



SURI & CO.,
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DREAMORBIT SOFTECH PRIVATE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of DreamOrbit Softech Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered



Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. Based on the audit we have conducted, we determine that there are no key audit matters to communicate in our report

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of Management and Those Charged with Governance for the Financial Statements:

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 design, implementation and maintenance of adequate internal financial controls, 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that,



individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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 purposes 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, the Statement of Profit and Loss including Other



Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
The remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) 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, as amended 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 on its financial position in its financial statements.
 - ii. The Company is not required to create any provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.



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- iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

Place: Chennai

Date: 22-05-2019

For Suri & Co.,

Chartered Accountants

Firm Registration No:0004283S



Sanjeev Aditya M

Sanjeev Aditya M

Partner

Membership No. 229694

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of DreamOrbit Softech Private Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 **DREAMORBIT SOFTECH PRIVATE LIMITED** ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls 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 Institute of Chartered Accountants of India. 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 respective 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance 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 judgement, 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 internal financial controls system over financial reporting of the Company.

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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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, to the best of our information and according to the explanations given to us, 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, 2019, 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 Institute of Chartered Accountants of India.

Place: Chennai

Date: 22-05-2019

For Suri & Co.,

Chartered Accountants

Firm Registration No:0004283S



Sanjeev Aditya M
Sanjeev Aditya M

Partner

Membership No. 229694

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of DreamOrbit Softech Private Limited of even date)

- i. In respect of the Company's fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- ii. The Company is in the business of providing software services and does not have any physical inventories. Accordingly, reporting under clause 3 (ii) of the Order is not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured, to parties covered in the register maintained under section 189 of the Companies Act, 2013 hence reporting under clause 3 (iii) of the Order is not applicable to the Company.
- iv. The Company has complied with the provisions of Sections 185 and 186 of the Act in respect of investments made.
- v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2019 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.



- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.
- vii. In respect of statutory dues:
- (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Services Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
- (c) There has been no dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2019 on account of dispute.
- viii. The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3 (viii) of the Order is not applicable to the Company.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or has taken any term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3



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(xii) of the Order is not applicable to the Company.

- xiii. The Company is in compliance with Section 177 and 188 of the Companies Act, 2013, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv. During the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place: Chennai

Date: 22-05-2019

For Suri & Co.,

Chartered Accountants

Firm Registration No:0004283S



Sanjeev Aditya M
Sanjeev Aditya M

Partner

Membership No. 229694

DreamOrbit Softech Private Limited

Notes forming part of the Financial Statements for the year ended 31 March 2019

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

Company Overview and Significant Accounting Policies

Note-1.1: 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-1.2: 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.

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 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:



DreamOrbit Softech Private Limited

Notes forming part of the Financial Statements for the year ended 31 March 2019

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

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.

The Company adopted Ind AS 115 - "Revenue from Contracts with Customers" from 1st April 2018 using the cumulative catch-up transition method. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The following is a summary of new and/or revised significant accounting policies related to revenue recognition. Refer Note 1 - "Significant Accounting Policies," in the Company's Annual Report for the year ended 31st March 2018 for policies in



DreamOrbit Softech Private Limited

Notes forming part of the Financial Statements for the year ended 31 March 2019

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

effect for revenue prior to April 1, 2018. The effect on adoption of Ind AS 115 was insignificant.

Revenue disclosed is net of discounts and Goods and service tax. For software development and related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses. The Company has to apply the principles of revenue recognition to each of the distinct performance obligation and transaction price is recognized for each of the performance obligation of the contract.

The Company recognizes revenue when the performance obligations as promised have been satisfied with a transaction price and when where there is no uncertainty as to measurement or collectability of the consideration. 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. Where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

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 represents 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



DreamOrbit Softech Private Limited

Notes forming part of the Financial Statements for the year ended 31 March 2019

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

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 and includes gain or loss in respect of concluded forward contracts.

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.

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.



DreamOrbit Softech Private Limited

Notes forming part of the Financial Statements for the year ended 31 March 2019

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

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:

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.



DreamOrbit Softech Private Limited

Notes forming part of the Financial Statements for the year ended 31 March 2019

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

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.

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.



DreamOrbit Softech Private Limited

Notes forming part of the Financial Statements for the year ended 31 March 2019

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

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

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets are subsequently measured at amortized cost using effective interest method, less any impairment losses.

Amortized assets are represented by trade receivables, security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets.

They are presented as current assets except for those maturing later than 12 months after the reporting date, which are presented as non-current assets.

Financial assets at fair value through other comprehensive income: (FVTOCI)

Financial assets are subsequently measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss: (FVTPL)

Any financial asset not subsequently measured at amortized cost or at fair value through other comprehensive income, is subsequently measured at fair value through profit or loss. Financial assets falling in this category are measured at fair value and all changes are recognized in the Statement of Profit and Loss.



DreamOrbit Softech Private Limited

Notes forming part of the Financial Statements for the year ended 31 March 2019

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

Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination that is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for De-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized when the obligation specified in the contract is discharged or cancelled or expires.

Fair value hierarchy:

The company's policy on Fair Valuation is stated below.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - The fair value of financial instruments traded in active markets (such as publicly traded securities) is based on quoted (unadjusted) market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price.

Level 2 - The fair valuation of instruments not traded in active markets is determined using valuation techniques. These valuation techniques maximize the use of observable market data and minimize the use of entity specific estimates (All significant inputs to the fair value measurement is observable)

Level 3 -Valuation techniques for one or more significant inputs to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

k. Foreign Currency Translation

Functional and Presentation Currency



DreamOrbit Softech Private Limited

Notes forming part of the Financial Statements for the year ended 31 March 2019

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

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (i.e. the “functional currency). The functional currency of the Company is the Indian Rupee. These financial statements are presented in Indian Rupee.

Foreign currency Transactions and Balances

Foreign current Transactions are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of foreign – currency denominated monetary assets and liabilities into the relevant functional currency at exchange rates in effect at the reporting date are recognized in the Statement of Profit and Loss and reported within foreign exchange gains / (losses).

