FADNIS & GUPTE

CHARTERED ACCOUNTANTS

B-14, Ratlam Kothi, Kanchan Bagh Main Road, Indore-452 001 (M.P.) INDIA
Phone : 0731-2514448, 2527716, Fax : 0731-2528730
E-mail : mail@fngca.com

REVIEW REPORT

To,
The Board of Directors,
Infobeans Technologies Limited.
Indore

We have reviewed the accompanying Balance Sheet of M/s. Infobeans Technologies Inc. for the year ended on 31st March, 2018, related statement of profit & loss and the cash flow statement for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Revised Standard on Review Engagements (SRE) 2400, "Engagements to Review Financial Statements", issued by the Institute of Chartered Accountants of India (ICAI). This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion. The review has been carried out primarily for presentation of financial statements for the purpose of consolidation of accounts with the holding company.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial statements do not give a true and fair view in accordance with the Financial Reporting Standards.

For Fadnis & Gupte,
Chartered Accountants
FRN 006600C

(CA. Vikram Gupte)
Partner
M.No. 074814

Place: INDORE
Date: 01.05.2018

InfoBeans INC
Balance Sheet as at 31st March, 2018

(Amount in ₹)

Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017
EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	2	19,513,230	19,451,580
(b) Reserves and Surplus	3	(143,601)	(659,707)
Current Liabilities			
(a) Trade Payables	4	33,678,212	32,074,107
(b) Other Current Liabilities	5	3,772,736	4,548,832
	Total	**56,820,577**	**55,414,812**
ASSETS			
Non-current assets			
(a) Fixed Assets - Tangible Assets		715,636	808,149
Current assets			
(a) Inventories	6	1,550,254	-
(b) Trade Receivables	7	35,917,277	35,301,797
(c) Cash and Cash Equivalents	8	17,949,784	17,199,577
(d) Short-term Loans and Advances	9	232,317	2,105,289
(e) Other Current Assets	10	455,309	-
	Total	**56,820,577**	**55,414,812**
Significant Accounting Policies	1		

As per our report of even date attached
For Fadnis and Gupte
Chartered Accountants
FRN. 006600C

FADNIS & GUPTE CHARTERED ACCOUNTANTS FRN 006600C

CA. Vikram Gupta
(Partner)
M.No.074814

Dated :
Place : Indore

For and on behalf of Board of Directors of
InfoBeans INC

Avinash Sethi
(Director)
(DIN : 01548292)

InfoBeans INC
Statement of Profit and Loss for the Year Ended 31st March, 2018

(Amount in ₹)

Particulars	Note No.	Year ended 31st March, 2018	Year ended 31st March, 2017
Revenue from Operations	11	231,038,473	232,055,851
Other Income	12	-	15
Total Income (I)		**231,038,473**	**232,055,866**
Expenses			
Employee Benefits Expense	13	94,675,311	124,623,176
(Increase)/Decrease in Technical WIP		(1,550,254)	-
Depreciation and Amortization Expenses (Included Prior period Depreciation of Rs. 53169.11)		566,750	578,879
Other Expenses	14	136,827,086	107,208,522
Total Expenses (II)		**230,518,893**	**232,410,577**
Profit/(Loss) Before Tax (I - II)		**519,579**	**(354,711)**
Tax Expense			
Current Tax		-	186,644
Profit/(Loss) for the Year		**519,579**	**(541,355)**
Earning Per Equity Share	15		
Equity Shares of par value $ 100/- each			
(1) Basic (₹)		173.19	(180.45)
(2) Diluted (₹)		173.19	(180.45)
Significant Accounting Policies	1		

As per our report of even date attached
For Fadnis and Gupte
Chartered Accountants
FRN. 006600C

FADNIS & GUPTE * CHARTERED ACCOUNTANTS * FRN 006600C

CA. Vikram Gupta
(Partner)
M.No.074814

Dated :
Place : Indore

For and on behalf of Board of Directors of
InfoBeans INC

Avinash Sethi
(Director)
(DIN : 01548292)

InfoBeans Inc

Notes Forming Part of Financial Statements

Company Overview

InfoBeans Inc having its registered office at 7950 Dublin Blvd, Suite 209, Dublin, CA 94568, USA is a 100% Subsidiary of InfoBeans Technologies Limited ("The Holding Company") situated in India. The Holding Company is a CMMI level 3. The Company is a software services company specializing in business IT Services. Our business is primarily engaged in providing custom developed services to offshore clients. InfoBeans provides software engineering services primarily in Custom Application Development (CAD), Content Management Systems (CMS), Enterprise Mobility (EM), Big Data Analytics (BDA).

