

DREAMORBIT SOFTECH PRIVATE LIMITED
Balance Sheet as at 31st March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

Particulars		Note No	Balance As at 31-03-2018	Balance As at 31-03-2017	Balance As at 01-04-2016
ASSETS					
1. Non-Current Assets					
a	Property, plant and equipment	2	5.86	7.48	6.75
b	Other Intangible assets	3	7.43	8.00	6.48
c	Financial Assets				
	(i) Investments	4.1	0.00	0.00	0.50
	(ii) Others	4.2	7.12	6.70	7.99
d	Deferred Tax Asset	5	3.46	1.58	2.76
2. Current Assets					
a	Financial Assets				
	(i) Trade and other receivables	6.1	54.18	28.23	22.59
	(ii) Cash and cash equivalents	6.2	16.32	10.09	1.14
	(iii) Others	6.3	2.69	2.83	0.90
b	Other Current Assets	7	13.88	10.03	10.30
TOTAL ASSETS			110.94	74.94	59.41
EQUITY AND LIABILITIES					
1 Equity					
a	Equity Share capital	8	0.14	0.14	0.14
b	Other equity	9	80.61	38.22	14.65
2 Non-current liabilities					
a	Financial liabilities				
	(i) Borrowings-Secured loans	10.1	-	-	0.08
	(ii) Borrowings-UnSecured loans	10.2	-	7.84	0.92
b	Provisions	11	9.61	9.06	7.89
3 Current liabilities					
a	Financial liabilities				
	(i) Trade payables	12.1	6.39	4.79	21.62
	(ii) Other financial liabilities	12.2	-	2.16	2.22
	Other current liabilities	13	7.06	5.63	4.71
b	Provisions	14	4.47	3.72	4.35
c	Current Tax liabilities (Net)	15	2.66	3.38	2.83
TOTAL EQUITY AND LIABILITIES			110.94	74.94	59.41

See accompanying Notes to financial statements
 Vide our report of even date attached

For and on behalf of the Board of Directors

For Suri & Co
 Chartered Accountants
 Firm registration No 0042835



Sanjeev Aditya M
 Partner
 Membership No. 229694

Sanchit Jain
 Director
 DIN : 00610447

Nirajkumar Ganeriwala
 Director
 DIN : 03560704

Harish P
 Chief Financial Officer

Date: 29-May-2018
 Place: Chennai



DREAMORBIT SOFTECH PRIVATE LIMITED
Statement of Profit and Loss for the year ended 31st March 2018
(All amounts are in Indian rupees millions, except share data and as otherwise stated)

Particulars	Note No	Year ended March 31, 2018	Year ended March 31, 2017
Revenue from operations			
- Sale of services		410.97	323.79
Other Income	17	1.55	0.70
Total income		412.52	324.49
Expenses:			
Employee benefits expense	18	295.45	233.99
Finance costs	19	0.52	2.05
Depreciation and amortization expense	2 & 3	9.06	3.08
Support and Third party charges		7.02	6.71
Other expenses	20	43.48	43.80
Total expenses		355.53	289.63
Profit before Tax		56.99	34.86
Tax expense:			
Current Tax	16	18.07	13.00
Income tax adjustments of earlier year	16	-	0.01
Deferred Tax	16	(2.32)	0.39
Profit / (Loss) for the period		41.24	21.46
Other Comprehensive Income, Net of Deferred Tax	21		
a. Items that will not be reclassified to Statement to Profit & Loss			
i) Actuarial Gain / (Loss)		1.16	2.05
b. Items that will be reclassified to Statement to Profit & Loss		-	
Total Other comprehensive Income		1.16	2.05
Total Comprehensive Income		42.40	23.51
Total Profit attributable to Equity Shareholders		42.40	23.51
Earnings per equity share of Rs 10 each			
Basic	28	2,996.18	1,671.57
Diluted		2,996.18	1,671.57


See accompanying Notes to financial statements
Vide our report of even date attached