Non-monetary assets and liabilities denominated in foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

1. Dividends

Final dividends on shares are recorded as a liability on the date of approval by the shareholders. Interim dividends are recorded as a liability on the date of declaration by the Company’s Board of Directors.

m. Cash and Cash equivalents

Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage. For the purpose of presentation in the Statement of Cash flows, cash and cash equivalents include cash on hand, deposits held at call with Banks, other short-term, highly liquid investments with original maturities of three months or less and that are readily convertible to known amounts of cash which are subject to an insignificant change in value.

Statement of cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

n. Employee benefits

Defined Contribution Plans

The Company pays Provident Fund contributions payable to the recognized provident fund. The contributions are accounted for as defined contribution plans and recognized as employee benefit expense in the Statement of Profit and Loss.

Defined Benefit Plans



DreamOrbit Softech Private Limited

Notes forming part of the Financial Statements for the year ended 31 March 2019

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

The company provides a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company as per the provisions of the Payment of Gratuity Act, 1972. The Company makes contributions to a fund administered and managed by the Saksoft Employees' Gratuity Trust to fund the gratuity liability.

The liability or asset recognized in the Balance Sheet in respect of a defined gratuity plan is the present value of defined benefit obligation at the end of the reporting period less the fair value of plan assets. Gratuity liability is a defined benefit obligation and is recorded based on actuarial valuation using the projected unit credit method made at the end of the year.

The present value of defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The gratuity liability and net periodic gratuity cost is actuarially determined after considering discount rates, expected long term return on plan assets and increase in compensation levels.

Remeasurement gains or losses arising from Experience Adjustments and changes in actuarial assumptions are recognized in the period they occur, directly in the Other Comprehensive Income. They are included in the statement of changes in equity and in the Balance Sheet. Remeasurements comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to Statement of Profit or Loss in subsequent periods.

Changes in present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the Statement of Profit and Loss.

Other short-term Employee Benefits

As per the employment policy of the Company, employees are required to avail their annual leave by the end of the respective calendar year. At the end of the financial year, the Company accounts for the remaining short-term compensated absences. Liability towards leave encashment is recognized in the Statement of Profit and Loss.

Undiscounted liability of performance incentive is recognized during the period when the employee renders the services, based on management estimate.

o. Taxation

Income-tax expense comprises current tax (amount of tax for the period determined in accordance with The Income Tax law) and deferred tax charge or credit (reflecting the tax effects of temporary differences between tax bases of assets and liabilities and their carrying amounts in the financial statements). Taxes are recognized in the Statement



DreamOrbit Softech Private Limited

Notes forming part of the Financial Statements for the year ended 31 March 2019

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

of Profit and Loss except to the extent it relates to items directly recognized in equity or in the Other Comprehensive Income.

Current tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

Deferred Income Tax

Deferred income tax is recognized using the Balance Sheet Approach. The corresponding deferred income tax liabilities or assets are recognized for deductible and taxable temporary differences between tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax assets are recognized only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred tax income liabilities are recognized for all taxable temporary differences.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the deferred income tax asset to be utilized.

Deferred income taxes are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on the tax laws enacted or substantively enacted at the reporting date.

p. Earnings per share

Basic earnings per share ('EPS') amounts are computed by dividing the net profit or loss after tax for the year, by the weighted average number of shares outstanding during the year.

For the purpose of calculating Diluted earnings per share, amounts are computed by dividing the net profit or loss after tax for the year by the weighted average number of shares outstanding during the year considered for computation of Basic EPS and also adjusted for the effects of all measurable dilutive potential equity shares.

q. Borrowings



DreamOrbit Softech Private Limited

Notes forming part of the Financial Statements for the year ended 31 March 2019

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

Borrowings are initially recognized at fair value, net of transaction costs incurred and subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in Statement of Profit and Loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after reporting period.

r. Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.

s. Segment Reporting

Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker.

t. Provisions and Contingent liabilities

A provision is recognized when an enterprise has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, in respect of which the amount can be reliably estimated. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

A disclosure for contingent liability is made when there is a possible obligation that arises from the past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company and that may, but not probable that an outflow of resources would be required to settle the obligation. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.



DreamOrbit Softech Private Limited

Notes forming part of the Financial Statements for the year ended 31 March 2019

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

u. Recent accounting pronouncements

The following accounting standards / amendments to accounting standards are issued but not effective as at 31st March 2019

1. Ind AS 116 – Leases

Ind AS 116 on Leases notified by The Ministry of Corporate Affairs on 30th March 2019, effective for financial periods beginning from 1st April 2019, replaces the existing standard Ind AS 17 on Leases. The revised Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both, the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all both operating and finance leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses to the lessee are charged to the statement of Profit & Loss as and when incurred. Ind AS 116 does not envisage any difference in accounting of lease income for the lessor as compared the erstwhile standard. The revised Standard also contains enhanced disclosure requirements for lessees.

The standard permits two possible methods of transition:

- Full retrospective – Recognize assets and liabilities relating to lease commitments retrospectively in each prior period, applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- Modified retrospective – Recognized the right to use (ROU) asset at the date of initial application by measuring the same at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet immediately before the date of initial application.

The Company is proposing to use the ‘Modified Retrospective Approach’ for transitioning to Ind AS 116 on the date of initial application (April 1, 2019). Accordingly, the comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The Management is in the process of assessing the impact on adoption of Ind AS 116 and does not expect the same to be significant

2. Ind AS 12 – Accounting for taxes on income

The Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, ‘Income Taxes’ on 30th March 2019, in connection with accounting for dividend distribution taxes. As per the amendment, an entity shall recognise the consequence of income tax on dividends in profit or loss, other comprehensive income or equity, according to where the entity originally recognised the same. The amendment is effective date from financial periods beginning on or after April 1, 2019.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments : On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C relating to



DreamOrbit Softech Private Limited

Notes forming part of the Financial Statements for the year ended 31 March 2019

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

Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. Accordingly, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the amendments to the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on April 1, 2019 without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C would be insignificant in the standalone financial statements.

3. Ind AS 19 – Employee Benefits

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.



