

**INDEPENDENT AUDITOR'S REPORT
TO THE BOARD OF DIRECTORS OF
LUMINA DATAMATICS INC**

Report on the Condensed Financial Statements

We have audited the accompanying Condensed Financial Statements of **Lumina Datamatics Inc** ("the company") which comprises the Balance Sheet as at March 31, 2018 and the Statement of Profit and Loss (including other Comprehensive Income) and statement of changes in equity for the year then ended and a summary of significant accounting policies and a summary of selected explanatory notes. The accompanying Condensed Financial Statements have been prepared by management in accordance with the generally accepted accounting principles applicable in India, solely to enable its holding company, Lumina Datamatics Limited to prepare its consolidated Financial statements.

Management's Responsibility for the Condensed Financial Statements

The Management is responsible for the preparation of these Condensed Financial statements. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the Condensed Financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Condensed Financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Condensed Financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Condensed Financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Condensed Financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal controls relevant to the Company's preparation and fair presentation of the Condensed Financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Condensed Financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Condensed Financial statements of Lumina Datamatics Inc as at and for the year ended March 31, 2018 are prepared, in all material respects, in accordance with the generally accepted accounting principles in India.

Basis of Accounting and Restriction on distribution and use

Without modifying our opinion, we draw attention to Note No. 1(a)(i), which describes the basis and purpose of the Condensed Financial statements. The Condensed Financial statements are prepared solely to enable its holding company, Datamatics Global Services Limited, to prepare its Condensed Financial statements and are not to be used for any other purpose or to be distributed to any other parties without our prior written consent.

For Kanu Doshi Associates LLP
Chartered Accountants
(Firm's Registration No. 104746W/W100096)



Arati Parmar
Partner

Membership No: 102888



Place: Mumbai

Date: May 29, 2018

LUMINA DATAMATICS INC.
CONDENSED BALANCE SHEET AS AT MARCH 31, 2018

Particulars	Note	In USD		
		March 31, 2018	March 31, 2017	April 1, 2016
ASSETS				
Non-current assets				
Property, plant and equipment	2	283,671	305,403	332,774
Goodwill	3	18,089,336	18,089,336	18,089,336
Other intangible assets	3	845,720	-	298,587
Financial assets				
i. Investments	4	5,636,678	5,034,728	4,334,728
ii. Other financial assets	5	23,305	23,305	73,125
Deferred tax assets		338,360	548,953	573,646
Other non-current assets	6	1,253	-	-
Total non-current assets		25,218,322	24,001,725	23,702,196
Current assets				
Financial assets				
i. Trade receivables	7	5,506,192	4,233,849	4,060,242
ii. Cash and cash equivalents	8	1,193,880	1,405,482	787,241
iii. Other financial assets	9	2,463,452	3,113,359	4,010,291
Other current assets	10	1,589	-	-
Total current assets		9,165,113	8,752,690	8,857,774
Total assets		34,383,435	32,754,414	32,559,970
EQUITY AND LIABILITIES				
Share Capital				
Equity share capital	11(a)	35,413,716	35,286,675	35,286,675
Other Equity	11(b)	(3,995,649)	(4,303,645)	(5,557,073)
Total equity		31,418,067	30,983,030	29,729,602
LIABILITIES				
Non-current liabilities				
Other non-current liabilities	12	32,250	32,250	32,250
Total non-current liabilities		32,250	32,250	32,250
Current liabilities				
Financial liabilities				
i. Borrowings	13	957,662	47,662	1,600,000
ii. Trade payables	14	1,899,820	1,426,372	1,108,353
Provisions	15	75,610	265,102	89,763
Other current liabilities	16	28	-	-
Total current liabilities		2,933,120	1,739,136	2,798,116
Total liabilities		2,965,370	1,771,386	2,830,366
Total equity and liabilities		34,383,435	32,754,414	32,559,968

The accompanying notes forming an integral part of the financial statements 1 - 23

As per our attached report of even date

For Kanu Doshi Associates LLP

Chartered Accountants

Firm Registration No. 104746W/W100096

Arati Parmar

Arati Parmar

Partner

Membership No. 102888



Place : Mumbai

Dated : May 29, 2018

For and on behalf of the Board

V V Bhogilal

Vidur V Bhogilal

Vice Chairman

Place : Mumbai

Dated : May 29, 2018

Lalit S. Kanodia

Dr. Lalit S. Kanodia

Chairman



LUMINA DATAMATICS INC.