1. Significant accounting policies

(a) Basis of Preparation of Financial Statements:

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified). Accounting policies have been consistently applied. All Asset & Liabilities have been classified as current or non-current as per the operating cycle criteria set out in the revised Schedule III to the Companies Act, 2013.

The accounting transactions are recorded in US Dollars which is the local currency for preparation of financial statements. The accompanying financial statements have been prepared in Indian rupees being the national currency of India only for the purpose of consolidation of accounts with the Holding Company as per the requirements of Accounting Standards (AS) 21- "Consolidated Financial Statement" issued by the Institute of Chartered Accountants of India (ICAI) and notified under the Companies Accounting Standard Rules, 2014.

Assets and Liabilities are translated into Indian Rupees at the exchange rate of 1 USD =65.04 INR prevailing as at the Balance Sheet date. Revenues and expenses are translated into Indian Rupee at average rate of 1 USD =64.44 INR and the resulting net exchange differences are accumulated in Foreign Currency Translation Reserve, as the operations of the subsidiary are considered as Non-Integral Foreign operations.

(b) Use of Estimates:

The preparation of the financial statements in conformity with GAAP requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

(c) Revenue Recognition:

- Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Revenue includes rendering of Services.
- Interest income is recognized on the time proportion basis.

(d) Fixed Assets:

Tangible Assets are stated at cost of acquisition less accumulated depreciation and impairment loss, if any. Cost includes all identifiable expenditure incurred in their acquisition and construction/ installation and other related expenditure.

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InfoBeans Inc

Notes Forming Part of Financial Statements

(e) Depreciation and Amortization:

Depreciation has been provided on the basis of Written Down Value Method as per rates and in the manner specified in schedule II of the Companies Act, 2013 on prorata basis.

(f) Income Tax:

Income Tax liabilities has been recognised in accordance with the applicable local laws.

(g) Employee Benefits

Employee Benefits are recognised in accordance with the applicable local laws.

(h) Earning Per Share :

Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earning per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(i) Provision and Contingent Liabilities:

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure of contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

(j) Technical Work in Progress:

Company has generated Technical WIP for developing technical capabilities. Company is adopting policy of writing of WIP to the extent of 40% of revenue as soon as such Technical WIP starts generating revenue.

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InfoBeans INC

Notes Forming Part of Financial Statements

(Amount in ₹)

Particulars	As at 31st March, 2018	As at 31st March, 2017
NOTE '2'		
SHARE CAPITAL		
- Authorized		
3000 Equity Shares of $100/- each	19,513,230	19,513,230
[Previous Year : 3000 Equity Shares of $100/- each]		
- Issued and Subscribed and paid-up	19,513,230	19,451,580
3000 Equity Shares of $100/- each		
[Previous Year : 3000 Equity Shares of $100/- each]		
Total	19,513,230	19,451,580
- Par Value of Shares	$100/-	$100/-
Note-2(a) -The Company has only one class of Share referred to as Equity Share having a Par Value of $100/- per share. Each Shareholder of Equity share is entitled to one vote per Share.		
In the event of liquidation of the Company, the shareholder of Equity Share will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amount. The distribution will be proportional to the number of Equity Shares held by the Shareholders. The company declares and pays dividend in Dollars ($). The dividend proposed by the Board of Directors is subject to the approval of shareholders in ensuing Annual General Meeting, except incase of Interim dividend.		
Note-2(b) - Reconciliation of Shares:		
Opening Equity Share Capital (Nos.)	-	-
Add: Shares issued During the year (Nos.)	-	-
Add: Bonus Shares issued During the year (Nos.)	-	-
Closing Equity Share Capital (Nos.)	-	-
- List of Share holders having 5% or more Shares (In Nos)		
Name of Shareholders and % Holding		
InfoBeans Technologies Limited		
In Nos.	3,000.00	3,000.00
In %	100%	100%
Infobeans Technologies Inc. is fully owned subsidiary of Infobeans Technologies Limited.		