For Suri & Co
Chartered Accountants
Firm registration No 0042835

Sanjeev Aditya M
Partner
Membership No. 229694

Date: 29-May-2018
Place: Chennai

For and on behalf of the Board of Directors


Sanchit Jain
Director
DIN : 00610447


Nirajkumar Ganeriwala
Director
DIN : 03560704


Harish P
Chief Financial Officer



Dreamorbit Softech Private Limited
CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2018
(All amounts are in Indian rupees millions, except share data and as otherwise stated)

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
A. Cash Flow from Operating Activities:		
Profit before tax:	56.59	34.86
Adjustments for:		
Depreciation & amortisation	9.06	3.08
(Profit)/Loss on sale of Investments and fixed assets	-	0.30
Interest and other Income	(1.03)	(0.21)
Interest and Finance charges	-	1.55
Operating Profit before Working Capital / Other Changes	64.62	39.59
Decrease/ (increase) in trade receivables	(23.95)	(2.82)
Decrease/ (increase) in other current assets and non-current assets	(3.85)	0.26
Decrease/ (increase) in current and non-current loans	-	-
Decrease/ (increase) in current and non-current other financial assets	(0.28)	(0.64)
Increase/(Decrease) in Current tax liabilities		
Increase/(Decrease) in Trade payables	1.60	(16.82)
Increase/ (Decrease) other financial liabilities	(2.16)	(0.06)
Increase/ (Decrease) current and non- current provision	1.30	0.55
Increase/ (Decrease) other current liabilities	1.43	0.92
Cash Generated From Operations	38.71	20.98
Income tax paid	(18.79)	(12.46)
Net Cash Flow from Operating Activities	19.92	8.52
B. Cash Flow from Investing Activities:		
Purchase of Property, Plant and Equipment	(4.57)	(2.03)
Proceeds from sale of Property, Plant and Equipment	-	
Purchase of Intangible assets	(2.30)	(2.71)
Interest and other Income	1.03	0.21
Sale / (Purchase) of Current Investments , (net)	-	
Sale / (Purchase) of Non current Investments , (net)	-	0.20
Net Cash Used in Investing Activities	(5.85)	(4.33)



Dreamorbit Softech Private Limited
CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2018
 (All amounts are in Indian rupees millions, except share data and as otherwise stated)

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
C. Cash Flow from Financing Activities:		
Proceeds/ (repayment) of borrowings	(7.84)	6.25
Interest and Finance charges	-	(1.55)
Proceeds from allotment of shares	-	0.06
Dividend paid (including Dividend Distribution Tax)	-	-
Net Cash Used in Financing Activities	(7.84)	4.76
Net Increase in Cash and Cash Equivalents [A+B+C]	6.23	8.95
Cash and Cash Equivalents at the Beginning of the Year	10.09	1.14
Cash and Cash Equivalents as at End of the Year	16.32	10.09
Note:		
a. The above Cash Flow Statement is prepared under Indirect Method as provided by Ind AS 7 "Statement of Cash Flow" notified under Companies (Indian Accounting Standards) Rules, 2015.		
b. Cash and Cash Equivalents comprise of:		
Balance with Schedule banks in current accounts, including MOD accounts	16.30	10.08
Bank Deposits with maturity less than 3 months	-	-
Cash and Cheques on Hand and in-transit	0.02	0.01
Total	16.32	10.09

Vide our report of even date attached

For and on behalf of the Board of Directors

For Suri & Co
Chartered Accountants
Firm registration No 004283S



Sanjeev Aditya M

Sanjeev Aditya M
Partner
Membership No. 229694

Sanchit Jain

Sanchit Jain
Director
DIN : 00610447

Niraj Kumar Ganeriwal

Niraj Kumar Ganeriwal
Director
DIN : 03560704

Harish P

Harish P
Chief Financial Officer

Date: 29-May-2018
Place: Chennai



DREAMORBIT SOFTECH PRIVATE LIMITED

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

Reconciliation:

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from Indian GAAP to Ind AS in accordance with Ind AS 101:
 - equity as at 1st April 2016
 - equity as at 31st March 2017
 - total comprehensive income for the year ended 31st March 2017, and
 - explanation to material adjustments to Cash Flow Statements

Effect of Ind AS Adoption on the Balance Sheet as at 31st March 2017 and 1st April 2016