CONDENSED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

in USD

Particulars	Note	March 31, 2018	March 31, 2017
Continuing operations			
Revenue from operations	17	29,659,712	26,300,150
Other income	18	49	16
Total income		29,659,761	26,300,166
Expenses			
Employee benefit expenses	19	9,347,647	7,517,100
Net finance costs	20	15,975	43,996
Depreciation and amortisation expenses	21	230,814	181,004
Other expenses	22	19,518,944	17,223,797
Total expenses		29,113,380	24,965,897
Profit before exceptional items, share of net profits of investments accounted for using the equity method and tax		546,381	1,334,269
Share of net profits of associates and joint ventures accounted for using the equity method			
Profit before exceptional items and tax		546,381	1,334,269
Exceptional items			
Profit before tax		546,381	1,334,269
Income tax expense			
- Current tax		27,792	56,148
- Deferred tax		210,593	24,693
Total tax expense/(credit)		238,385	80,841
Profit from continuing operations		307,996	1,253,428
Discontinued operations			
Profit from discontinued operations before tax			
Tax expense of discontinued operations			
Profit from discontinued operations		-	-
Profit for the year		307,996	1,253,428

The accompanying notes forming an integral part of the financial statements

1 - 23

As per our attached report of even date

For and on behalf of the Board

For Kanu Doshi Associates LLP

Chartered Accountants

Firm Registration No. 104746W/W100096

Arati

Arati Parmar

Partner

Membership No. 102888



V.V. Bhogilal

Vidur V Bhogilal

Vice Chairman

Lalit S. Kanodia

Dr. Lalit S. Kanodia

Chairman

Place : Mumbai

Dated : May 29, 2018

Place : Mumbai

Dated : May 29, 2018



LUMINA DATAMATICS INC.

11 Note 11 - Statement of changes in equity for the period ended March 31, 2018

(a) Equity share capital

Particulars	Amount
As at April 1, 2016	35,286,675
Changes in equity share capital	-
March 31, 2017	35,286,675
Changes in equity share capital	127,041
March 31, 2018	35,413,716

(b) Other equity

Particulars	Attributable to owners of LUMINA DATAMATICS Inc.			Total
	Retained earnings	Capital Reserve	Total other equity	
As at April 1, 2016	(7,108,245)	1,551,172	(5,557,073)	(5,557,073)
Profit for the year	1,253,428		1,253,428	1,253,428
Total comprehensive income for the year	1,253,428	1,551,172	1,253,428	1,253,428
As at March 31, 2017	(5,854,817)	1,551,172	(4,303,645)	(4,303,645)
Profit for the year	307,996		307,996	307,996
Total comprehensive income for the year	307,996	-	307,996	307,996
As at March 31, 2018	(5,546,821)	1,551,172	(3,995,649)	(3,995,649)

In USD



LUMINA DATAMATICS INC.
Notes to the Condensed Financial Statements

Note 2 - Property, plant and equipment

Particulars	In USD		
	COMPUTER & EQUIPMENTS	FURNITURE & FIXTURES	LEASEHOLD IMPROVEMENTS
			Total
Gross Block			
<i>Deemed Cost as on April 1, 2016</i>	65,904	72,671	194,198
Additions	15,634	-	15,634
Disposals	316	-	316
March 31, 2017	81,854	72,671	194,198
Additions	-	-	-
Disposals	-	-	-
March 31, 2018	81,854	72,671	194,198