DREAMCREIT SOFTECH PRIVATE LIMITED

Balance Sheet as at 31st March 2019

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

Particulars		Note No	Balance As at 31-03-2019	Balance As at 31-03-2018
ASSETS				
1	Non-Current Assets			
a	Property, plant and equipment	2	7.41	5.86
b	Other Intangible assets	3	5.71	7.43
c	Financial Assets			
	(i) Investments	4.1	0.00	0.00
	(iii) Others	4.2	6.74	7.12
d	Deferred Tax Asset	5	4.00	3.46
2	Current Assets			
a	Financial Assets			
	(i) Trade and other receivables	6.1	61.56	54.18
	(ii) Cash and cash equivalents	6.2	69.11	16.32
	(iii) Others	6.3	4.15	2.69
b	Current Tax Assets (net)	7	1.46	-
c	Other Current Assets	8	21.00	13.88
Total Assets			181.14	110.94
EQUITY AND LIABILITIES				
1	Equity			
a	Equity Share capital	9	0.14	0.14
b	Other equity	10	149.63	80.62
2	Non-current liabilities			
a	Provisions	11	10.75	9.61
3	Current liabilities			
a	Financial liabilities			
	(i) Trade payables	12		
	Total outstanding dues of micro enterprises and small enterprises		0.17	
	Total outstanding dues of creditors other than micro enterprises and small enterprises		8.59	6.38
b	Other current liabilities	13	6.84	7.06
c	Provisions	14	5.02	4.47
d	Current Tax liabilities (Net)	15	-	2.66
Total Equity and Liabilities			181.14	110.94

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

For Suri & Co
Chartered Accountants
Firm registration No 004283S

Sanjeev Aditya M

Sanjeev Aditya M
Partner
Membership No. 229694



Abhishek Porwal *Niraj Kumar Ganeriwal*

Abhishek Porwal
Director
DIN : 00610624

Niraj Kumar Ganeriwal
Director
DIN : 03560704

Harish P
Harish P
Chief Financial Officer



Date: 22/05/2019
Place: Chennai

DREAMORBIT SOFTECH PRIVATE LIMITED

Statement of Profit and Loss for the year ended 31st March 2019

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

Particulars	Note No	Year ended March 31, 2019	Year ended March 31, 2018
I. Revenue From Operations			
- Sale of services	17.1	510.86	410.97
II. Other Income	17.2	39.50	1.55
III. Total income (I+II)		550.36	412.52
IV. Expenses:			
Employee benefits expense	18	363.42	295.45
Finance costs	19	0.48	0.52
Depreciation and amortization expense	2 & 3	6.51	9.06
Support and Third party charges		6.47	7.02
Other expenses	20	45.78	43.48
Total expenses (IV)		422.66	355.53
V. Profit before exceptional and extraordinary items and tax (III-IV)		127.70	56.99
VI. Exceptional items			
VII. Profit before tax (V-VI)		127.70	56.99
VIII. Tax expense:			
1. Current Tax	16	34.44	18.07
2. Deferred Tax	16	(0.60)	(2.32)
IX. Profit / (Loss) for the period (VII-VIII)		93.86	41.24
X. Other Comprehensive Income, Net of Deferred Tax	21		
a. Items that will not be reclassified to Statement to Profit & Loss			
1) Actuarial Gain / (Loss)		0.15	1.16
b. Items that will be reclassified to Statement to Profit & Loss			-
XI. Total Other comprehensive Income		0.15	1.16
XII. Total Comprehensive Income (IX+XI)		94.01	42.40
Total Profit attributable to Equity Shareholders		93.86	41.24
XIII. Earnings per equity share of Rs 10 each			
Basic	26	6,633.21	2,914.29
Diluted		6,633.21	2,914.29

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

For Suri & Co
Chartered Accountants

Firm registration No 004283S

Sanjeev Aditya M
Sanjeev Aditya M
Partner

Membership No. 229694



Date: 22/05/2019
Place: Chennai

Abhishek Porwal *Niraj Kumar*

Abhishek Porwal

Niraj Kumar

Ganeriwal

Director

Director

DIN : 00610624

DIN : 03560704

Harish P

Harish P
Chief Financial Officer



Dreamorbit Softech Private Limited

Cash Flow Statement for the year ended 31st March 2019

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

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
A. Cash Flow from Operating Activities:		
Profit before tax:	127.90	56.59
<i>Adjustments for:</i>		
Depreciation & amortisation	6.51	9.06
(Profit)/Loss on sale of fixed assets	(0.03)	-
Unrealised foreign (Gain)Loss	0.54	-
Interest and other Income	(1.03)	(1.03)
Dividend received	(30.58)	-
Interest and Finance charges	-	-
Excess Provision written back	-	-
Operating Profit before Working Capital / Other Changes	103.31	64.62
Decrease/ (increase) in trade receivables	(7.92)	(23.95)
Decrease/ (increase) in other current assets and non-current assets	(7.12)	(3.85)
Decrease/ (increase) in current and non-current loans	-	-
Decrease/ (increase) in current and non-current other financial assets	(1.09)	(0.28)
Increase/(Decrease) in Current tax liabilities	-	-
Increase/(Decrease) in Trade payables	2.38	1.60
Increase/ (Decrease) other financial liabilities	-	(2.16)
Increase/ (Decrease) current and non- current provision	1.68	1.30
Increase/ (Decrease) other current liabilities	(0.21)	1.43
Cash Generated From Operations	91.03	38.71
Income tax paid	(38.56)	(18.79)
Net Cash Flow from Operating Activities	52.47	19.91
B. Cash Flow from Investing Activities:		
Purchase of Property, Plant and Equipment	(5.39)	(4.57)
Proceeds from sale of Property, Plant and Equipment	0.03	-
Purchase of Intangible assets	(0.95)	(2.30)
Dividend received	30.58	-
Interest and other Income	1.04	1.03
Net Cash Used in Investing Activities	25.31	(5.85)




Dreamorbit Softech Private Limited**Cash Flow Statement for the year ended 31st March 2019**

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

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
C. Cash Flow from Financing Activities:		
Proceeds/ (repayment) of borrowings	-	(7.84)
Interest and Finance charges	-	-
Proceeds from allotment of shares	-	-
Dividend paid (including Dividend Distribution Tax)	(25.00)	-
Net Cash Used in Financing Activities	(25.00)	(7.84)
Net Increase in Cash and Cash Equivalents [A+B+C]	52.79	6.23
Cash and Cash Equivalents at the Beginning of the Year	16.32	10.09
Cash and Cash Equivalents as at End of the Year	69.11	16.32
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	68.47	16.30
Bank Deposits with maturity less than 3 months	0.62	-
Cash and Cheques on Hand and in-transit	0.02	0.02
Total	69.11	16.32