Note	AS AT 31ST MARCH 2017		AS AT 1ST APRIL 2016		Amount as per Ind AS		
	Amount as per Previous GAAP	Effects of transition to Ind AS		Amount as per Previous GAAP		Effects of transition to Ind AS	
		Reclassifications	Adjustments			Reclassifications	Adjustments
ASSETS							
(1) Non-current assets							
(a) Property, Plant and Equipment	7.48	-	-	6.75	-	6.75	
(b) Capital work-in-progress	-	-	-	-	-	-	
(c) Investment Property	-	-	-	-	-	-	
(d) Goodwill	-	-	-	-	-	-	
(e) Other intangible assets	8.00	-	-	6.47	-	6.48	
(f) Intangible assets under development	-	-	-	-	-	-	
(g) Biological Assets other than bearer plants	-	-	-	-	-	-	
(h) Financial Assets							
(i) Investments	0.00	-	-	0.50	-	0.50	
(ii) Trade Receivables	-	-	-	-	-	-	
(iii) Loans	28.98	(28.98)	-	17.79	(17.79)	0.00	
(iv) Others	-	6.70	-	6.70	-	7.99	
(i) Deferred tax assets (net)	1.58	-	-	2.76	-	2.76	
(j) Other non-current assets	-	-	-	-	-	-	
	46.04	(22.28)	-	34.27	(9.80)	24.48	
(2) Current assets							
(a) Inventories	-	-	-	-	-	-	
(b) Financial Assets							
(i) Investments	28.23	-	-	22.59	-	22.59	
(ii) Trade receivables	10.64	(0.55)	-	1.65	(0.51)	1.14	
(iii) Cash and cash equivalents	-	-	-	-	-	-	
(iv) Bank balances other than (iii) above	10.02	(10.02)	-	9.30	(9.30)	0.90	
(v) Loans	-	2.83	-	-	0.90	-	
(vi) Others	-	-	-	-	-	-	
(c) Current Tax Assets (Net)	-	10.03	-	1.05	9.25	10.30	
(d) Other current assets	48.89	2.29	-	34.59	0.34	34.93	
	94.93	(19.99)	-	68.86	(9.46)	59.41	
TOTAL ASSETS							
EQUITY AND LIABILITIES							
Equity							
(a) Equity Share Capital	0.14	-	-	0.14	-	0.14	
(b) Other Equity	38.22	-	-	14.65	-	14.65	
Total Equity	38.36	-	-	14.79	-	14.79	



DREAMORBIT SofTECH PRIVATE LIMITED

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

LIABILITIES									
(1) Non-current liabilities									
(a) Financial Liabilities									
(i) Borrowings	7.84	-	-	7.84	1.00	-	-	-	1.00
(ii) Trade payables	-	-	-	-	-	-	-	-	-
(iii) Other financial liabilities	-	-	-	-	-	-	-	-	-
(b) Provisions	36.16	(27.10)	-	9.06	24.53	(16.64)	-	-	7.89
(c) Deferred tax Liabilities (Net)	-	-	-	-	-	-	-	-	-
(d) Other non-current liabilities	44.00	(27.10)	-	16.90	25.53	(16.64)	-	-	8.89
(2) Current Liabilities									
(a) Financial Liabilities									
(i) Borrowings	0.59	(0.59)	-	0.00	1.55	(1.55)	-	-	-
(ii) Trade payables	2.15	2.64	-	4.79	2.76	18.86	-	-	21.62
(iii) Other financial liabilities	-	2.16	-	2.16	-	2.22	-	-	2.22
(b) Other current liabilities	9.84	(4.21)	-	5.63	24.24	(19.55)	-	-	4.71
(c) Provisions	-	3.72	-	3.72	-	4.35	-	-	4.35
(d) Current Tax Liabilities (Net)	-	3.38	-	3.38	-	2.83	-	-	2.83
Total Liabilities	12.58	7.10	-	19.68	28.55	7.16	-	-	35.73
TOTAL EQUITY AND LIABILITIES	56.58	(20.00)	-	36.58	54.08	(9.48)	-	-	44.62
	94.94	(20.00)	-	74.94	68.87	(9.48)	-	-	59.41