Particulars	In USD		
	COMPUTER & EQUIPMENTS	FURNITURE & FIXTURES	LEASEHOLD IMPROVEMENTS
			Total
Accumulated depreciation			
Depreciation charge during the year	18,781	5,449	19,090
March 31, 2017	18,781	5,449	19,090
Depreciation charge during the year	13,347	7,601	21,732
March 31, 2018	32,128	13,050	19,874
Net carrying amount as March 31, 2018	49,726	59,621	174,324
Net carrying amount as March 31, 2017	63,073	67,222	175,108
Net carrying amount as April 1, 2016	65,904	72,671	194,198

Note : Deemed cost as at April 1, 2016 which is the net carrying amount on April 1, 2016 which is tabulated as follows:

Particulars	In USD		
	Gross carrying amount As at April 01, 2016	Accumulated Depreciation As at April 01, 2016	Net carrying amount As at April 01, 2016
(a) Plant and equipment	1,410,672	1,344,768	65,904
(b) Furniture and fixtures	655,119	582,448	72,671
(c) Leasehold improvements	514,046	319,848	194,198
Total	2,579,837	2,247,064	332,773



LUMINA DATAMATICS INC.
Notes to the Condensed Financial Statements

Note 3 - Intangible assets In USD

Particulars	Computer Softwares	Total	Goodwill
<i>Gross block</i>			
Additions	298,586	298,586	18,089,336
Disposals	(180,903)	(180,903)	
March 31, 2017	232,155	232,155	18,089,336
Additions	1,054,802	1,054,802	
Disposals	-	-	
March 31, 2018	1,286,957	1,286,957	18,089,336

Particulars	Computer Softwares	Total	Goodwill
<i>Accumulated amortisation and impairment</i>			
Amortisation charge during the year	137,684	137,684	-
Disposals	-	-	
March 31, 2017	232,155	232,155	-
Amortisation charge during the year	209,082	209,082	-
Disposals	-	-	
March 31, 2018	441,237	441,237	-

Net carrying amount as March 31, 2018	845,720	845,720	18,089,336
Net carrying amount as March 31, 2017	-	-	18,089,336
Net carrying amount as April 1, 2016	298,586	298,586	18,089,336

Note : Deemed cost as at April 1, 2016 which is the net carrying amount on April 1, 2016 which is tabulated as follows:

Particulars	Gross carrying amount As at April 01, 2016	Accumulated Depreciation As at April 01, 2016	Accumulated Depreciation As at April 01, 2016
(a) Computer software	393,058	94,472	1,344,768
(b) Goodwill	18,112,669	23,333	582,448
Total	18,505,727	117,805	1,927,216



LUMINA DATAMATICS INC.
Notes to the Condensed Financial Statements

Note 4 - Non-current investments

In USD

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Investment in equity instruments (fully paid-up)			
Unquoted			
In subsidiaries - Wholly Owned (at Cost)			
Investment in instruments of company (unquoted - non trade)			
Lumina Datamatics, GmbH	2,750,362	2,750,362	2,750,362
Lumina Datamatics Assessment & Analytics, LLC	2,886,316	2,284,366	1,584,366
Others			
Mypet Harmony, USA	-	-	-
Total	5,636,678	5,034,728	4,334,728

Note 5 - Other Financial Assets

In USD

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Unsecured considered good			
Security deposits	23,305	23,305	73,125
Total	23,305	23,305	73,125

Note 6 - Other non-current assets

In USD

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Unsecured considered good			
Other advances	1,253	-	-
Total	1,253	-	-

Note 7 - Trade receivables

In USD

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Unsecured			
Considered Good	5,506,192	4,233,849	4,060,242
Considered doubtful	1,207,203	1,577,159	1,648,510
	6,713,395	5,811,008	5,708,752
Less :- Allowance for expected credit loss	1,207,203	1,577,159	1,648,510
Total	5,506,192	4,233,849	4,060,242

Note 8 - Cash and cash equivalents

In USD

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Bank balances	1,193,880	1,405,482	787,241
Total	1,193,880	1,405,482	787,241

Note 9 - Other financial assets

In USD

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Unsecured considered good			
Prepaid expenses	53,250	40,315	78,448
Unbilled revenue	2,410,202	3,073,044	3,931,844
Total	2,463,452	3,113,359	4,010,291

