revenue from services (gross)	2,68,44,38,755	2,07,94,10,312
Less: Service tax	4,10,97,826	2,65,12,296
<b>Revenue from operations (net)</b>	<b>2,64,33,40,929</b>	<b>2,05,28,98,016</b>
<b>15. Other income</b>		
Interest income		
- Bank deposits (Tax deducted at source Rs. 1,560,946 (Previous year Rs. 505,313))	1,91,50,815	49,20,209
Liabilities/payables written back	27,43,089	1,28,57,896
Exchange difference (net)	9,22,85,272	10,48,82,193
Miscellaneous income	49,19,749	2,33,089
<b>Total</b>	<b>11,90,98,925</b>	<b>12,28,93,387</b>
<b>16. Employee benefit expenses</b>		
Salaries and bonus	1,69,92,63,856	1,34,85,60,115
Contribution to provident fund	3,08,18,583	1,50,36,635
Gratuity expenses (refer note 29)	3,63,51,993	2,58,12,664
Staff welfare expenses	3,64,83,718	3,01,59,614
<b>Total</b>	<b>1,80,29,18,150</b>	<b>1,41,95,69,028</b>
<b>17. Operating and other expenses</b>		
Power, fuel and water	5,27,25,357	4,71,21,380
Sub contracting cost	5,32,496	1,52,45,262
Rent	8,40,67,114	6,84,51,663
Rates and taxes	5,92,114	3,00,477
Repair and maintenance		
-Building	3,10,21,235	3,10,24,208
-Machinery	1,63,20,286	1,26,14,489
Guest house	1,39,001	6,86,797
Insurance	11,76,277	5,66,908
Security charges	1,22,06,946	98,42,882
Advertisement and business promotion	31,44,866	-
Travelling and conveyance	13,08,11,733	9,69,68,033
Communication	2,05,39,359	1,66,96,025
Printing and stationery	20,87,156	16,26,667
CSR Expenditure	62,41,841	-
Provision for doubtful debts and advances	-	1,31,303
Legal and professional fees	4,12,65,014	4,07,76,993
Payment to auditor (refer details below)	48,82,259	28,95,250
Loss on write off / sale of fixed assets (net)	1,13,433	1,49,777
Miscellaneous expenses	16,23,174	16,64,666
<b>Total</b>	<b>40,94,89,661</b>	<b>34,67,62,780</b>
<b>Payment to auditor</b>		
-Audit fees	39,23,833	24,81,000
-Tax audit fees	3,36,490	2,13,000
-Other services	1,13,620	72,000
-Out-of-pocket expenses	5,08,116	1,29,250
<b>Total</b>	<b>48,82,259</b>	<b>28,95,250</b>
<b>18. Exceptional item</b>		
Employee stock option cost	56,71,84,064	-
<b>Total</b>	<b>56,71,84,064</b>	<b>-</b>
<b>19. Depreciation and amortisation expense</b>		
Depreciation of tangible assets	10,34,25,654	10,00,70,827
Amortisation of intangible assets	55,95,119	69,81,543
<b>Total</b>	<b>10,90,20,773</b>	<b>10,70,52,370</b>
<b>20. Finance costs</b>		
Bank charges	3,42,204	3,28,945
<b>Total</b>	<b>3,42,204</b>	<b>3,28,945</b>