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
Partner
Membership No. 229694****Abhishek Porwal Niraj Kumar
Director Ganeriwal
DIN : 00610624 Director
DIN : 03560704****Harish P
Chief Financial Officer****Date: 22/05/2019
Place: Chennai**

Dreamorbit Softech Private Limited

Statement of changes in equity as at 31 March 2019

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

(a) Equity Share Capital

Balance as at 1st April 2017	0.14
Add: Shares issued	-
Balance as at 31st March 2018	0.14

Balance as at 1st April 2018	0.14
Add: Shares issued	-
Balance as at 31st March 2019	0.14

(b) Other Equity

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 2017	-	1.61	0.64	33.92	-	2.05	38.22
Profit for the year	-	-	-	41.24	-	-	41.24
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
Balance as at 1st April 2018	-	1.61	0.64	75.16	-	3.21	80.62
Profit for the year	-	-	-	93.86	-	-	93.86
Other Comprehensive Income (Net of taxes)	-	-	-	-	-	0.15	0.15
Dividend paid	-	-	-	(25.00)	-	-	(25.00)
Balance as at 31st March 2019	-	1.61	0.64	144.02	-	3.36	149.63

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 004283S

Sanjeev Aditya M
Sanjeev Aditya M
Partner
Membership No. 229694



Date: 22/05/2019
Place: Chennai

Abhishek Porwal
Abhishek Porwal
Director
DIN : 00610624

Niraj Kumar Ganeriwal
Niraj Kumar Ganeriwal
Director
DIN : 03560704

Harish P
Harish P
Chief Financial Officer



DREAMORBIT SOFTECH PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31st March 2019

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

Reconciliation of the gross carrying amounts and net carrying amounts at the beginning and at the end of the year**Note 2 Property, Plant and Equipment**

Particulars	Computers	Office equipments	Furniture & Fittings	Motor Vehicles Owned	Total
Gross carrying value					
At April 1, 2017	19.91	1.12	2.22	1.69	24.94
Additions	4.52	0.03	0.02	-	4.57
Disposals / adjustments	-	-	-	-	-
At March 31, 2018	24.43	1.15	2.24	1.69	29.51
At April 1, 2018	24.43	1.15	2.24	1.69	29.51
Additions	5.35	-	0.04	-	5.39
Disposals / adjustments	-	-	-	0.75	0.75
At March 31, 2019	29.78	1.15	2.28	0.94	34.15
Accumulated depreciation					
At April 1, 2017	14.90	0.93	0.94	0.69	17.46
Depreciation expense	4.03	0.16	1.27	0.73	6.19
Disposals / adjustments	-	-	-	-	-
At March 31, 2018	18.93	1.09	2.21	1.42	23.65
At April 1, 2018	18.93	1.09	2.21	1.42	23.65
Depreciation expense	3.60	0.01	0.04	0.19	3.84
Disposals / adjustments	-	-	-	0.75	0.75
At March 31, 2019	22.53	1.10	2.25	0.86	26.74
Net carrying value March 31, 2019	7.25	0.05	0.03	0.08	7.41
Net carrying value March 31, 2018	5.50	0.06	0.03	0.27	5.86



DREAMORBIT SOFTECH PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31st March 2019

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

Reconciliation of the gross carrying amounts and net carrying amounts at the beginning and at the end of the year**Note 3 Other Intangible assets**

Particulars	Computer Software	Total
<u>Gross carrying value</u>		
At April 1, 2017	13.08	13.08
Additions	2.30	2.30
Disposals / adjustments	-	-
At March 31, 2018	15.38	15.38
At April 1, 2018	15.38	15.38
Additions	0.95	0.95
Disposals / adjustments	-	-
At March 31, 2019	16.33	16.33
<u>Accumulated depreciation</u>		
At April 1, 2017	5.08	5.08
Amortisation expense	2.87	2.87
Disposals / adjustments	-	-
At March 31, 2018	7.95	7.95
At April 1, 2018	7.95	7.95
Amortisation expense	2.67	2.67
Disposals / adjustments	-	-
At March 31, 2019	10.62	10.62
Net carrying value March 31, 2019	5.71	5.71
Net carrying value March 31, 2018	7.43	7.43



DREAMORBIT SOFTECH PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31st March 2019

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

Particulars	Face value (fully paid up)	As at March 31, 2019		As at March 31, 2018	
		No. of shares / units	Cost	No. of shares / units	Cost
Non-Current assets					
Financial assets					
Note 4.1 Investments					
In Equity shares of subsidiary company					
DreamOrbit Softech Inc.,	USD 0.001	1,000	0.00	1,000	0.00
Total		1,000	0.00	1,000	0.00

Particulars	As at March 31, 2019	As at March 31, 2018
Note 4.2 Other financial assets		
Security Deposit	6.68	6.48
Advance share subscription	0.06	0.06
Fixed deposit with Bank	-	0.58
Total	6.74	7.12
Note 5 Deferred Tax Assets (Net)		
Arising from temporary differences attributable to:		
Depreciation on Property, Plant and Equipment	(0.24)	(0.54)
Employee Benefit expenses	4.24	3.92
Long Term Capital Loss	-	0.08
Total	4.00	3.46
Current assets		
Financial assets		
Note 6.1 Trade Receivables		
Unsecured, Considered good		
- Others*	61.56	54.18
Total	61.56	54.18
<i>*Refer note 29 for related party transactions</i>		
Note 6.2 Cash and cash equivalents		
a. Cash on hand	0.02	0.02
b. Balances with banks:		
- In current accounts, including MOD accounts	69.09	16.30
Total	69.11	16.32
Note 6.3 Others financial assets		
Security Deposits	4.12	2.69
Interest accrued but not due	0.03	
Total	4.15	2.69
Note 7 Current tax assets (net)		
	1.46	0.00
Note 8 Others Current Assets		
Balance with statutory Authority	19.49	11.41
Prepaid expenses	1.13	1.72
Employee travel advance	-	0.33
Employee Advance	0.38	0.42
Total	21.00	13.88



DREAMORBIT SOFTECH PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31 March 2019

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

Note 9 Share Capital

Particulars	As at March 31, 2019	As at March 31, 2018
A) Authorised, Issued, Subscribed and Paid up Share capital		
Authorised:		
30,000 Equity Shares of Rs.10 each	0.30	0.30
Issued & Subscribed & Paid-up:		
14,150 Equity Shares of Rs.10 each	0.14	0.14
Total	0.14	0.14