Note 10 - Other current assets

In USD

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Other advances	1,589	-	-
Total	1,589	-	-



LUMINA DATAMATICS INC.
Notes to the Condensed Financial Statements

Note 12 - Other Non Current liabilities			In USD
Particulars	March 31, 2018	March 31, 2017	As at April 1, 2016
Security Deposit from sub-tenant	32,250	32,250	32,250
Total	32,250	32,250	32,250

Note 13 Borrowings			In USD
Particulars	March 31, 2018	March 31, 2017	As at April 1, 2016
Loans repayable on demand			
1) Silicon Valley Bank, USA	-	-	1,600,000
2) HSBC Bank, USA	957,662	47,662	-
Total	957,662	47,662	1,600,000

Note 14 - Trade payables			In USD
Particulars	March 31, 2018	March 31, 2017	As at April 1, 2016
Trade payables	1,899,820	1,426,372	1,108,353
Total	1,899,820	1,426,372	1,108,353

Note 15 - Provisions			In USD
Particulars	March 31, 2018	March 31, 2017	As at April 1, 2016
Other payables	75,610	265,102	89,763
Total	75,610	265,102	89,763

Note 16 - Other current liabilities			In USD
Particulars	March 31, 2018	March 31, 2017	As at April 1, 2016
Statutory dues	28	-	-
Total	28	-	-



LUMINA DATAMATICS INC.
Notes to the Condensed Financial Statements

Note 17 - Revenue from operations		In USD
Particulars	March 31, 2018	March 31, 2017
Sale of Services	29,659,712	26,300,150
Total	29,659,712	26,300,150

Note 18 - Other income		In USD
Particulars	March 31, 2018	March 31, 2017
Miscellaneous receipts	49	16
Total	49	16

Note 19 - Employee benefit expenses		In USD
Particulars	March 31, 2018	March 31, 2017
Basic Salary, Wages & Allowances	8,974,040	7,274,701
Share based compensation	127,041	
Staff Welfare	246,566	242,399
Total	9,347,647	7,517,100

Note 20 - Net finance costs		In USD
Particulars	March 31, 2018	March 31, 2017
Interest on loan from banks	15,975	43,996
Total	15,975	43,996

Note 21 - Depreciation and amortisation expenses		In USD
Particulars	March 31, 2018	March 31, 2017
Depreciation on property plant and equipment	21,732	43,320
Amortisation on intangible assets	209,082	137,684
Total	230,814	181,004

Note 22 - Other expenses		In USD
Particulars	March 31, 2018	March 31, 2017
Outsourcing cost	17,761,626	14,911,843
Sundry Balances Written off	380,944	1,200,482
Electricity expenses	24,266	22,437
Legal & Professional expenses	56,500	68,648
Travelling expenses	286,535	211,372
Rent	107,999	169,627
Communication charges	226,915	192,223
Miscellaneous expenses	4,723	25,660
Advertisement expenses & Sales promotion	414,819	2,250
Printing & Stationery	150,885	131,569
Subscription expenses	2,299	
Bank charges	18,406	20,490
Rates & Taxes	8,440	7,578
Repairs & Maintenance expenses	37,317	47,821
Fixed Assets Written off	-	180,903
Insurance	37,270	30,894
Total	19,518,944	17,223,797



Note 23: First-time adoption of Ind AS

Transition to Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

The accounting policies set out in note 1 have been applied in preparing the consolidated financial statements for the year ended 31 March 2018, the comparative information presented in these consolidated financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 1 April 2016 (the Group's date of transition). In preparing its opening Ind AS balance sheet, the Group has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows is set out in the following tables and notes.