**21 Derivative instruments and unhedged foreign currency exposure**

Particulars of Derivatives	Purpose
Foreign currency forward contracts outstanding as at Balance Sheet date	Hedge of current receivables and receivables from expected future sales.
Sell USD 27,200,000 (March 31, 2014: USD 25,631,948)	
Particulars of unhedged foreign currency exposure as at the reporting date:	
<b>Particulars</b>	<b>Amount</b>
Trade receivables	Rs. 1,329,103,403 (US \$ 21,275,867 @ Closing rate of 1 USD = Rs. 62.47) (March 31, 2014: Rs. 1,077,874,995 (US \$ 17,988,568 @ Closing rate of 1 USD = Rs. 59.92))
Loans and advances	Rs. 83,506,757 (US \$ 1,336,750 @ Closing rate of 1 USD = Rs. 62.47) (March 31, 2014: Rs. 59,147,960 (US \$ 987,115 @ Closing rate of 1 USD = Rs. 59.92))
EEFC Account	Rs. 13,990,235 (US \$ 223,931 @ Closing rate of 1 USD = Rs. 62.47) (March 31, 2014: Rs. 8,672,821 (US \$ 144,740 @ Closing rate of 1 USD = Rs. 59.92))
Trade payables and other current liabilities	Rs. 576,847,571 (US \$ 9,233,993 @ Closing rate of 1 USD = Rs. 62.47)  (March 31, 2014: Rs. 7,795,014 (US \$ 130,090 @ Closing rate of 1 USD = Rs. 59.92))

**22 Earnings per share (EPS)**

The following reflects the profit and share data used in the basic EPS computations:

	March 31, 2015	March 31, 2014
Net profit attributable to equity shareholders (Rs.)*	30,88,10,451	20,54,79,117
Weighted average number of equity shares outstanding (in nos.)	1,80,481	1,74,614
Basic / diluted earnings per equity share (Rs.)	1,711	1,177
Nominal value of equity shares (Rs.)	10	10

\* excluding exceptional item

(This space has been intentionally left blank)

**23 Contingent Liabilities**

Contingent Liabilities not provided for in respect of:

	March 31, 2015 Rs.	March 31, 2014 Rs.
Claims against the company not acknowledged as debts *	1,44,56,947	1,16,00,000
Guarantees given by the bank on behalf of the company	7,50,000	50,000
Income-tax demand **	13,12,72,357	15,16,88,081
<b>Total</b>	<b>14,64,79,304</b>	<b>16,33,38,081</b>

\* Rs 11,200,000 (March 31, 2014: Rs 11,200,000) represents claim of claim made by M/s Telarix, Inc., one of its former consultants, for defamation, illegal usage and infringement of intellectual property rights which is contested by the company and is pending before the Additional District Judge, Bangalore Rural District, Bangalore. The management does not expect these claims to succeed accordingly no provision for the contingent liability has been recognized in the financial statements.

\* Rs 3,256,947 in respect of claim made by an employee which is contested in the court by the company. The management does not expect these claims to succeed accordingly no provision for the contingent liability has been recognized in the financial statements.

\* Rs Nil (March 31, 2014: Rs 400,000) in respect of claim made by an employee which is contested by the Company in the Labour Court, Nagpur. In Financial year 2014-15 case has been dismissed by the court.

\*\* Income-tax demand includes:

- Rs. 58,723,114 (March 31, 2014: Rs Nil) represents income tax demand for the Assessment Year 2011-12 on the basis of draft order passed by AO u/s 143(3) r.w.s. 144C. The company has filed appeal with Dispute Resolution Panel. On the basis of legal advice received, the management is hopeful of a favourable decision.

- Rs. 19,022,287 (March 31, 2014: Rs Nil) represents income tax demand for the Assessment Year 2010-11 on the basis of order passed by AO u/s 143(3) r.w.s. 144C. The company has filed ITAT appeal on 24 Feb 2015. On the basis of legal advice received, the management is hopeful of a favourable decision.

- Rs. 4,557,380 (March 31, 2014: Rs 4,557,380) represents income tax demand for the Assessment Year 2009-10 on the basis of order passed by AO u/s 154/143(3) r.w.s. 144C(5). The company has filed rectification application to claim proper credit of tax deducted at source to the Assessing officer. On the basis of legal advice received, the management is hopeful of a favourable decision. In current year a sum of Rs 70,000 has been paid by the company under protest as per directions from ITAT.

- Rs. Nil (March 31, 2014: Rs 61,817,030) income tax demand for the Assessment Year 2008-09 on the basis of decision pronounced by Income Tax Appellate Tribunal in favour of company on June 4, 2015. In current year a sum of Rs 8,000,000 has been paid by the company under protest as per directions from ITAT.

