

AUDITORS' REPORT

THE MEMBERS RULETEK INC

Report on the Financial Statements

1. We have audited the attached Balance Sheet of **RULETEK INC.** as at 31st March, 2018 and the related Profit and Loss Statement for the period ended on that date and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.
4. 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. In our opinion and to the best of our information and according to the explanation given to us, the said accounts together with notes thereto and Statement on Significant Accounting Policies give the information, to give, a true and fair view in conformity with the generally accepted accounting principles.
 - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2018 and

- (ii) In the case of the Profit and Loss Statement, of the Profit for the period ended on that date.

For **GHOSH KHANNA & CO.**
CHARTERED ACCOUNTANTS
Firm Registration No. 003366N

Rohit Kohli
Partner
Membership No.87722

Place: New Delhi
Date: 26th April 2018

RuleTek Inc.
Balance Sheet as at 31st March 2018

	PARTICULARS	Notes	As at 31st March 2018 USD	As at 31st March 2018 INR
I	ASSETS			
1	Non-current assets			
	Fixed assets	2.1		
	Tangible assets		136,871	8,915,777
2	Current assets			
	Cash and bank balances	2.2	441,708	28,772,859
	Short-term loans and advances	2.3	9,013	587,107
	Trade receivables	2.4	3,043,166	198,231,833
	TOTAL		3,630,758	236,507,576
II	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	Share capital	2.5	100	6,514
	Reserves and surplus	2.6	3,280,941	213,720,506
				-
2	Non-current liabilities			
	Employee Benefit Obligation	2.7	85,800	5,589,012
				-
3	Current liabilities			
	Trade Payables	2.8	107,476	7,000,987
	Other current liabilities	2.9	156,441	10,190,567
	TOTAL		3,630,758	236,507,585

The accompanying notes referred to above form an integral part of the Balance Sheet

This is the Balance Sheet referred to in our report of even date

For and on behalf of the Board of Directors of Ruletek Inc

Rohit Kohli
Partner
Membership No. 87722
For and on behalf of
Ghosh Khanna & Co
Firm Registration No. 003366N
Chartered Accountants

Vijay Madurai
Director

Mark T. Covrig
Director

Place: New Delhi
Date: 26/04/2018

RuleTek Inc.
Statement of Profit & Loss for the period June 2017 to 31st March 2018

PARTICULARS	Notes	Period ended 31st March 2018 USD	Period ended 31st March 2018 INR
INCOME			
I. Revenue from Operations	2.11	8,985,383	579,269,671
II. Total Revenue		8,985,383	579,269,671
III. EXPENDITURE			
Employee Benefits Expense	2.12	4,742,772	305,757,025
Depreciation and Amortization Expenses	2.1	14,713	948,518
Finance Costs	2.15	562	36,231
Other Expenses	2.13	459,133	29,599,377
Total Expenses		5,217,180	336,341,151
Profit before exceptional and extraordinary items and tax		3,768,203	242,928,520
IV. Exceptional Item		-	
V. Profit before tax (II- III)		3,768,203	242,928,520
VI Tax expense:			
Current tax		1,338,684	86,302,280
VII Profit (Loss) for the period		2,429,519	156,626,240

The accompanying notes referred to above form an integral part of the Statement of Profit and Loss

This is the Profit and Loss Account referred to in our report of even date

For and on behalf of the Board Of Directors of Ruletek
Inc

Rohit Kohli
Partner
 Membership No. 87722
 For and on behalf of
 Ghosh Khanna & Co
 Firm Registration No. 003366N
 Chartered Accountants