(i) Equity reconciliation

Particulars	Note	As at 31st March 2017	As at 1st April 2016
Equity under Previous GAAP		38.36	14.79
Proposed dividend and tax thereon		-	-
Effects of fair valuation of equity instruments		-	-
Others		-	-
Equity as per Ind AS		38.36	14.79

(ii) Total Comprehensive Income reconciliation

Particulars	Note	As at 31st March 2017
Net Income as per Previous GAAP		23.51
Effects of reversal of rent straight lining provision (Net of deferred taxes)		-
Employee Benefit Expenses - Actuarial gain / loss of defined benefit plans	1	(2.05)
Profit for the year under Ind AS		21.46
Other Comprehensive Income		2.05
Total Comprehensive Income under Ind AS		23.51

(iii) There are no significant reconciling items between cash flows prepared under Indian GAAP and those prepared under Ind AS



DREAMORBIT SOFTECH PRIVATE LIMITED

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

Notes:

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

Under Previous GAAP, actuarial gains and losses were recognized in the Statement of Profit and Loss. Under Ind AS, the actuarial gains and losses form part of the remeasurement of the net defined benefit liability / asset which is recognized in Other Comprehensive Income.

See accompanying Notes to financial statements
Vide our report of even date attached

For Suri & Co

Chartered Accountants

Firm registration No 0042835



Sanjeev Aditya M

Sanjeev Aditya M

Partner

Membership No. 229694

Date: 29-May-2018

Place: Chennai

For and on behalf of the Board of Directors

Sanchit Jain

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Director

DIN : 00610447

Niraj Kumar Ganeriwala

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Director

DIN : 03560704

Harish P

Harish P

Chief Financial Officer



Dreamorbit Softech Private Limited
Statement of changes in equity as at 31 March 2018
(All amounts are in Indian rupees millions, except share data and as otherwise stated)

(a) Equity Share Capital	
Balance as at 1st April 2016	0.14
Add: Shares issued	0.00
Balance as at 31st March 2017	0.14
Balance as at 1st April 2017	0.14
Balance as at 31st March 2018	0.14

Particulars	Share application money pending allotment	Reserves and Surplus			Items of Other Comprehensive Income			Total Other Equity
		General reserve	Securities Premium Reserve	Retained earnings	Equity instruments through Other Comprehensive Income	Remeasurement of Defined benefit plans through Other Comprehensive Income		
Balance as at 1st April 2016		1.61	0.58	12.46	-	-	14.65	
Profit for the year		-	-	21.46	-	-	21.46	
Other Comprehensive Income (Net of taxes)		-	0.06	-	-	2.05	2.05	
Issue of equity shares		-	0.64	33.92	-	2.05	38.22	
Balance as at 31st March 2017		1.61	0.64	33.92	-	2.05	38.22	
Balance as at 1st April 2017		1.61	0.64	41.24	-	1.16	41.24	
Profit for the year		-	-	75.16	-	3.21	80.62	
Other Comprehensive Income (Net of taxes)		-	-	-	-	1.16	1.16	
Balance as at 31st March 2018		1.61	0.64	75.16	-	3.21	80.62	

(b) Other Equity

See accompanying Notes to financial statements
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For Suri & Co
Chartered Accountants
Firm registration No 0042835

 Sanjeev Aditya M
Partner
Membership No. 229694

Date: 29-May-2018
Place: Chennai

For and on behalf of the Board of Directors



Sanchit Jain
Director
DIN : 00610447



Niraj Kumar Ganeriwala
Director
DIN : 03560704



Hartish P
Chief Financial Officer



DreamOrbit Softech Private Limited

Notes forming part of the Financial Statements for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

Company Overview and Significant Accounting Policies

Note-1: Company Overview

DreamOrbit Softech Private Limited ('the Company') is a Private Limited Company incorporated and domiciled in India and has its registered office at Bengaluru, Karnataka, India.

The Company is primarily engaged in providing Information technology services, specializes in IoT complementing the logistics domain.

Note-1A: Significant accounting policies

a. Basis of preparation of financial statements

The financial statements in all material aspects have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 as applicable.