- Rs. 4,534,945 (March 31, 2014: Rs Nil) income tax demand for the Assessment Year 2008-09 relating to transfer pricing provisions per Section 92 of the Income Tax Act, 1961 wherein assessing officer has filed an appeal in Karnataka High Court against the order of Income Tax Appellate Tribunal. On the basis of legal advice received, the management is hopeful of a favourable decision. In previous years, 50% demand for Rs.2,267,473 has been paid under protest.

- Rs. Nil (31 March 2014: Rs. 40,879,040) income tax demand for the Assessment Year 2007-08 on the basis of favourable order received from Income Tax Appellate Tribunal on 19 Feb 2015. A sum of Rs 15,000,000 has been paid by the company under protest in respect of this demand in prior years.

- Rs. 6,125,350 (31 March 2014: Rs. 6,125,350) represents income tax demand for the Assessment Year 2006-2007 on the basis of order passed by AO u/s 143(3). The company has filed an appeal with CIT (Appeals) Nagpur. On the basis of legal advice received, the management is hopeful of a favorable decision. A sum of Rs. 6,125,350 has been paid by the company under protest in respect of this demand in prior years.



**GlobalLogic India Limited**

**Notes to financial statements for the year ended March 31, 2015**

- Rs. 27,132,517 (31 March 2014: Rs. 27,132,517) represents income tax demand for the Assessment Year 2006-2007 on the basis of order passed by AO u/s 143(3). The company had obtained a favourable decision from Income Tax Appellate Tribunal. However revenue department has filed an appeal before the High Court of Delhi, which is yet to be listed for hearing. A sum of Rs 20,000,000 had been paid by the company under protest in respect of this demand in prior years.

- Rs. 270,842 (31 March 2014: Rs. 270,842) represents income tax demand for the Assessment Year 2005-2006 on the basis of order passed by AO u/s 147/143(3). The company has filed an appeal with Income Tax Appellate Tribunal, New Delhi. On the basis of legal advice received, the management is hopeful of a favorable decision. A sum of Rs 270,842 had been paid by the company under protest in respect of this demand in prior years.

- Rs. 5,731,730 (31 March 2014: Rs. 5,731,730) represents income tax demand for the Assessment Year 2003-2004 on the basis of order passed by AO u/s 143(3)/147. The company has filed an appeal with CIT (Appeals) Nagpur. On the basis of legal advice received, the management is hopeful of a favourable decision.

- Rs. 5,174,192 (31 March 2014: Rs. 5,174,192) represents income tax demand for the Assessment Year 2002-2003 on the basis of order passed by AO u/s 143(3)/147. The company has filed an appeal with CIT (Appeals) Nagpur. On the basis of legal advice received, the management is hopeful of a favourable decision.

**24 Related Party disclosures**

**(a) Names of related parties and related party relationship**

Ultimate holding company	Odessa Topco Corporation, USA
Holding company	GlobalLogic Inc. USA
Subsidiary company	IP Unity Communications Ltd. (till 31.03.2014) (formerly IP Unity Communications Pvt.Ltd.)
Fellow subsidiaries	Bonus Technology, Inc. GlobalLogic Israel Ltd. GlobalLogic Technologies Ltd. (formerly GlobalLogic Technologies Pvt.Ltd.) GL Software Ltd. (till 31.03.2014) (formerly GL Software Pvt.Ltd.)
Entity over which key management personnel has significant influence	Lambent Properties & Holdings Pvt.Ltd.
Key management personnel	Mr. Charles Wayne Grubbs (left w.e.f 21.11.2014) Mr. Robinson Massey Mr. Shashikant Eknath Choudhary Ms. Anna S Brunelle (joined w.e.f 07.11.2014) Mr. Sumit Sood (joined w.e.f 20.03.2015)

(b) During the year, the company entered into transactions with related parties. The value of such transactions, along with related balances at March 31, 2015 and March 31, 2014 and for the years then ended respectively, are presented in the following table:

**25 Earnings in foreign currency (accrual basis)**

	March 31, 2015	March 31, 2014
	Rs.	Rs.
Service revenue	2,31,25,36,852	1,77,98,61,522

