

CIGNEX Datamatics Technologies Ltd
Financial statements as at and for the year ended March 31, 2020

| Particulars | Note | (Amount in Rs.) | |
|--|------|----------------------|----------------------|
| | | As at March 31, 2020 | As at March 31, 2019 |
| Balance Sheet as at March 31, 2020 | | | |
| ASSETS | | | |
| Non-current assets | | | |
| Property, Plant and Equipment | 1 | 5,561,958 | 9,513,167 |
| Rights of Use | | 6,725,440 | |
| Other intangible assets | 2 | 71,726 | 149,829 |
| Financial assets | | | |
| i. Investments | 3 | | 15,000,000 |
| ii. Loans | 4 | 750,000 | 1,268,252 |
| iii. Other financial assets | 5 | 6,370,265 | 14,998,707 |
| Deferred tax assets | 28 | 17,097,984 | 7,312,218 |
| Total non-current assets | | 36,577,373 | 48,242,173 |
| Current assets | | | |
| Financial assets | | | |
| i. Investments | 6 | 50,902,727 | 171,144,847 |
| ii. Trade receivables | 7 | 311,155,524 | 123,545,767 |
| iii. Cash and cash equivalents | 8 | 8,130,722 | 10,710,602 |
| iv. Loans | 9 | 5,439,190 | 14,308,152 |
| v. Other financial assets | 10 | 12,500,000 | 6,313,445 |
| Current tax assets | 19 | 27,203,410 | 6,325,890 |
| Other current assets | 11 | 31,287,589 | 40,940,275 |
| Total current assets | | 446,619,162 | 373,288,978 |
| Total Assets | | 483,196,534 | 421,531,151 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 12A | 500,000 | 500,000 |
| Other equity | 12B | 375,531,759 | 347,308,255 |
| Reserves and surplus | | 376,031,759 | 347,808,255 |
| Equity attributable to owners of Cignex Datamatics Technologies Limited | | 376,031,759 | 347,808,255 |
| Non-controlling interests | | 376,031,759 | 347,808,255 |
| Total equity | | 376,031,759 | 347,808,255 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| Employee benefit obligations | 13 | 38,353,588 | 29,763,534 |
| Other non-current financial liabilities | 14 | 7,499,984 | |
| Other non-current liabilities | 15 | 2,852,489 | |
| Total non-current liabilities | | 48,706,061 | 29,763,534 |
| Current liabilities | | | |
| Financial liabilities | | | |
| i. Trade payables | 16 | 26,079,699 | 22,470,342 |
| ii. Other financial liabilities | 17 | 11,612,214 | 7,626,690 |
| Employee benefit obligations | 18 | 2,652,952 | 2,375,073 |
| Other current liabilities | 20 | 18,113,849 | 11,487,257 |
| Total current liabilities | | 58,458,714 | 43,959,362 |
| Total liabilities | | 107,164,775 | 73,722,896 |
| Total Equity and Liabilities | | 483,196,534 | 421,531,150 |

The accompanying notes forming an integral part of the financial statements

1-46

As per our attached report of even date

For Kanu Doshi Associates LLP

Chartered Accountants

Firm Registration No. 104746W/W100096

Kunal Vakharia
Partner
Membership No. 148916

Place : Mumbai
Date :- 14th May, 2020



For and on behalf of the Board

V. V. Bhogilal
Director

Divya Kumari
Director
DIN 00008036 DIN 03592056

Place : Mumbai
Date :- 14th May, 2020

CIGNEX Datamatics Technologies Ltd
Financial statements as at and for the year ended March 31, 2020

| Particulars | Note | (Amount in Rs.) | (Amount in Rs.) |
|---|------|---------------------------|---------------------------|
| | | Year ended March 31, 2020 | Year ended March 31, 2019 |
| Statement of profit and loss for the Period ended March 31, 2020 | | | |
| Continuing operations | | | |
| Revenue from operations | 21 | 857,700,404 | 823,395,536 |
| Other income | 22 | 28,385,196 | 18,558,666 |
| Total income | | 886,085,599 | 841,954,202 |
| Expenses | | | |
| Purchase of products and licenses | 23 | 2,799,545 | 2,954,370 |
| Employee benefit expenses | 24 | 649,434,172 | 605,413,310 |
| Finance costs | 25 | 1,469,806 | 1,025,271 |
| Depreciation and amortisation expenses | 26 | 7,879,531 | 5,428,035 |
| Other expenses | 27 | 147,075,883 | 148,161,093 |
| Total expenses | | 808,658,937 | 762,982,079 |
| Profit before exceptional items and tax | | 77,426,662 | 78,972,123 |
| Exceptional items | | | |
| Profit before tax | | 77,426,662 | 78,972,123 |
| Tax expense | | | |
| - Current tax | | 22,245,991 | 24,007,866 |
| Tax Adjustment of Earlier Years | | | 4,099,077 |
| - Deferred tax | | (397,892) | 2,002,302 |
| Total tax expense/(credit) | | 21,848,099 | 30,109,245 |
| Profit for the year | | 55,578,563 | 48,862,878 |