FADNIS & GUPTE CHARTERED ACCOUNTANTS FRN 006600C

InfoBeans INC

Notes Forming Part of Financial Statements

(Amount in ₹)

Particulars	As at 31st March, 2018	As at 31st March, 2017
NOTE '3'		
RESERVES AND SURPLUS		
Foreign Currency Translation Reserve	263,991	267,464
Surplus as per Statement of Profit & Loss Account		
Balance as at the beginning of the year	(927,171)	(385,816)
Add: Net Profit/(Loss) for the Year	519,579	(541,355)
Profit available for appropriation	(407,592)	(927,171)
Balance as at the end of the year	(407,592)	(927,171)
Total	(143,601)	(659,707)
NOTE '4'		
TRADE PAYABLES		
Payable to entities covered under Micro, Small and Medium Enterprises Act, 2006	-	-
Others	33,678,212	32,074,107
Total	33,678,212	32,074,107
NOTE '5'		
OTHER CURRENT LIABILITIES		
Statutory Dues	206,797	707,681
Other Payables	3,565,940	3,841,151
Total	3,772,737	4,548,832
NOTE '6'		
INVENTORIES		
- Technical WIP		
Opening Balance	-	-
Less: Utilised during the Year		-
Add: Created during the Year	1,550,254	-
Closing Balance	1,550,254	-
NOTE '7'		
TRADE RECEIVABLES (Unsecured, Consider Good)		
Outstanding for a period less than six months from the date they are due	35,917,277	35,301,797
Outstanding for a period exceeding than six months from the date they are due	-	-
Less: Provision for Doubtful Debts	-	-
Total	35,917,277	35,301,797

FADNIS & GUPTE FRN 006600C CHARTERED ACCOUNTANTS

InfoBeans INC

Notes Forming Part of Financial Statements

(Amount in ₹)

Particulars		As at 31st March, 2018	As at 31st March, 2017
NOTE '8'			
CASH AND BANK BALANCES			
CASH AND CASH EQUIVALENTS			
Balance with Banks		17,949,784	17,949,784
	Total	17,949,784	17,949,784
NOTE '9'			
SHORT TERM LOANS AND ADVANCES			
- Unsecured, Considered Good			
Loans and Advances to Employees		-	24,314
Security Deposit		232,317	209,214
Advance to Others		-	23,861
Prepaid Expenses		-	1,847,900
	Total	232,317	2,105,289
NOTE '10'			
OTHER CURRENT ASSETS			
-Unbilled Revenue		455309	-
	Total	455,309	-

FADNIS & GUPTE CHARTERED ACCOUNTANTS FRN 006600C

InfoBeans INC

Notes Forming Part of Financial Statements

(Amount in ₹)

Particulars		Year ended 31st March, 2018	Year ended 31st March, 2017
NOTE '11'			
Revenue from Operations			
Sale of Software			
Domestic		231,038,473	232,055,851
	Total	231,038,473	232,055,851
NOTE '12'			
Other Income			
Interest Income		-	15
	Total	-	15
NOTE '13'			
Employee Benefits Expense			
Salaries, Wages & Allowances		91,995,480	121,390,026
Workmen and Staff Welfare Expenses		2,679,831	3,233,150
	Total	94,675,311	124,623,176
NOTE '14'			
OTHER EXPENSES			
Repairs and Maintenance			
Machinery		-	49,226
Rent		1,847,980	1,934,096
Insurance		257,869	525,228
Travelling Expenses		7,097,017	5,028,251
Sales and Business Promotion		9,223,990	9,856,149
Internet Charges		159,005	194,366
Legal and Consultancy		1,590,562	2,843,407
Telephone Expenses		855,244	714,208
Software License and Subscription Fees		2,625,885	1,797,917
Professional Fees		109,845,450	82,001,866
Miscellaneous Expenses		3,324,083	2,263,808
	Total	136,827,086	107,208,522
NOTE '15'			
EARNINGS PER SHARE (EPS)			
(a) Net Profit/(Loss) after tax as per Statement of Profit and Loss Account attributable to Equity Shareholders (₹)		519,579	(541,355)
(b) Weighted Average number of equity share used as denomitor for calculating EPS (Nos.)		3,000	3,000
(c) Basic and Diluted Earning per share (₹)		173.19	(180.45)
(d) Face Value per equity shares ($)		100	100

FADNIS & GUPTE CHARTERED ACCOUNTANTS FRN 006600C