**26 Expenditure in foreign currency (accrual basis)**

	March 31, 2015	March 31, 2014
	Rs.	Rs.
Travelling expenses	5,13,74,328	1,71,38,709
Professional fees for recruitment	33,837	11,74,947
Membership and subscription fees	1,61,330	4,82,942
Foreign tax	12,87,504	16,66,317
<b>Total</b>	<b>3,28,56,999</b>	<b>2,04,62,915</b>

**27 Value of imports calculated on CIF basis**

	March 31, 2015	March 31, 2014
	Rs.	Rs.
Capital goods	4,07,88,769	1,61,72,773

**28 Capital and other commitments**

- a) At March 31, 2015, the company has commitments of Rs. 948,213 (March 31, 2014: Rs 5,965,977) relating to capital contracts.  
b) For commitments relating to lease arrangements, refer note 30.

**29 Post employment benefits**

The company provides for gratuity, a defined benefit retirement plan (the "Gratuity Plan") covering all employees. The Gratuity Plan provides a lump sum payment to vested employees on retirement or on termination of employment for an amount based on the respective employee's salary and the years of employment with the company.

The following tables summaries the components of net benefit expense recognized in the statement of profit and loss and amounts recognized in the balance sheet for the respective plans.

**a) Statement of Profit and Loss**

Net employee benefit expense (recognised in Personnel expenses in the statement of Profit and Loss):

	March 31, 2015	March 31, 2014
	Rs.	Rs.
Current service cost	2,27,35,180	1,57,57,227



	Year ended	Sale of Services	Purchase of services	Purchase of fixed assets	Amount received/paid on behalf of	Expenses incurred by us	Expenses payable by us	Reimbursement of Expenses	Amount owed by related parties Receivable Trade and others *	Amount owed by related parties Receivable Others *	Amount owed to related parties Payable *
<b>Holding Company</b>											
GlobalLogic Inc	March 31, 2015	2,28,87,14,949	-	-	3,31,731	13,52,96,153	56,71,84,064	13,10,07,759	1,32,38,03,511	8,35,06,757	57,53,10,809
	March 31, 2014	1,75,58,65,221	-	1,19,862	27,03,451	28,26,31,589	-	39,13,54,935	1,09,85,36,906	5,83,41,234	77,95,014
<b>Fellow subsidiaries</b>											
GlobalLogic Israel Ltd	March 31, 2015	2,38,21,903	-	-	-	-	-	-	52,99,892	-	-
	March 31, 2014	2,39,96,301	-	-	-	-	-	-	45,58,070	-	-
Bonus Technology Inc	March 31, 2015	-	-	-	-	2,32,553	-	5,74,210	-	8,06,763	-
	March 31, 2014	-	-	-	-	-	-	-	-	-	-
<b>IP Unity Communications Ltd (formerly IP Unity Communications Pvt.Ltd)</b>	March 31, 2015	-	-	-	-	12,70,951	-	95,62,081	-	-	1,54,63,016
	March 31, 2014	-	-	-	-	-	-	6,20,97,156	-	5,10,27,581	18,04,116
<b>GlobalLogic Technologies Ltd (formerly GlobalLogic Technologies Pvt.Ltd)</b>	March 31, 2015	92,336	16,41,168	-	-	6,22,10,744	-	20,41,20,381	23,40,015	5,09,36,273	10,66,135
	March 31, 2014	22,86,063	20,83,578	-	-	7,65,19,698	-	-	-	-	-
<b>Entity over which key management personnel has significant influence</b>	March 31, 2015	-	1,14,89,375	-	-	-	-	-	-	-	-
Lambert Properties & Holdings Pvt.Ltd	March 31, 2014	-	1,34,69,530	-	-	-	-	-	-	-	-
<b>Total</b>											
	March 31, 2015	2,13,30,501	1,54,35,450	-	-	-	-	-	-	-	-
	March 31, 2014	44,80,175	43,64,657	-	-	-	-	-	-	-	-
Mr. Robinson Massey, Director											
Salary, bonus and contribution to PF		44,80,175	43,64,657	-	-	-	-	-	-	-	-
Mr. Shashikant Ekanth Chaudhary, Director											
Salary, bonus and contribution to PF		1,65,07,633	1,10,70,893	-	-	-	-	-	-	-	-
Mr. Sunil Sood, Director											
Salary, bonus and contribution to PF		3,42,693	-	-	-	-	-	-	-	-	-
<b>Total</b>		2,13,30,501	1,54,35,450	-	-	-	-	-	-	-	-

\* The amounts are classified as trade receivables, advances and other lia. lites respectively.