Vijay Madurai **Mark T. Covrig**
 Director Director

Place: New Delhi
 Date: 26/04/2018

To,

Ghosh Khanna & Co.
L-2A Hauz Khas Enclave
New Delhi-

**Sub: LETTER OF REPRESENTATION TO THE AUDITORS OF THE COMPANY FOR
THE YEAR ENDING 31st March 2018**

Sir,

This is to confirm that:-

1. The books of Accounts have been maintained on accrual basis of Accounting.
2. No personal expenses have been debited to Statement of Profit & Loss.
3. All the expenses incurred for the purpose of business and are duly approved by the authorized representative.
4. All the expenses are duly supported with vouchers and authorized.
5. Proper internal controls were kept at all times which are commensurate with the size and nature of the business.
6. There is no unaccounted present or depend liability on account of statutory benefits of the employees.
7. We are giving below the list of Bank along with account No. being maintained by us. We further confirm that there are no other accounts being maintained for this business.
8. We are aware that preparation of true and fair financial statement is our responsibility.
9. There is no pending litigation, which may make the company contingently liable for any damages.
10. There is no situation affecting the going concern basis of accounting.
11. The Accounting Standards issued by ICAI and relevant provisions of Companies Act, 2013 have been followed in the presentation of account of the company.
12. The Company does not have any pending litigation with anyone
13. Useful life of the assets has been decided after thorough technical evaluation of the asset in question. All the assets have been acquired after thorough economic evaluation investment.
14. There are no undisputed amount payable in respect of Corporate Tax and withholding Tax outstanding as at 31st March 2018 for a period of more than six months from the date they became payable.
15. Capitalization of the assets has been done after thorough technical evaluation of the specifications given at the time of purchase of the assets. Assets have been capitalized after completion of review of Technical specification of assets.
16. The company has been regular during the year in depositing statutory dues with appropriate authorities.
17. In respect of services rendered the company has a reasonable system of allocation man-hour utilized to relative job, commensurate with the size and nature of the business.
18. None of the assets of the Company are pledged.
19. All known accrued liabilities have been provided for in the books of accounts as on 31st March 2018.
20. There are no losses expected from purchases or sales contracts.

1. There has been no occurrence of any material event since the date of the balance sheet date, which might materially affect the balances shown in the accounts or group accounts.
 2. There is no situation which would endanger the existence of the subsidiary or which could materially hinder its development or which indicate serious violations by the legal representatives against the law, the articles of incorporation or the bylaws.
23. The Company has the following bank accounts.

BANK NAME

BANK ACCOUNT NO.

Thanking you,

Yours faithfully,
For

RuleTek Inc., USA

Notes to Accounts for the year ended 31st March 2018

1. Statement on Significant Accounting Policies

The Financials Statements are prepared to comply in all material aspects with the applicable accounting principles in India, the applicable accounting standards notified under section 133 of the Companies Act 2013 and the relevant provision of the Companies Act 2013.

i. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financials statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

ii. Fixed Assets and Depreciation

Fixed Assets are stated at acquisition cost.

Depreciation is charged on a pro-rata basis on the straight-line method over the estimated useful lives of the assets determined as follows:-

Plant and Machinery	3-6 years
All other assets	Rates prescribed under schedule II to the Companies Act, 2013

iii. Revenue Recognition

Revenue comprises the fair value of the consideration received or receivable for the rendering of services in the ordinary course of the Company's activities.

Revenue is recognized as follows:

Revenue from rendering of services is recognized when services is rendered or percentage completion method depending on the contractual agreement.

Revenue from fixed price contracts is recognized based on percentage completion method which is calculated on actual work complete in proportion to total efforts required to complete the project and foreseeable loss on contract completion is provided for as soon as these are known.

iv. Foreign Currency Transactions

Functional Currency

The functional currency of the company is US dollars, being the currency in which the company transacts its sales and purchases.

Transaction and Balances

Transactions in currencies other than US dollars are recorded at the exchange rates prevailing on the date of the transaction. At each balance sheet date, recorded monetary balances that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date.

Exchange Differences

All the exchange differences are included in the profit and loss statement for the year.

v. Leases

Lease where the lessor effectively retains substantially all the risk and reward of ownership of leased items are classified as operation lease. Operating lease payments are recognized as expenses in the profit and loss statement on a straight- line basis over the lease term.

vi. Provisions and contingencies

The Company creates 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 for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

vii. Income Tax

The current tax expense is the tax payable on the current year's taxable income based on the provisions applicable under US Taxation Laws.

