

# **Prasad & Prasad**

## **CHARTERED ACCOUNTANTS**

### **Independent Auditor's Report**

To the Members,

**CYIENT INSIGHTS PRIVATE LIMITED,**

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

We have audited the accompanying consolidated financial statements of **CYIENT INSIGHTS PRIVATE LIMITED** and its subsidiary, **CYIENT INSIGHTS LLC**, (the holding company and its subsidiary is referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2016, Consolidated Statement of Profit and Loss and the Consolidated Statement of Cash Flows for the period then ended, and a summary of significant accounting policies and other explanatory information of the parent company.

#### **Management's Responsibility for the Consolidated Financial Statements**

The Management of the holding company is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position and financial performance of the Company in accordance with the Accounting Standards referred to in Section 133 of the Companies Act, 2013 and read with Rule 7 of the Companies (Accounts) Rules 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated 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 there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating

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the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Holding Company's Directors, as well as evaluating the overall presentation of the consolidated 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.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the consolidated 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 consolidated state of affairs of the group as on 31 March 2016, and the consolidated statement of profit and loss and consolidated cash flows for the year ended on that date.

### **Other Matters**

We did not audit the financial statements of the subsidiary, Cyient Insights LLC, whose financial statement reflects total assets of Rs 47,34,150.55 as at 31<sup>st</sup> March 2016, total revenues of Rs 3,972,086 for the year ended 31<sup>st</sup> March 2016 as considered in the consolidated financial statements. These financial statements have been audited by other auditor (American CPA) whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditor.

Our opinion on the consolidated financial statements, and our report on the Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor.

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

1. As required by the Companies (Audit Report) Order, 2016, (the Order), issued by the Central Government on India in terms of sub section (11) of Section 143 of the Companies Act, 2013, we give in the annexure a statement of the matters specified in paragraph 3 and 4 of the order with respect to the matters connected with holding company only.
2. As required by section 143(3) of the Act, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of aforesaid consolidated financial statements.
  - b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as appears from our examination of those books and the reports of other auditors.



- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate company and jointly controlled entity incorporated in India, none of the directors of the Group companies, its associate company and jointly controlled entity incorporated in India 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company does not have any pending litigations which would impact its financial position.
- ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses
- iii) The Company does not have any amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

Place: Hyderabad

Date: 13.04.2016

For Prasad & Prasad  
Chartered Accountants  
FRN: 002746S

NSRA Prasad  
Partner  
M No. : 203408



**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT AS ON 31<sup>st</sup> March 2016 ON THE STANDALONE FINANCIAL STATEMENTS OF CYIENT INSIGHTS PRIVATE LIMITED**

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

We have audited the internal financial controls over financial reporting of Cyient Insights Private Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance 168 Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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



**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Prasad & Prasad  
Chartered Accountants  
(Firm's Registration No:002746S)

  
Signature  
(NSRA PRASAD)  
(Partner)  
(Membership No. 203408)

Place: Hyderabad

Date: 13.04.2016

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**Annexure to Independent Auditors' Report**

Referred to in Paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" of our report of even date

The Annexure referred relates to the financials of Cyient Insights (India) only

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- 1) In respect of its fixed assets:
  - a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
  - b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
  - c) The company does not own any immovable property
- 2) The clause relating to physical verification of inventory is not applicable to the Company.
- 3) The company has not granted loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act.
- 4) The company has not granted any loans, investments and guarantees.
- 5) The company has not accepted any deposit from the public.
- 6) Maintenance of cost records, as specified by the Central Government under sub section (1) of the Section 148 of the Companies Act, 2013, is not applicable to the company
- 7) In respect of statutory dues:
  - (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including employees' state insurance, employees' provident fund income-tax, wealth-tax, service tax, cess and other material statutory dues applicable to it and there are no undisputed amounts payable for a period of more than six months from the date they became payable.
  - (b) According to the information and explanations given to us, amounts payable in respect of employees' state insurance, employees provident fund, income-tax, service tax and cess were outstanding, at the period end are not under dispute..
- 8) The company has not defaulted in repayment of Overdraft Loans taken from Scheduled Commercial Bank.



- 9) No monies are raised from public offer of shares. Also, no term loans were taken from banks, financial institutions. Hence, clause (ix) of the Para 3 is not applicable to the company.
- 10) As informed, no fraud is committed by the Company. Also, no fraud on the Company is reported or noticed.
- 11) No remuneration is paid to the Company's managerial personnel.
- 12) Provision of Clause (xii) of the Paragraph 3 of the Order is not applicable to the Company.
- 13) Transactions with related parties as defined Section 2 (76) of the Act read with Section 177 and 188 of the Act on Compliance were disclosed in the financial statements and applicable accounting standards.
- 14) Provisions of Clause (xiv) of the Paragraph 3 of the Order is not applicable to the Company
- 15) Provision of Clause (xv) of the Paragraph 3 of the Order is not applicable to the Company
- 16) Provision of Clause (xvi) of the Paragraph 3 of the Order is not applicable to the Company.

For Prasad & Prasad  
Chartered Accountants  
FRN: 002746S



NSRA Prasad  
Partner

Membership No: 203408

Place: Hyderabad  
Date: 13.04.2016