(B) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year	As at March 31, 2019	As at March 31, 2018
Outstanding as at beginning of the year	14,150	14,150
Add: Shares issued	-	-
Outstanding as at the end of the year	14,150	14,150

(C) Rights attached to Equity shares

Each share entitles to a pari passu right to vote, to receive dividend and surplus at the time of liquidation

(D) Shares in the company held by each shareholder holding more than 5% shares

S. No.	Name of the shareholder	As at March 31, 2019		As at March 31, 2018	
		Number of shares held in the	Percentage of shares held	Number of shares held in the	Percentage of shares held
1	Saksoft Ltd	11320	80.00%	8490	60.00%
2	Sanchit Jain	1000	7.07%	2000	14.13%
3	Abhishek Porwal	1000	7.07%	2000	14.13%
	Total	13,320	94.13%	12,490	88.27%



DREAMORBIT SOFTECH PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31 March 2019

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

Particulars	As at March 31, 2019	As at March 31, 2018
Note 10 Other equity		
a) Securities premium reserve		
Amounts received (on issue of shares) in excess of the par value has been classified as securities premium.		
Opening balance	0.64	0.64
Add: Securities premium received during the year	-	-
Closing balance	0.64	0.64
b) General reserve		
Opening balance	1.61	1.61
Adjustments	-	-
Closing Balance	1.61	1.61
c) Surplus in Statement of Profit & Loss		
Opening balance	75.16	33.92
Add: Profit/(loss) for the period	93.86	41.24
Less: Interim Dividend (Rs. 1767/- per share)	25.00	-
Closing Balance	144.02	75.16
d) Other items of other comprehensive income		
Opening balance	3.21	2.05
Other items of other comprehensive income consist of re-measurement of net defined liability/asset.	0.15	1.16
Closing Balance	3.36	3.21
TOTAL	149.63	80.62
Non-current liabilities		
Note 11 Provisions		
Gratuity Payable (Net)*	10.75	9.61
	10.75	9.61

* Refer Other Note 28 for details of gratuity plan as per Ind AS



DREAMORBIT SOFTECH PRIVATE LIMITED**Notes forming part of the financial statements for the year ended 31 March 2019**

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

Particulars	As at March 31, 2019	As at March 31, 2018
Note 12 Trade payables		
Trade Payable - Micro,small and medium*	0.17	
Trade payable - Others	8.59	6.38
	8.76	6.38
(*Refer other Note 32)		
Note 13 Other current liabilities		
Statutory dues	6.84	6.68
Credit card dues payable	-	0.38
	6.84	7.06
Note 14 Provisions		
Provision for employee benefits	4.83	4.47
Provision for interest on TDS	0.19	
	5.02	4.47
Note 15 Current tax liabilities (net)	0.00	2.66



DREAMORBIT SOFTECH PRIVATE LIMITED**Notes forming part of the financial statements for the year ended 31 March 2019**

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

Note 16 Income tax

Income tax expense in the statement of profit and loss consists of:

Particulars	As at March 31, 2019	As at March 31, 2018
Current income tax:		
In respect of the current year	34.44	18.07
Deferred tax:		
In respect of the current year	(0.60)	(2.32)
Income tax expense recognised in the statement of profit or	33.84	15.75
Income tax recognised in other comprehensive income		
Current tax arising on income and expense recognised in other	-	-
Deferred tax arising on income and expense recognised in other	0.05	0.45
Total	0.05	0.45

The reconciliation between the provision for income tax of the Company and amounts computed by applying the Indian statutory income tax rates to profit before taxes is as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Profit before tax	127.70	56.99
Enacted income tax rate in India	29.12%	27.55%
Computed expected tax expenses	37.19	15.69

	As at March 31, 2019		As at March 31, 2018	
	Amount	Tax impact	Amount	Tax impact
Effect of:				
Expenses that are not deductible in determining taxable profit	0.93	0.29	0.29	0.08
Income subject to different taxes	30.58	(3.56)	-	-
Due to change in tax rates	3.54	(0.07)	8.29	(0.02)
Income tax expenses recognized in the Statement of Profit		33.84		15.75



DREAMORBIT SOFTECH PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31 March 2019

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

Calculation of Applicable Tax Rate:

Particulars	As at March 31, 2019	As at March 31, 2018
Basic tax rate	25.00%	25.00%
Surcharge @ CY:12% , PY: 7%	3.00%	1.75%
Aggregate of tax and surcharge	28.00%	26.75%
Cess @ CY:4%, PY:3% on tax and Surcharge	1.12%	0.80%
Tax Rate applicable	29.12%	27.55%

Deferred tax assets / (liabilities) as at March 31, 2019

Particulars	As at April 1, 2018	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	Recognized directly in equity	As at March 31, 2019
Property, Plant and Equipment	(0.54)	0.30	-	-	(0.24)
Retirement Benefits	3.92	0.38	(0.06)	-	4.24
Capital Loss	0.08	(0.08)	-	-	(0.00)
Total	3.46	0.60	(0.06)	-	4.00

Deferred tax assets / (liabilities) as at March 31, 2018

Particulars	As at April 1, 2017	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	Recognized directly in equity	As at March 31, 2018
Property, Plant and Equipment	(2.02)	1.48	-	-	(0.54)
Employee Benefits	3.52	0.84	(0.45)	-	3.92
Capital Loss	0.08	-	-	-	0.08
Total	1.58	2.32	(0.45)	-	3.46



DREAMORBIT SOFTECH PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31st March 2019

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

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Note 17.1 .Revenue from Operations		
Sale of services	510.86	410.97
	510.86	410.97

Reconciliation of revenue recognised in Statement of Profit and Loss with contract Price

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Revenue as per Statement of P&L Account		
Sale from Services	510.86	410.97
Total (a)	510.86	410.97
Add/ Less adjustment to contract price		
FE variation claim	-	-
Price concession offered	-	-
Total adjustment (b)	-	-
Contract price (a + b)	510.86	410.97

Satisfaction of performance obligation

- The contract performance obligation is satisfied "over a point in time" which is primarily determined on customer obtaining control of the asset.
- Contract entered into with customer, typically do not have a return/refund clause.
- For revenue recognition in respect of performance obligation satisfied "over a point of time" the following criterias are used for determining whether customer has obtained " Control on asset "
 - . The customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs
 - . The entity's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced.
 - . The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date
- Transaction price is typically determined based on contract entered into with customer.
- No non-cash consideration are received/given during the current/previous year.