2.1 Fixed Assets

Description of Assets	USD				INR					USD				INR				(Amount in USD)				INR			
	Cost As on 01.04.2017	Additions during the year	Sales / Adj. during the year	Total as on 31.03.2018	Cost As on 01.04.2017	Additions during the year	Sales / Adj. during the year	Currency translation reserve	Total as on 31.03.2018	As on 01.04.2017	For the year	Sales / Adj. during the year	Total as on 31.03.2018	As on 01.04.2017	For the year	Sales / Adj. during the year	Currency translation reserve	Total as on 31.03.2018	As on 31.03.2018	As on 31.03.2017	As on 31.03.2018	As on 31.03.2017			
Tangible																									
Plant & Equipment																									
- Plant & Machinery		20,515	10,997	31,512		1,322,561	708,955	21,176	2,052,692		5,937	3,295	9,232		382,747	212,422	6,204	601,372	22,280	-		1,451,319			
- Furniture & Fixtures		79,734	58,024	137,758		5,140,292	3,740,691	92,573	8,973,556		8,776	14,391	23,167		565,771	927,759	15,568	1,509,098	114,591			7,464,488			
Total	-	100,249	69,021	169,270		6,462,853	4,449,646	113,749	11,026,248	-	14,713	17,686	32,399		948,518	1,140,181		2,110,471	136,871	-		8,915,777			

RuleTek Inc.

2.2 Cash and Bank Balances	Current	Current
	As at 31st March 2018 USD	As at 31st March 2018 INR
Cash and cash equivalents:		
Balance with banks		
Current Accounts	439,197	28,609,293
Bank deposits with original maturity of 3 months or less	-	
Cash on hand	2,511	163,567
Cheques, drafts on hand	-	
	441,708	28,772,859
Other bank balances:		
Bank deposits:		
With original maturity of more than 3 months and upto 12 months	-	
With original maturity of more than 12 months	-	
	441,708	28,772,859

RuleTek Inc.

2.3	Loans & Advances	Short Term	Short Term
		As at 31st March 2018 USD	As at 31st March 2018 INR
	Advances recoverable in cash or in kind Unsecured, considered good	5,345	348,173
	Less: Provision for doubtful advances	-	
	(A)	5,345	348,173
	Advance Tax	1,342,352	87,440,809
	Less : Provision for Tax	(1,338,684)	(86,302,280)
	Currency translation reserve		(173,504,156)
	(B)	3,668	238,934
	Total (A+B)	9,013	587,107

RuleTek Inc.

2.4	Trade Receivables	Current As at 31st March 2018 USD	Current As at 31st March 2017 INR
	Trade receivables outstanding for a period exceeding six months from the date they are due for payment Unsecured, considered good Unsecured, considered doubtful Less: Provision for doubtful debts	-	-
	Other Trade Receivables Unsecured, considered good Unsecured, considered doubtful Less: Provision for doubtful debts	3,043,166 - -	198,231,833 198,231,833
		3,043,166	198,231,833

RuleTek Inc.

2.5	Equity Share Capital	As at 31st March 2018 USD	As at 31st March 2018 INR
	Authorised Equity Share Capital		
	Movements in Equity Share Capital		
	As at 31st March 2017		
	Increase during the year	100	6,447
	Currency translation reserve		67
	As at 31st March 2018	100	6,514

2.6	Reserves & Surplus	As at 31st March 2018 USD	As at 31st March 2017 INR
	Profit & Loss Account		
	Balance Brought Forward from Previous year	851,422	56,810,282
	Add : Current Year Profit / (Loss) attributable to Share Holders	2,429,519	156,626,240
	Currency translation reserve		283,984
	Retained Earnings		
	Opening Balance	-	
	Add:- received during the year		
	Less:- Income recognised during the year	-	
		3,280,941	213,720,506

RuleTek Inc.

2.7	Employees Benefit Obligation	Long Term As at 31st March 2018 USD	Long Term As at 31st March 2018 INR
	Leave Obligation	85,800	5,589,012
		85,800	5,589,012

RuleTek Inc.

2.8	Trade Payables	Current As at 31st March 2018 USD	Current As at 31st March 2018 INR
	- Due to Others	107,476 107,476	7,000,987 7,000,987

2.9	Other Liabilities	Current Liabilities	Current Liabilities
		As at 31st March 2018 USD	As at 31st March 2018 INR
	Deferred Revenue	-	
	Other Payables	156,441	10,190,567
	Provision for Tax		
		156,441	10,190,567

2.10.	Contingent Liabilities
	There is no Contingent Liabilities

RuleTek Inc.

2.11	Revenue from Operations	Period ended 31st March 2018 USD	Period ended 31st March 2018 INR
	Sale of Services	8,985,383	579,269,671
		8,985,383	579,269,671

RuleTek Inc.