Effects of Ind AS adoption on Balance Sheet at 31st March, 2017 and 1st April, 2016:

In USD

Particulars	Note No.	As at 31st March, 2017 (End of last period presented as per IGAAP)			As at 1st April, 2016 (Date of Transition)		
		As per IGAAP	Adjustments on transition to Ind AS	As per Ind AS	As per IGAAP	Adjustments on transition to Ind AS	As per Ind AS
		Propertv. plant and equipment		305,403	0	305,403	332,774
Goodwill		18,089,336	-	18,089,336	18,089,336	-	18,089,336
Other intangible assets		-	-	-	298,587	-	298,587
Financial assets							
i. Investments	1	5,043,771	(9,043)	5,034,728	4,343,771	(9,043)	4,334,728
iii. Other financial assets		23,305	(0)	23,305	73,125	-	73,125
Deferred tax assets	2	-	548,953	548,953	-	573,646	573,646
Total non-current assets		23,461,815	539,910	24,001,725	23,137,593	564,603	23,702,196
Current assets							
Financial assets							
i. Investments		-	-	-	-	-	-
ii. Trade receivables	3	5,811,008	(1,577,159)	4,233,849	5,708,752	(1,648,510)	4,060,242
iii. Cash and cash equivalents		1,405,482	-	1,405,482	787,241	-	787,241
iv. Bank balances other than (iii) above		-	-	-	-	-	-
v. Loans		-	-	-	-	-	-
vi. Other financial assets		5,113,359	-	5,113,359	4,010,291	-	4,010,291
Other current assets							
Total current assets		10,329,849	(1,577,159)	8,752,690	10,506,284	(1,648,510)	8,857,774
Total assets		33,791,664	(1,037,250)	32,754,414	33,643,877	(1,083,909)	32,559,970
EQUITY AND LIABILITIES							
Equity							
Equity share capital		35,286,675	-	35,286,675	35,286,675	-	35,286,675
Other equity	4	(3,266,395)	1,037,250	(4,303,645)	(4,473,164)	1,083,909	(5,557,073)
Equity attributable to owners		28,753,886	2,074,500	26,679,386	26,340,347	2,167,817	24,172,530
Non-controlling interests		-	-	-	-	-	-
Total equity		32,020,280	1,037,250	30,983,030	30,813,511	1,083,909	29,729,602
LIABILITIES							
Non-current liabilities							
Financial liabilities							
i. Borrowings		-	-	-	-	-	-
ii. Other financial liabilities		32,250	-	32,250	32,250	-	32,250
Total non-current liabilities		32,250	-	32,250	32,250	-	32,250
Current liabilities							
Financial liabilities							
i. Borrowings		47,662	-	47,662	1,600,000	-	1,600,000
ii. Trade payables		1,426,372	-	1,426,372	1,108,353	-	1,108,353
iii. Other financial liabilities		-	-	-	-	-	-
Provisions		265,101	-	265,101	89,764	-	89,764
Other current liabilities							
Total current liabilities		1,739,135	-	1,739,135	2,798,117	-	2,798,117
Total liabilities		1,771,385	-	1,771,385	3,830,367	-	2,830,367
Total equity and liabilities		33,791,665	1,037,250	32,754,415	33,643,878	1,083,909	32,559,969

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note

Reconciliation of total comprehensive income for the year ended 31 March 2017		In USD	
Particulars	Note No.	As per IGAAP	As per Ind AS
Revenue from operations		26,300,150	26,300,150
Other income		16	16
Other gains/(losses)		-	-
Total income		26,300,166	26,300,166
Employee benefit expenses		7,588,451	7,517,100
Net finance costs		43,996	43,996
Depreciation and amortisation expense		181,004	181,004
Other expenses	3	17,223,797	17,223,797
Total expenses		25,037,248	24,965,897
Profit before exceptional items, share of net profits of investments accounted for and tax		1,262,918	1,334,269
Share of net profits of joint ventures		-	-
Profit before exceptional items and tax		1,262,918	1,334,269
Exceptional items		-	-
Profit before tax		1,262,918	1,334,269
Income tax expense		-	-
- Current tax		56,148	56,148
- Deferred tax	2	-	24,693
Total tax expense/(credit)		56,148	80,841
Profit from continuing operations		1,206,770	1,253,428
Share of Non Controlling Interest in Profit for the year		-	-
Profit for the year		1,206,770	1,253,428
OCI for the year		-	-
Total comprehensive income for the year		1,206,770	1,253,428