Note 17.2 Other income	Year ended March 31, 2019	Year ended March 31, 2018
(A) Income from investments		
Dividends	30.58	-
(A)	30.58	-
(B) Others		
Exchange fluctuation (net)	6.70	-
Interest income	1.03	1.03
Interest on fair valuation of security deposits	0.48	0.52
Profit on sale of fixed assets	0.03	-
Referral income	0.68	-
(B)	8.92	1.55
Other Income (A) + (B)	39.50	1.55



DREAMORBIT SOFTECH PRIVATE LIMITED**Notes forming part of the financial statements for the year ended 31st March 2019**

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

Note 18 Employee benefits expense	Year ended March 31, 2019	Year ended March 31, 2018
Salaries and wages	339.01	276.03
Contribution to provident fund	13.18	10.49
Contribution to gratuity*	4.25	4.44
Staff welfare expenses	6.98	4.49
	363.42	295.45

* Includes contribution to defined benefit plan for the year ended March 31, 2019 - Rs.2.5 million
(for the year ended March 31, 2018 - Rs.2.5 million)

Note 19 Finance costs	Year ended March 31, 2019	Year ended March 31, 2018
Interest on fair valuation of security deposit	0.48	0.52
	0.48	0.52
Note 20 Other expenses		
Rent	17.16	14.23
Travel and conveyance	3.22	4.52
Insurance	0.24	0.26
Loss on Foreign exchange fluctuation	-	1.34
Rates and Taxes	0.07	0.44
CSR Expenditure	1.29	0.59
Power and Fuel	5.42	4.32
Repairs to Buildings	3.06	3.21
Repairs - Others	5.59	2.89
Workstation and Computer hire charges	1.81	2.06
Communication Expenses	2.08	2.36
Bad debts written off	0.25	0.15
Bank charges	0.30	0.33
Payment to statutory auditors	0.82	0.65
Legal, Professional and consultancy charges	2.64	1.12
Advertisement, Publicity and Sale Promotion	0.77	1.91
Miscellaneous expenses	1.06	3.10
	45.78	43.48
Note 21 Other comprehensive income		
A. Items that will not be reclassified to profit or loss		
Remeasurements of Defined Benefit plan		
Acturial gain/(loss) on obligations	0.20	1.61
Less: Tax on above	(0.05)	(0.45)
	0.15	1.16



DREAMORBIT SOFTECH PRIVATE LIMITED**Notes forming part of the financial statements for the year ended 31st March 2019**

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

Note 22 Capital Management

The Company manages its capital to ensure that it will be able to continue as going concerns while maximizing the return to stakeholders through the optimisation of the debt and equity balance. The Company's policy is to maintain a strong capital base so as to maintain investors, creditors and market confidence to sustain future development of the business.

The capital structure of the Company consists of debt and total equity of the Company as tabled below:

Particulars	As at	
	March 31, 2019	March 31, 2018
Total equity attributable to equity share holders of the Company	149.77	80.76
Current borrowings	-	-
Non-current borrowings	-	-
Total debt held by the Company	-	-
Total capital (Equity and Debt)	149.77	80.76
Equity as a percentage of total capital	100.0%	100.0%
Debt as a percentage of total capital	0.0%	0.0%

The Company is predominantly equity financed which is evident from the capital structure table above. The Company's risk management committee reviews the capital structure of the Company on an ongoing basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital.



DREAMORBIT SOFTECH PRIVATE LIMITED**Notes forming part of the financial statements for the year ended 31st March 2019**

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

Note 23 Financial Instruments

The carrying value and fair value of financial instruments by categories as at March 31, 2019 and March 31, 2018 is as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Financial Assets		
Amortized Cost		
- Trade and other receivables	61.56	54.18
- Cash and cash equivalents	69.11	16.32
- Others financial assets	10.89	9.81
At Cost		
- Investments in subsidiaries, associates and joint ventures	0.00	0.00
TOTAL ASSETS	141.56	80.31
Financial Liabilities		
Amortized Cost		
- Trade Payables	8.59	6.38
TOTAL LIABILITIES	8.59	6.38

The Management assessed the fair value of cash and short-term deposits, trade receivables and trade payables, book overdrafts, and other current financial assets and liabilities as approximately equal to the carrying amounts largely due to the short-term maturities of these instruments.



DREAMORBIT SOFTECH PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31st March 2019

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

Note 24 Financial Risk Management

The Company is exposed to a variety of financial risks; credit risk, liquidity risk and market risk, viz; foreign currency risk and interest rate risk. The Company has a risk management policy to manage & mitigate these risks.

The Company's risk management policy aims to reduce volatility in financial statements and aims to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The Board of Directors reviews and agrees policies for managing each of these risks as summarized below:

Credit risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to the financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and investment securities.

Financial instruments that potentially subject the Company to concentration of credit risk consists of trade receivables, investments, loans, cash and cash equivalents and other financial assets. The maximum exposure to credit risk is equal to the carrying value of the financial assets. By their nature, all such financial assets involve risks, including the credit risk of non-performance by counterparties.

The Company periodically assesses the credit quality of the counterparties by taking into account their financial position, past experience, ageing of accounts receivables and any other factor determined by individual characteristic of the counterparty.

The maximum amount of exposure to credit was as follows:

Particulars	Balance as at March 31, 2019	Balance as at March 31, 2018
Investments	0.00	0.00
Trade receivables	61.56	54.18
Cash and cash equivalents	69.11	16.32
Other financial assets	10.89	9.81
TOTAL	141.56	80.31

Liquidity Risk:

Liquidity risk is the risk that the Company will not be able to encounter its financial obligations associated with financial liabilities as they become due. The Company manages its liquidity risk by ensuring, as far as possible, to maintain sufficient liquid funds to meet its liabilities on the due date. The Company consistently generates sufficient cash flows from operations (with adequate reserves) and has access to multiple sources of funding (banking facilities and loans from promoter company) to meet the financial obligations and maintain adequate liquidity for use.

The processes and policies related to such risks are overseen by Senior Management.