Statement of Other Comprehensive Income for the Period ended March 31, 2020

| Particulars | Note | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|------|---------------------------|---------------------------|
| <i>Items that will be reclassified to profit or loss:</i> | | | |
| Cash flow Hedges | | (30,277,363) | 3,792,754 |
| Tax relating to above | | 7,988,016 | (3,854,933) |
| | | (22,289,347) | (62,179) |
| <i>Items that will not be reclassified to profit or loss:</i> | | | |
| Fair Value gain on FVOCI investments | | (5,959,915) | (1,766,460) |
| Actuarial gains and losses | | 1,259,185 | 491,429 |
| Tax relating to above | | (4,700,730) | (1,275,031) |
| | | (26,990,078) | (1,337,209) |
| OCI for the year | | (26,990,078) | (1,337,209) |
| Total comprehensive income for the year | | 28,588,485 | 47,525,669 |
| Earnings per equity share (face value Rs. 5 each) | | | |
| - Basic (in Rs.) | 41 | 1,111.57 | 977.26 |
| - Diluted (in Rs.) | 41 | 1,111.57 | 977.26 |

The accompanying notes forming an integral part of the financial statements
As per our attached report of even date

1-46
For and on behalf of the Board

For Kanu Doshi Associates LLP
Chartered Accountants
Firm Registration No. 104746W/W100096

Kunal Vakharia
Partner
Membership No. 148916

Place : Mumbai
Date :- 14th May, 2020



V. V. Bhogilal

Vidur V. Bhogilal
Director
DIN 00008036

Divya

Divya Kumari
Director
DIN 03592056

Place : Mumbai
Date :- 14th May, 2020

CIGNEX Datamatics Technologies Ltd
Financial statements as at and for the year ended March 31, 2020

A. Equity share capital

| Particulars | Amount in Rs. |
|---------------------------------|---------------|
| As at April 01, 2018 | 500,000 |
| Changes in equity share capital | - |
| As at April 01, 2019 | 500,000 |
| Changes in equity share capital | - |
| As at March 31, 2020 | 500,000 |

B. Other equity

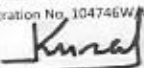
(Amount in Rs.)

| Particulars | Profit And Loss | Other Comprehensive Income | | Total |
|--|-----------------|----------------------------|----------------------------|--------------|
| | | Cash flow Hedging reserve | Actuarial Gains and Losses | |
| As at April 01, 2018 | 291,364,839 | 10,063,941 | (1,646,195) | 299,782,585 |
| Profit for the year | 48,862,879 | - | (1,275,031) | 47,587,848 |
| - Gain / (Loss) on cash flow hedging derivatives | - | (62,179) | - | (62,179) |
| As at April 01, 2019 | 340,227,718 | 10,001,762 | (2,921,226) | 347,308,255 |
| - Gain / (Loss) on cash flow hedging derivatives | - | (22,289,348) | (4,700,730) | (26,990,078) |
| IND As 116 impact | (364,981) | - | - | (364,981) |
| Profit for the year | 55,578,563 | - | - | 55,578,563 |
| As at March 31, 2020 | 395,441,300 | (12,287,586) | (7,621,956) | 175,531,759 |

As per our attached report of even date

For and on behalf of the Board

For Kunal Doshi Associates LLP
Chartered Accountants
Firm Registration No. 104746W/100096


Kunal Vakharia
Partner
Membership No. 148916



Place : Mumbai
Date : 14th May, 2020

Vidur V. Bhogilal Director
DIN 00808036
Divya Kumari Director
DIN 03592056

Place : Mumbai
Date : 14th May, 2020

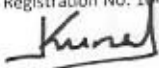
CIGNEX DATAMATICS TECHNOLOGIES LIMITED
Financial statements as at and for the year ended March 31, 2020

Cash Flow Statement for the Period ended March 31, 2020

(Amount in Rs.)