(ii) Remuneration to key managerial personnel

	Amount in Rs. March 31, 2015	Amount in Rs. March 31, 2014
Mr. Robinson Massey, Director		
Salary, bonus and contribution to PF	44,80,175	43,64,657
Mr. Shashikant Ekanth Chaudhary, Director		
Salary, bonus and contribution to PF	1,65,07,633	1,10,70,893
Mr. Sunil Sood, Director		
Salary, bonus and contribution to PF	3,42,693	-
<b>Total</b>	2,13,30,501	1,54,35,450

Note: The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.

(iii) Other transactions/balances

	Year ended	Share capital issued	Share premium received	Investment made	Amount in Rs. Security for proposal of candidature of Independent Director
<b>Fellow subsidiaries/ Key management personnel</b>					
<b>IP Unity Communications Ltd (formerly IP Unity Communications Pvt.Ltd)</b>	March 31, 2015	-	-	-	-
	March 31, 2014	10	16,990	18,24,17,195	-
<b>GL Software Ltd (formerly GL Software Pvt.Ltd)</b>	March 31, 2015	60	-	10	-
	March 31, 2014	10	-	950	2,00,000
<b>GlobalLogic Technologies Ltd (formerly GlobalLogic Technologies Pvt.Ltd)</b>	March 31, 2015	10	-	950	-
	March 31, 2014	10	16,990	-	-
<b>GlobalLogic Inc, USA</b>	March 31, 2015	-	-	-	-
	March 31, 2014	-	-	-	-
<b>Mr. Robinson Massey</b>	March 31, 2015	10	-	-	-
	March 31, 2014	10	16,990	-	-



**GlobalLogic India Limited**
**Notes to financial statements for the year ended March 31, 2015**

Interest cost on benefit obligation	10,150,020	7,292,715
Net actuarial( gain) / loss recognised in the year	3,466,793	2,762,722
Past service cost	-	-
<b>Net benefit expense</b>	<b>36,351,993</b>	<b>25,812,664</b>

**b) Balance sheet**
**Details of provision for gratuity:**

	March 31, 2015	March 31, 2014
	Rs.	Rs.
Defined benefit obligation	116,376,393	97,093,655
Loss: Unrecognised past service cost	-	-
<b>Plan (asset) / liability</b>	<b>116,376,393</b>	<b>97,093,655</b>

**c) Changes in the present value of the defined benefit obligation are as follows:**

	March 31, 2015	March 31, 2014
	Rs.	Rs.
Opening defined benefit obligation	101,321,329	83,006,222
Interest cost	10,150,020	7,292,715
Current service cost	22,735,180	15,757,227
Benefits paid	(21,206,929)	(11,725,231)
Actuarial losses on obligation	3,466,793	2,762,722
<b>Closing defined benefit obligation</b>	<b>116,376,393</b>	<b>97,093,655</b>

(This space has been intentionally left blank)

d) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The company expects to contribute Rs.24,633,925 towards gratuity during next year.