DREAMORBIT SOFTECH PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31st March 2019

Maturity profile of the Company's non-derivative financial liabilities based on contractual

Particulars	Year -1 (Current)	1-2 years	2 year and above	Total
As at March 31, 2019				
Borrowings	-	-	-	-
Trade Payables	-	-	-	-
Other financial liabilities	-	-	-	-
As at March 31, 2018				
Borrowings	-	-	-	-
Trade Payables	6.38	-	-	6.38
Other financial liabilities	-	-	-	-

Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

Foreign Currency Risk:

The fluctuation in foreign currency exchange rates may have potential impact on the Statement of Profit or Loss and Other Comprehensive Income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the Company.

The Company's exchange risk arises from its foreign currency revenues (primarily in U.S. Dollars, British Pound Sterling). A significant portion of the Company's revenue are in these foreign currencies, while a significant portion of its corresponding costs are in Indian Rupee. As a result, if the value of Indian rupee appreciates relative to these foreign currencies, the Company's revenue measured in Indian Rupee may decrease and vice versa. The exchange rate between the Indian rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future.

The Company periodically determines its strategy to mitigate foreign currency risk. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

The exposure in Foreign currency as on 31.03.2019 is USD 0.89 million

Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates arises on Company's debt obligations with floating interest rate. The Company's borrowings are primarily at fixed rate of interest, which do not expose it to significant interest rate risk.



DREAMORBIT SOFTECH PRIVATE LIMITED**Notes to Financial Statements for the year ended 31st March 2019**

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

Note 25 Corporate Social Responsibility (CSR) Expenditure

(a) Gross amount required to be spent by the company during the year 0.68

(b) Amount spent during the year on :

Particulars	Amount spent during the year	Amount to be spent
(i) Construction/acquisition of any Asset		
(ii) On purposes other than (i) above	1.29	-

Note 26 Earnings per share

Particulars	Year ended Mar 31, 2019	Year ended Mar 31, 2018
Net profit after tax (In Rs.)	9 40 07 181	4 23 95 906
Weighted average number of equity shares outstanding	14,150	14,150
Basic earning per share (EPS) of Rs 10/- each	6,643.62	2,996.18

Note 27 Payments to auditors

Particulars	Year ended Mar 31, 2019	Year ended Mar 31, 2018
Statutory audits of standalone and consolidated accts & reporting on IFC	0.50	0.45
Taxation matters & others	0.28	0.20
Out of pocket expenses	0.04	
Total	0.82	0.65



DREAMORBIT SOFTECH PRIVATE LIMITED**Notes to Financial Statements for the year ended 31st March 2019**

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

Note 28 Particulars of provision for gratuity - Funded**PROFIT & LOSS ACCOUNT EXPENSE:**

The expenses charged to the profit & loss account for period along with the corresponding charge of the previous period is presented in the table below:

PARTICULARS	Period Ended	
	31-Mar-19	31-Mar-18
Current service cost	3.62	2.81
Past service cost	0.00	0.98
Administration expenses	0.00	0.00
Interest on net defined benefit liability / (asset)	0.87	0.67
(Gains) / losses on settlement	-	-
Total expense charged to profit and loss account	4.49	4.46

FINANCIAL ASSUMPTIONS AT THE VALUATION DATE

PARTICULARS	Period Ended	
	31-Mar-19	31-Mar-18
Discount rate (p.a.)	7.50%	7.45%
Salary escalation rate (p.a.)	8.00%	8.00%

The estimates of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. The expected return on plan assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

Amount Recorded in Other Comprehensive Income

The total amount of rereasurement items and impact of liabilities assumed or settled, if any, which is recorded immediately in Other Comprehensive Income (OCI) during the period is shown in the table below:

PARTICULARS	Period Ended	
	31-Mar-19	31-Mar-18
Opening amount recognized in OCI outside profit and loss account	(4.44)	(2.83)
Remeasurements during the period due to		
Changes in financial assumptions	(0.19)	(1.78)
Changes in demographic assumptions	(0.29)	(0.87)
Experience adjustments	0.29	1.07
Actual return on plan assets less interest on plan assets	(0.01)	(0.03)
Adjustment to recognize the effect of asset ceiling	-	-
Closing amount recognized in OCI outside profit and loss account	(4.63)	(4.44)



DREAMORBIT SOFTECH PRIVATE LIMITED

Notes to Financial Statements for the year ended 31st March 2019

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

The following table sets out the status of the gratuity plan.

PARTICULARS	Period Ended	
	31-Mar-19	31-Mar-18
Opening of defined benefit obligation	12.14	9.33
Current service cost	3.62	2.81
Past service cost	-	0.96
Interest on defined benefit obligation	0.87	0.67
Remeasurements due to:		
Actuarial loss / (gain) arising from change in financial assumptions	(0.19)	(1.78)
Actuarial loss / (gain) arising from change in demographic assumptions	(0.29)	(0.87)
Actuarial loss / (gain) arising on account of experience changes	0.29	1.07
Benefits paid	(0.42)	(0.05)
Liabilities assumed / (settled)*	-	-
Liabilities extinguished on settlements	-	-
Closing of defined benefit obligation	16.03	12.14

PARTICULARS	Period Ended	
	31-Mar-19	31-Mar-18
Opening fair value of plan assets	2.53	-
Employer contributions	2.92	2.55
Interest on plan assets	0.25	-
Administration expenses	-	-
Remeasurements due to:		
Actual return on plan assets less interest on plan assets	0.01	0.03
Benefits paid	(0.42)	(0.05)
Assets acquired / (settled)*	-	-
Assets distributed on settlements	-	-
Closing fair value of plan assets	5.29	2.53

Sensitivity Analysis:

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the impact terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.