Reconciliation of total equity as at 31 March 2017 and 1 April 2016		In USD	
Particulars	Note No.	31 March 2017	1 April 2016
Total equity as per Indian GAAP		32,020,280	30,813,511
Fair valuation of investments	1	(9,043)	(9,043)
Provision for Expected Credit Loss	3	(1,577,161)	(1,648,511)
Deferred tax impact on Ind AS adjustments	2	548,953	573,646
Total equity as per Ind AS		30,983,030	29,729,602

Notes to first-time adoption:

Note 1: Fair valuation of investments

Under the previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Non-current investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments designated as at FVOCI) have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended 31 March 2017. This decreased the retained earnings by \$9043 lacs as at 31 March 2017 (1 April 2016 - \$9043).

Note 2: Deferred tax

Under previous GAAP, tax expense in the financial statements was computed by performing line by line addition of tax expense of the parent and its subsidiaries. Deferred tax have been recognised on the adjustments made on transition to Ind AS.

Note 3: Trade receivables

As per Ind AS 109, the company is required to apply expected credit loss model for recognising the allowance for doubtful debts. As a result, the allowance for doubtful debts increased by \$1,577,159 as at 31 March 2017 (1 April 2016 - \$1,648,510). Consequently, the total equity as at 31 March 2017 decreased by \$1,577,159 (1 April 2016 - \$1,648,510).

Note 4: Retained earnings

Retained earnings as at April 1, 2016 has been adjusted consequent to the above Ind AS transition adjustments.



LUMINA DATAMATICS INC.

Notes forming part of the condensed financial statements
(All amounts are in USD unless otherwise stated)

Note 1: Significant accounting policies and notes on account

a) Significant Accounting Policies

i) Basis of Preparation of Condensed Financial Statements:

The financial statements are prepared under the historical cost convention, on the accrual basis of accounting and in accordance with Ind AS in India from the books of accounts maintained in US Dollars. The above condensed financial statements comprising of Balance Sheet, Statement of Profit and Loss and Significant accounting policies have been prepared by the management to enable its holding company, Lumina Datamatics Limited to prepare its consolidated financial statements and only relevant disclosures as required for the intended purpose are disclosed.

ii) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (IndAS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The condensed financial statements up to year ended 31 March 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

First-time adoption: In accordance with Ind AS 101 on First-time adoption of Indian Accounting Standards, the Company's first Ind AS financial statements include, three balance sheets viz. the opening balance sheet as at 1st April, 2016 and balance sheets as at 31st March, 2017 and 31st March, 2018 and two statements each of profit and loss, cash flows and changes in equity for the years ended 31st March, 2017 and 31st March, 2018 together with related notes. The same accounting policies have been used for all periods presented.

b) Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles require estimates and assumptions to be made that affect the reported amounts of the assets and liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognised in the year in which the results are known / materialized.

c) Revenue recognition

Revenue from services is recognised based on time and material and billed to the clients as per the terms of the contract. In the case of fixed price contracts, revenue is recognised on periodical basis based on units executed and delivered.

Cost and earnings in excess of billings are classified as unbilled revenue while billings in excess of cost and earnings are classified as unearned revenue. Discount is recognised on cash basis in accordance with the contractual term of the agreement with the customers.

'Unbilled revenues' included in other current assets represent cost and earnings in excess of billings as at the balance sheet date.

d) Income tax

No provision has been considered necessary for the current year since the company has the brought forward net operating losses in accordance with Internal Revenue Service Code of United States of America. However State taxes are accrued and provided in the books. No deferred tax asset has been recognised on the amount of carried forward tax losses and unabsorbed depreciation in the absence of virtual certainty.

e) Leases

As a lessee

Lease under which the Company assumes substantially all the risks and rewards of ownership are classified as Finance Leases. The leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items, are classified as operating lease. Operating lease payments are recognised as expenses in the Statement of Profit and Loss.

f) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

g) Impairment of financial assets

At each balance sheet date, carrying amounts of tangible and intangible assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.