**e) Assumptions used in accounting of gratuity plan**

	March 31, 2015	March 31, 2014
Discount rate	7.79%	8.95%
Salary escalation	7.50%	9.00%
Withdrawal rates	22.00%	22.00%

**f) Amount of experience adjustments for the current and previous period are as follows:**

	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011
Fair Value of Plan Assets, End of Period	-	-	-	-	-
Projected Benefit Obligation, End of Period	116,376,393	101,321,329	89,520,349	78,622,898	33,618,066
(Surplus) Deficit in the Plan	116,376,393	101,321,329	89,520,349	78,622,898	33,618,066
Experience Adjustments on Plan Assets	-	-	-	-	-
(Gain)/Losses due to change in Assumptions	2,125,955	(8,506,329)	4,094,492	-	-
Experience (Gain)/Losses on PBO	1,340,838	9,068,554	(3,635,175)	20,181,857	(16,092,425)
<b>Total (Gain)/Loss on PBO</b>	<b>3,466,794</b>	<b>562,225</b>	<b>459,317</b>	<b>20,181,857</b>	<b>(16,092,425)</b>

**30 Leases**
**Operating leases**

The company's leasing arrangements are in respect of operating leases for office premises and guest houses. These leasing arrangement ranges from 11 months to 5 years. Total lease payments recognised in the statement of profit and loss for the year is Rs. 64,067,114 (previous year Rs. 68,451,663).

The future aggregate minimum lease payments under non-cancellable operating leases are as under:

	March 31, 2015	March 31, 2014
	Rs.	Rs.
<b>Outstanding as at year end:</b>		
Not later than one year	78,415,030	79,962,926
Later than one year but not later than five years	11,895,129	64,430,586
Later than five years	-	-
<b>Total</b>	<b>90,310,159</b>	<b>144,393,512</b>

31 Based on the information available with the Company, there are no suppliers who are registered as micro, small and medium enterprises under "The Micro, Small and Medium Enterprises Development Act, 2006" as at March 31, 2015.

32 The parent company, GlobalLogic, Inc., has granted stock options to certain employees of the Company under stock option scheme adopted by GlobalLogic, Inc. The management is of the opinion that such stock option scheme is managed and administered by GlobalLogic, Inc for its own and participating subsidiaries' benefit. Under the plan, the Company does not have an obligation to settle any outstanding option under the stock option plan and since employees, of GlobalLogic Inc. and its subsidiaries were granted options of GlobalLogic, Inc. the financial impact of the benefits in respect of such scheme is accounted for in the books of GlobalLogic, Inc. During the previous year, a change of control occurred in GlobalLogic, Inc, which resulted in settlement of the vested options. The settlement amount of Rs 567,184,064 was paid by the parent company to the respective employees of the Company. The parent company has charged the Company for reimbursement of the cost of the benefit provided directly to the employees of the Company. This charge has been accounted for as an exceptional item in the books of company. The above cost includes Rs 408,006,063 relating to employees who have rendered services, on behalf of the company, to one of its fellow subsidiary. The company is in the process of recovering such cost from its fellow subsidiary and hence not cross charged this in the current year.

33 The company's Noida unit and one unit in Nagpur is registered under the Special Economic Zones ("SEZ") Act, 2005. In accordance with the SEZ Rules, 2006 the company is required to maintain positive foreign exchange earnings, net of imports. The management is confident of continuing to achieve such commitments in future periods.

34 The company has one unit in Nagpur, is registered as a hundred percent export oriented units registered with the Software Technology Parks of India Scheme (STPI) (The "Scheme"). In accordance with the Scheme, the company is required to maintain positive foreign exchange earnings, net of imports and the company has met this requirement every year since registration under the Scheme. The management is confident of continuing to achieve such commitments in future periods.



(This space has been intentionally left blank)

35 Amalgamation of companies

a) Pursuant to and in terms of Scheme of Amalgamation ('the scheme') under section 391 to 394 of the Companies Act, 1956 and/ Or Companies Act, 2013 involving IP Unity Communications Limited (transferor) and GL Software Limited (transferor) with the company (transferee), being approved by order dated May 23, 2015 of the Hon'ble High Court of Delhi, effective from the appointed date i.e. April 1, 2014, the transferor companies has been amalgamated with the Company. The Company has filed the Order of the Hon'ble High Court with the Registrar of Companies, NCT of Delhi and Haryana on September 3, 2015. The company has issued 5,869 equity shares to the shareholders of the transferor companies pursuant to the scheme.