Particulars	Period Ended March 31, 2019	
	Discount Rate	Salary Escalation Rate
Defined benefit obligation on increase in 50 bps	15 145 429	16 880 659
Impact of increase in 50 bps on DBO	-5.53%	5.30%
Defined benefit obligation on decrease in 50 bps	17 004 610	15 249 298
Impact of decrease in 50 bps on DBO	6.07%	-4.88%



DREAMORBIT SOFTECH PRIVATE LIMITED**Notes to Financial Statements for the year ended 31st March 2019**

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

Note 29 Related party transactions

As per Indian Accounting Standard 24, the names & disclosures of transactions with the related parties are given below:

A. Names of related parties and description of relationship with the Company:

Relationship	Name of the Party
Subsidiary company - 100%	DreamOrbit, Inc. - U.S.A
Holding Company - 80%	Saksoft Limited - INDIA
<u>Key managerial personnel</u> :-	
Directors	a) Aditya Krishna b) Niraj Kumar Ganeriwai c) Abhishek Porwal d) Sanchit Jain
Chief Financial Officer	a) Harish.P
Fellow Subsidiaries	a) Threesixty Logica Testing Services Private Limited b) Saksoft Inc., (U.S.A) c) Acuma Solutions Limited (U.K) d) Saksoft Pte Ltd., (Singapore) e) Saksoft Solutions Limited (U.K)
Enterprise where KMP Exercise significant Influence	a) Dreamorbit Gratuity Fund Trust b) Sak Industries Private Ltd and its subsidiaries c) Sakserve Private Limited

B. Nature of transactions with related parties:

Sl. No.	Particulars	Related Parties	
		Key managerial personnel	Fellow Subsidiaries
1.	Directors' remuneration	11.99	
2.	Export billings		498.74
3.	Domestic Billings		1.73

C. Balances as at the year end:

Sl. No	Related Party	As at March 31, 2019		As at March 31, 2018	
			Balance		Balance
	DreamOrbit, Inc. - U.S.A	Dr.	30.43	Dr.	33.94
	Saksoft Inc., (U.S.A)	Dr.	27.25	Dr.	13.91
	Acuma Solutions Limited (U.K)	Dr.	0.19	Dr.	2.73
	Saksoft Pte Ltd., (Singapore)	Dr.	1.31	Dr.	1.00



DREAMORBIT SOFTECH PRIVATE LIMITED

Notes to Financial Statements for the year ended 31st March 2019

Note 30 Particulars of unhedged foreign currency exposure:

Particulars	As at March 31, 2019		As at March 31, 2018	
	INR (')	Foreign Currency	INR (')	Foreign Currency
Unhedged receivables:				
Trade receivables in USD	61.37	0.89	53.56	0.83
Trade receivables in GBP	0.19	0.00	0.00	0.00
Advance for share subscription	0.06	0.00	0.06	0.00

Note 31 Leases

Operating Lease

The Company have executed lease agreements under operating leases, which are not non-cancellable and is renewable by mutual consent on mutually agreeable terms. Lease rental payments of Rs. 17.16 million (Prev. year Rs. 14.23 million) made by the Company are recognized in the Statement of Profit & loss under Other expenses as Rent.

Under the lease rental agreements, refundable rental deposits have been given by the Company, amounting to Rs. 10.70 million (Prev. year Rs. 9.1 million) which is shown as Rent deposits under the head 'Financial asset - Others' in Notes to the Financial Statements.

Particulars	As at March 31, 2019	As at March 31, 2018
Rent payable in next one year	16.25	14.98
Rent payable over one year but within five years	30.10	40.16
Over five years		

Note 32 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006

The Company has obtained the confirmation from suppliers who have registered under the Micro, Small and Medium Enterprises Development Act, 2006.

The information required to be disclosed under the Micro, Small And Medium Enterprises Development Act, 2006 ('the MSMED Act') has been determined to the extent such parties have been identified on the basis of information received from such parties and available with the Company. There are no overdue principal amounts and therefore no interest is paid or payable. The amount due to parties on account of principal and / or interest as disclosed below:

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
The Principal amount and interest thereon, remaining unpaid to any supplier at the end of each accounting year.	NIL	NIL
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act 2006	NIL	NIL
The amount of payment made to suppliers beyond the appointed day during each accounting year		
The amount of interest due and payable for the period of delay in making payment (which have been paid beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006		
The amount of interest accrued and remaining unpaid at the end of each accounting year		
The amount of further interest remaining due and payable even in the succeeding years until such dates when the interest due above are actually paid to all the small enterprises, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act 2006		



DREAMORBIT SOFTECH PRIVATE LIMITED

Notes to Financial Statements for the year ended 31st March 2019

Note 33 Disclosure under IND AS 115

General:

The entire revenue from operations for the year ended 31st March 2019 and 31st March 2018 related to revenue from software services.

Disaggregation of revenue:

Revenue earned by the company is disaggregated by its sources based on geographical location as disclosed in Note 24 (d) to the consolidated financial statements.

Information about contract balances

The company classifies the right to consideration as Trade receivables and unbilled revenue.

Trade receivables are amounts billed to the customer on satisfaction of performance obligation. Unbilled revenue represents revenues 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.

Billing in excess of revenue are classified as unearned revenue. Balances of trade receivables, unbilled revenue and unearned income are available in the relevant Schedules of the financial statements. Trade receivables and unbilled revenue are net of impairment in the Balance Sheet.

Information about performance obligations

Performance obligations estimates are subject to change and are affected by several factors including change in scope of contracts, its termination, foreign currency adjustments and any other items influencing the measurement, collectability and performance of the contract.

Disclosure relating to remaining performance obligation across all live fixed bid price contracts relate to require the aggregate amounts of transaction price yet to be recognized as at the reporting date and expected timelines to recognize these amounts. In view of the fact that all outstanding contracts have an original expected duration for completion of less than a year no disclosure is warranted.

Application of Ind AS 115, "Revenue from contract with customers" did not have any impact on the contracts serviced by the company during the year ended 31st March 2019.

Note 34 Dues to investor Education and Protection Fund

There are no amounts due for payment to the Investor Education & Protection Fund under Section 125 of the Companies Act, 2013 as at March 31, 2019.

Note 35 Contingent liabilities and capital commitments

As on the date of the balance sheet, the Company had no contingent liability & had no capital commitments.

Note 36 Contractual liabilities

All contractual liabilities connected with business operations of the Company have been appropriately provided for.

Note 37 Amounts in the financial statements

Amounts in the financial statements are rounded off to the nearest millions



DREAMORBIT SOFTECH PRIVATE LIMITED

Notes to Financial Statements for the year ended 31st March 2019

Signatures to Note 1 and Notes 22 to Note 36

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

Date: 22/05/2019

Place: Chennai



Abhishek Porwal

Abhishek Porwal

Director

DIN : 00610624

Nirajkumar Ganeriwal

Nirajkumar Ganeriwal

Director

DIN : 03560704

Harish P

Harish P

Chief Financial Officer