LUMINA DATAMATICS INC.

Notes forming part of the condensed financial statements

(All amounts are in USD unless otherwise stated)

h) Property, plant and equipment

Property, plant and equipments are valued at cost after reducing accumulated depreciation until the date of the balance sheet. Direct costs are capitalised until the assets are ready to use and include financing costs relating to any specific borrowing attributable to the acquisition of fixed assets. Intangible assets are recognised, only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably. Capital work-in-progress includes assets not put to use before the year end.

Transition to Ind AS

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

i) Depreciation methods, estimated useful lives and residual value

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Leasehold improvements are amortized over the lease term or the useful life of the asset as determined by the management, whichever is lower. Software costs and customer related contracts intangibles are amortized on a straight-line basis over a period of three years representing the estimated useful life of the respective intangibles.

j) Tangible assets

Fixed assets are stated at cost less accumulated depreciation/amortisation and impairment losses, where applicable. The company capitalizes all costs relating to the acquisition and installation of fixed assets. Cost comprises the purchase price and any attributed cost of bringing the asset to its working condition for its intended use.

k) Intangible assets

Software is acquired primarily from third-party vendors and is in ready-to-use condition. Costs for acquiring such software are capitalized. Goodwill arising on amalgamation is amortized over five years, as per Accounting Standard 14 on "Accounting for Amalgamations".

Advances paid towards the acquisition of fixed assets outstanding at each balance sheet date are disclosed as "Capital advances" under Long term loans and advances.

l) Goodwill

The consideration paid in excess of net assets taken over are recognised as goodwill and is tested for impairment on annual basis.

m) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

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 the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

n) Borrowing costs

Borrowing costs, which are directly attributable to the acquisition, construction or production of a qualifying assets are capitalised as a part of the cost of the assets. Other borrowing costs are recognised as expenses in the year in which they are incurred.

o) Provision, Contingent Liabilities and Contingent Assets



LUMINA DATAMATICS INC.

Notes forming part of the condensed financial statements
(All amounts are in USD unless otherwise stated)

The company creates a provision when there is present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount or the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognised nor disclosed in the condensed financial statements.

p) Employee benefits

Defined Benefit Plan

Savings & Investment schemes

The company has a savings and investment plan under section 401(k) of the Internal Revenue Code of the United States of America. This is a defined contribution plan. Contributions made under the plan are charged to the consolidated statement of profit and loss in the period in which they accrue.

Restricted Stock Units

Employee Compensation in the form of stock options, granted under LDL RSU Plan 2016 have been charged to Profit & Loss Statement, based on fair value method, over the vesting period.

q) Earnings per share

In determining Earnings per Share, the Company considers the net profit after tax after reducing the preference dividend and tax thereon and includes the post-tax effect of any extra-ordinary items. The number of shares used in computing basic Earnings per Share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted Earnings per Share comprises the weighted average shares considered for deriving basic Earnings per Share and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares.

r) Operating cycle

Based on the nature of products & activities of the company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the company has determined its operating cycle as 12 months For the purpose of classification of its assets and liabilities as current and non-current.

s) Segment reporting

The company operates in only one business segment, which is e-publishing services and one geographic segment USA.

t) Investments

Long-term investments are stated at cost of acquisition. Provision for diminution is made if such diminution is considered other than temporary. Current investments are stated at lower of cost and fair value

The accompanying notes forming an integral part of the financial statements

As per our attached report of even
date

For Kanu Doshi Associates LLP

Chartered Accountants

Firm Registration No. 104746W/11/00096

Arati Parmar

Arati Parmar

Partner

Membership No. 102888



V. V. Bhogilal

Vidur V Bhogilal

Vice Chairman

For and on behalf of the Board

Dr. Lalit S. Kanodia

Dr. Lalit S. Kanodia

Chairman

Place : Mumbai

Dated : May 29, 2018

Place : Mumbai

Dated : May 29, 2018