As per approved scheme, with effect from the appointed date. i.e. April 1, 2014 and up to and including the effective date i.e. September 3, 2015, IP Unity Communications Limited and GL Software Limited, has carried the business in trust for and on behalf of the Company. All profits that accrue to IP Unity Communications Limited and GL Software Limited during the period from appointment date to the balance sheet date of March 31, 2015 and all taxes thereof or losses arising or incurred by it relating to the business during the said period have been considered as those of the Company.

b) The whole of the business, property and assets, liabilities and obligations including provisions and reserves of the transferor companies stand transferred to and be vested in the Company, with effect from the appointed date.

c) The amalgamation has been accounted for under the "pooling of interests" method as prescribed by Accounting Standard (AS-14) specified under section 133 of the Companies Act, 2013, read with Rule of the Companies (Account) Rules, 2014. Accordingly, the amalgamation has resulted in transfer of assets, liabilities and reserves in accordance with the terms of the scheme of the following summarised values:

	IP Unity Communications Limited As on April 1, 2014 (Rs.)	GL Software Limited As on April 1, 2014 (Rs.)
<b>Appointed date</b>		
<b>Assets taken over</b>		
Tangible assets (net)	20,78,721	-
Intangible assets (net)	47,366	-
Non-current investments	18,350	4,621
Long-term loans and advances	92,94,147	27,16,283
Trade receivables	3,92,46,221	-
Cash and bank balances		
Cash and cash equivalents	2,12,12,593	4,68,31,739
Other bank balances	16,07,00,000	-
Short term loans and advances	39,67,984	10,000
Other current assets	46,50,211	3,62,959
<b>Total Assets (A)</b>	<b>24,12,15,593</b>	<b>4,99,25,602</b>
<b>Less: Liabilities taken over</b>		
Other long-term liabilities	2,53,322	-
Long-term provisions	31,79,849	-
Trade payables	55,37,352	44,37,791
Other current liabilities	13,86,166	-
Short-term provisions	15,06,045	3,35,136
<b>Total Liabilities (B)</b>	<b>1,18,62,734</b>	<b>47,72,927</b>
<b>Net Assets taken over (A-B) = (C)</b>	<b>22,93,52,859</b>	<b>4,51,52,675</b>
<b>Less: Reserve and Surplus brought forwards from the amalgamating company</b>		
General Reserve	7,03,514	-
Security Premium Account	18,20,40,000	1,950
Net surplus in the statement of profit and loss	4,61,09,345	4,27,92,175
New shares issued 5,869/- Equity Share of Rs 10/- each of the Company *	33,330	25,360
<b>Total (D)</b>	<b>22,88,86,189</b>	<b>4,28,19,485</b>
<b>Capital reserve (C - D)</b>	<b>4,66,670</b>	<b>23,33,190</b>
<b>Total capital reserve</b>		<b>27,99,860</b>
<b>Less: Adjustment on account of cross-holding investments due to amalgamation</b>		<b>(3,99,990)</b>
<b>Net capital reserve</b>		<b>23,99,870</b>

\* 2,536 equity shares of the Company were issued and allotted, in the ratio of 1 equity share of Rs. 10 each of the Company for every 93 equity shares of Rs 10 each of GL Software Limited and 3,333 equity shares of the Company were issued and allotted, in the ratio of 1 equity share of Rs. 10 each of the Company for every 3 equity shares of Rs 10 each of IP Unity Communications Ltd. to the equity shareholders (i.e. GlobalLogic Inc)

36 Previous year figures

Previous year figures have been regrouped / reclassified, where necessary, to conform to this year's classification.

As per our report of even date


For S R Batliboi & Associates LLP  
ICAI Firm Registration Number - 101049W  
Chartered Accountants

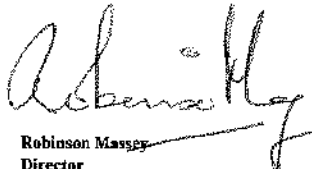
  
per Yogesh Midha  
Partner  
Membership No.094941



Place: Gurgaon  
Date: September 23, 2015

For and on the behalf of the Board of Directors of  
GlobalLogic India Limited

  
Sumit Sood  
Director

  
Robinson Massey  
Director