The financial statements for all periods upto the year ended 31st March 2017 were prepared and presented in accordance with the Accounting Standards notified under Section 133 of the Companies Act, 2013(Indian GAAP) read with the Companies (Accounting Standards) Rules 2006 and other relevant provisions of the Act / Rules.

These financial statements are the first financial statements of the Company under Ind AS. Refer Note 22 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

b. Basis of measurement

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

- i. Certain financial assets and liabilities measured at fair value; and
- ii. Defined benefit plans and other long-term employee benefits

c. Use of estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions that affect the reported amounts of revenues and expenses, balances of assets and liabilities, and disclosure of contingent liabilities as at the date of the financial statements. Actual results could differ from those estimates. Accounting estimates could change from period to period. Appropriate changes in estimates are made as 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 notes



DreamOrbit Softech Private Limited

Notes forming part of the Financial Statements for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

to financial statements. In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have most significant effects on the amounts recognized in the financial statements is included in the following notes:

Revenue Recognition

The Company uses the percentage of completion method in accounting for its fixed price contracts. Use of the percentage of completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the estimated total efforts or costs to be expended, as applicable. Provisions for estimated losses, if any, on incomplete contracts are recorded in the period in which such losses become probable based on the estimates at the reporting date.

Income Taxes

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and its residual value at the end of its life. Useful life and residual value of an asset is determined by the Management at the time an asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

Employee Benefits

The company's defined benefit obligation to its employees and net periodic defined benefit cost / income requires the use of certain assumptions, including, among others, estimates of discount rates and expected return on plan assets. Changes in these assumptions may affect the future funding requirements of the plans. Actuarial gains / losses are recognized in Other Comprehensive Income. The sensitivity analysis for changes in estimates is disclosed under relevant Notes.

Other estimates

The Company estimates the probability of the collection of the accounts receivable by analysing historical payment of patterns and customer credit worthiness. Estimates with regard to deferred taxes and provisions are made based on the extent of uncertainty prevalent on the date of financial statements, which may cause material adjustment to the carrying amounts of assets and liabilities.

d. Revenue recognition

The Company derives revenue primarily from software development and related services. Revenue is measured at the fair value of the consideration received or receivable. Revenue disclosed is net of discounts and excludes Goods and service tax. The Company recognizes revenue when the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity. The Company recognizes revenue when the significant terms of arrangement are enforceable, services have been rendered and the



DreamOrbit Softech Private Limited

Notes forming part of the Financial Statements for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

collectability is reasonably assured. Recognition criteria for various types of contracts are as follows:

Time and Material Contracts:

Revenue from time-and-material contracts is recognized based on the time / efforts spent and billed to clients.

Fixed-Price Contracts:

In case of fixed-price contracts, revenue is recognized based on percentage of completion basis.

Annual Maintenance Contract:

Revenue from annual maintenance contracts are recognized proportionately over the period in which services are rendered.

Sale of products:

Revenue from sale of third party software products and hardware is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on physical or electronic dispatch of goods.

Unbilled revenue represent earnings in excess of efforts billed on software development and service contracts as at the end of the reporting period and is included as part of Other Financial Assets.

Unearned revenues represent billing in excess of revenue recognized on software development and service contracts and is included in Other Current Liabilities until the above revenue recognition criteria is met. Advance payments received from customers for whom no services have been rendered are presented as "Advance from customers".

Other Income

Other income primarily comprises of interest, dividend, foreign exchange gain/loss on financial assets / financial liabilities and on translation of other assets and liabilities. Interest income is recognized in the Statement of Profit and Loss using effective interest method at the time of accrual. Dividend income is recognized in the Statement of Profit and Loss when the right to receive payment is established. Foreign currency gain or loss is reported on net basis.

e. Property, Plant & Equipment

On transition to Ind AS, the company has elected to continue with the carrying value of all its property, plant and equipment as at 1 April 2016 measured as per previous GAAP and use that carrying value as the deemed cost of the Property, Plant & Equipment.

Property, Plant and Equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditure directly attributable to acquisition until the property, plant and equipment are ready for the intended use.