2.12	Employee Benefits Expenses	Period ended 31st March 2018 USD	Period ended 31st March 2018 INR
	Salary Wages & Bonus	4,673,822	301,311,957
	Staff Welfare expenses	68,950	4,445,069
		4,742,772	305,757,025

RuleTek Inc.

2.13	Other Expenses		Period ended 31st March 2018 USD	Period ended 31st March 2018 INR
	Rent (net of recoveries)		117,394	7,568,147
	Rates and Taxes		20	-
	Communication		16,365	1,055,019
	Legal and Professional		60,756	-
	Traveling and Conveyance		53,928	3,916,818
	Recruitment expenses		5,649	-
	Insurance		66,004	364,180
	Repairs and Maintenance			-
	- Plant and Machinery		7,007	4,255,146
	- Buildings		2,421	-
	- Others		4,967	451,727
	Professional Expenses		32,871	156,077
	Advertisement and Publicity		31,054	320,213
	Other Marketing Expenses		2,547	-
	Sundry Expenses		58,150	2,119,128
			459,133	29,599,377

2.14	Payment to Auditors		Period ended 31st March 2018 USD	Period ended 31st March 2018 INR
	Audit fee		8,422	542,949
			8,422	542,949

2.15	Finance costs		Period ended 31st March 2018 USD	Period ended 31st March 2018 INR
	Bank & Financial Charges		562	36,231
			562	36,231

Rohit Kohli
Partner
Membership No. 87722
For and on behalf of
Ghosh Khanna & Co
Firm Registration No. 003366N
Chartered Accountants

Vijay Madurai **Mark T. Covrig**
Director Director

Place: New Delhi
Date: 26/04/2018

2.16) Other Notes

I Related Party Disclosure as per Accounting Standard (AS) -18

Related Parties of the Company where control exists:

A. Holding Company

Sr. No.	Name of Company	Remarks
1.	NIIT Technologies Limited	Ultimate Parent Company
2.	Incessant Technologies Pvt.Ltd	Holding Company

B. Associates

Sr. No.	Name of Company	Remarks
1	Incessant Technologies (AUS) Pty Ltd	Associates
2	Incessant Technologies (UK) Ltd	Associates
3	Incessant Technologies Pvt. Ltd.(Canada Branch)	Associates
4	Incessant Technologies (Ireland) Limited	Associates
5	Incessant Technologies NA Inc	Associates

C. Key Managerial Personnel

Sr No.	Name	Remarks
1.	Mr. Vijay Madduri	Director
2.	Mr. Sudhir Singh	Director
3.	Mr. Amit Kumar Garg	Director
4.	Lalit Dhingra	Director
5.	Mark T Covrig	Director
6.	Korby M Wright	Director
7.	Madan Mohan	Director

D. Relatives of Key Managerial Personnel

Sr. No.	Name	Remarks
	-----NA-----	

E. List of other Companies in which key Managerial Personnel are interested

S No	Name of Companies/Firms	Remarks
	-----NA-----	

Details of transaction and balances with related parties (USD)

Nature of Transaction	Holding Company	Fellow Subsidiaries	Key managerial Personnel
Receiving of Services :			
Incessant Technologies NA Inc	----	32,644	----
Mark T. Covrig	----	----	166,667
Korby M. Wright	----	----	166,667

Outstanding Balances with related parties:

Nature of Transaction	Holding Company	Associate Companies	Key managerial Personnel
Payable :			
Incessant Technologies NA Inc	----	14,062	----

II) Disclosure of Leases as per Accounting Standard (AS) -19**a) Operating Leases:**

Total of future Minimum Lease Payments under non-cancelable leases in case of premises and equipments:

Particulars	In respect of Premises Amount in USD 31.03.2018
Amount payable within the next 1 year	NIL
Amount payable within the next 2 to 5 years	NIL
Amount payable beyond 5 years	NIL
Aggregate payments during the period under operating leases amount to USD 117,394	

b) Finance Leases:

The company has not entered into any Finance Leases.

III) Current Tax

The Company pays taxes based on the Income tax regulations as applicable in USA

IV) Leave encashment

-NA-

Rohit Kohli
Partner
Ghosh Khanna & Co.
Chartered Accountants

Vijay Madurai
Director

Mark T. Covrig
Director

Place: New Delhi
Dated: 26/04/2018