DreamOrbit Softech Private Limited

Notes forming part of the Financial Statements for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

Property, plant and equipment are depreciated / amortized over their estimated useful lives using straight-line method from the date the assets are ready for the intended use. Assets acquired under finance lease and leasehold improvements are amortized over the lower of estimated useful life or primary lease term.

Depreciation on computer equipment and office equipment is provided on Straight line method over the useful life as prescribed in Schedule II of Companies Act 2013. In respect of other assets, as decided by the management, the depreciation is provided over the useful life determined by technical evaluation, to follow the policy adopted by group companies. The useful lives of those assets are as under:

Description	Useful Lives (in years)
Plant and machinery	5
Furniture and fixtures	5
Vehicles	5
Electrical installations	5

Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which Management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013

Depreciation methods, useful life and residual value are reviewed at each reporting date.

Individual asset costing Rs.5,000/- or less are depreciated in full in the year of purchase.

Gains or losses on disposal are determined by comparing proceeds with the carrying amount.

Cost and related accumulated depreciation are eliminated from the financial statements upon sale of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

Capital work-in-progress includes cost of fixed assets that are not ready for their intended use.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet Date is classified as capital advances under other non-current assets.

f. Intangible assets and amortization

Intangible assets are measured at acquisition cost less accumulated amortization and impairment losses, if any. Intangible assets are amortized over their respective estimated useful lives on a straight-line basis from the date they are available for use as follows:



DreamOrbit Softech Private Limited

Notes forming part of the Financial Statements for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

Description	Useful Lives
Intellectual property	36 months
Software Costs	60 months

Self-generated intangible assets are generally not capitalized.

The estimated useful life of an intangible asset is based on factors including obsolescence and the level of maintenance expenditure required to obtain the expected future cash flows from the asset.

g. Leases

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 fair value or present value of the minimum lease payments at the inception of lease term and disclosed as leased assets. Assets under finance lease are depreciated over the economic useful life or lease term, whichever is less.

The lease payments, net of finance charges, are adjusted against borrowings / other financial liabilities and allocated between lease liability and finance charges.

Leases that do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Lease payments are recorded as expense in the Statement of Profit and Loss on a straight line basis over the period of lease. The lease payments that are structured to increase in line with the expected general inflation are recognized in the Statement of Profit and Loss as per the terms of lease agreement.

h. Impairment

Non-financial assets

The Company assesses at each balance sheet date whether there is any indication that a carrying amount of a non-financial asset or a group of non-financial assets may not be recoverable and hence require to be impaired. If any such indication exists, the Company estimates the recoverable amount of these assets. Recoverable amount is the higher of an asset's fair value adjusted for costs of disposal and the value in use. If such recoverable amount of these assets or the recoverable amount of the cash generating unit to which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. This reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the Balance Sheet date, there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at such reassessed recoverable amount subject to a maximum of carrying value of the asset. Non-financial assets (other than Goodwill) that are already impaired are reviewed for possible reversal of impairment provision at the end of every reporting period.



DreamOrbit Softech Private Limited

Notes forming part of the Financial Statements for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

Financial assets

Receivables: The Company follows 'simplified approach' for recognition of impairment loss on trade receivables, whereby, it recognizes impairment loss allowances based on life time expected credit loss at each reporting period from its initial recognition.

Other financial assets: For all other financial assets, expected credit losses (ECL) are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case the same is measured at lifetime ECL.

Impairment gain or loss recognized in the Statement of Profit and Loss is the difference between loss allowance reassessed on the reporting date and that determined on the immediately preceding reporting date.

i. Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as non-current.

- Non-current investments in subsidiaries, associates and joint ventures are stated at cost and any decline other than temporary in the value of these investments is recognized in the Statement of Profit and Loss.
- Other non-current investments are stated at their fair value.
- Current investments are stated at their fair value.

On disposal of investments, the difference between proceeds and the carrying amount is recognized in the Statement of Profit and Loss.

j. Non-derivative financial instruments

INITIAL MEASUREMENT:

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measure at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognized on trade date.

SUBSEQUENT MEASUREMENT:

Financial assets at amortized cost