| PARTICULARS | Year ended March 31, 2020 | Year ended March 31, 2019 |
|--|---------------------------|---------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit Before Tax | 77,426,662 | 78,972,124 |
| Adjusted For: | | |
| Depreciation and amortization | 4,174,228 | 5,428,035 |
| Provision for retirement benefits | 2,908,018 | 4,775,278 |
| Profit on Sale of property, plant and equipment | (5,000) | (270,000) |
| Income on settlement of ROU Assets | (331,533) | |
| Finance cost | 1,066,782 | 1,025,271 |
| Interest income from fixed deposits and others | (22,387) | (913,104) |
| Profit on sale of investments | (7,788,860) | (6,790,861) |
| Operating profit before working capital changes | 77,427,910 | 82,226,743 |
| Adjusted For: | | |
| (Increase) / decrease in trade receivable | (187,609,757) | 84,666,083 |
| Decrease / (increase) in short term loans and advances | 8,868,962 | (1,917,497) |
| Decrease / (increase) in other current assets | 9,652,686 | (23,722,105) |
| Decrease / (increase) in other non current financial assets | 1,085,192 | (4,201,291) |
| Decrease in long term loans and advances | 518,252 | 400,000 |
| Increase in other non current assets | - | (3,711) |
| Increase / (decrease) in trade payables | 3,609,357 | (14,364,357) |
| (Decrease) / increase in other financial liabilities | (4,935,161) | 4,846,337 |
| Increase in other current liabilities | 2,579,523 | 273,050 |
| Cash (used in) / generated from operations | (88,803,035) | 128,203,252 |
| Taxes paid | (43,123,511) | (33,041,288) |
| Net Cash (used in) / generated from operating activities (A) | (131,926,547) | 95,161,964 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of fixed assets | (144,917) | (2,704,879) |
| Purchase of intangible assets | | (109,800) |
| Redemption / purchase of investments | 120,242,120 | (95,590,860) |
| Sale of fixed asset | 5,000 | 270,000 |
| Interest on fixed deposit and others | 22,387 | 913,105 |
| Profit on sale of investments | 7,788,860 | 6,790,861 |
| Redemption of Investment in Subsidiary | 2,500,000 | |
| Net Cash generated from / (used in) investing activities (B) | 130,413,450 | (90,431,573) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Finance cost | (1,066,782) | (1,025,271) |
| Assets classified as held for sale | | |
| Net Cash (used in) / generated from financing activities (C) | (1,066,782) | (1,025,271) |
| Net (decrease) / increase in cash and cash equivalent during the year (A+B+C) | (2,579,879) | 3,705,120 |
| Cash and cash equivalent at the beginning of the year | 10,710,601 | 7,005,481 |
| Cash and cash equivalent at the end of the year | 8,130,722 | 10,710,601 |

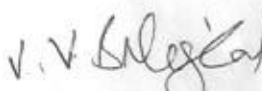
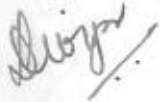
As per our attached report of even date
For Kanu Doshi Associates LLP
Chartered Accountants
Firm Registration No. 194746W/W100096


Kunal Vakharia
Partner
Membership No. 148916



Place : Mumbai
Date : 14th May, 2020

For and on behalf of the Board

Vidur V. Bhogilal
Director
DIN 00008036

Divya Kumat
Director
DIN 03592056

Place : Mumbai
Date : 14th May, 2020

Note 1: Significant accounting policies

A) Basis of preparation

i) Compliance with Ind AS

The financial statements Complies in all material aspects with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the "Act") and other relevant provisions of the Act and other accounting principles generally accepted in India.

ii) Historical cost convention

The Company follows the mercantile system of accounting and recognizes income and expenditure on an accrual basis. The financial statements are prepared under the historical cost convention, except in case of significant uncertainties and except for the following:

- (a) Certain financial assets and liabilities (Including Derivative Instruments) that are measured at fair value;
- (b) Defined benefit plans where plan assets are measured at fair value.
- (c) Investments are measured at fair value.* share-based payments

iii) - Current and Non Current Classification

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

B) Use of estimates and judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

C) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial Assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- (a) those to be
- (b) those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

- (a) For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.
- (b) For investments in debt instruments, this will depend on the business model in which the investment is held.
- (c) For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(a) Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other income or other expenses (as applicable). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other income or other expenses (as applicable) in the period in which it arises. Interest income from these financial assets is included in other income or other expenses, as applicable.



Note 1: Significant accounting policies (continued)

(b) Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has selected to present fair value gains and losses on equity investments in other comprehensive income and there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other income or other expenses, as applicable in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime credit losses (ECL) to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

(iv) Derecognition of financial assets

A financial asset is derecognised only when -

(a) The Company has transferred the rights to receive cash flows from the financial asset or

(b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(ii) Financial Liabilities

(i) Measurement

Financial liabilities are initially recognised at fair value, reduced by transaction costs (in case of financial liability not at fair value through profit or loss), that are directly attributable to the issue of financial liability. After initial recognition, financial liabilities are measured at amortised cost using effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash outflow (including all fees paid, transaction cost, and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. At the time of initial recognition, there is no financial liability irrevocably designated as measured at fair value through profit or loss.

(ii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

D) Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less cumulative amortization, where appropriate.

E) Segment Report

(i) The company identifies primary segment based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

(ii) The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

F) Cash and cash

Cash and cash equivalents includes cash in hand, deposits with banks, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes outstanding bank overdraft shown within current liabilities in statement of financial balance sheet and which are considered as integral part of company's cash management policy.



Note 1: Significant accounting policies (continued)

G) Income tax, deferred tax and dividend distribution tax

The Income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current and deferred tax is recognised in the profit and loss except to the extent it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised in equity or other comprehensive income respectively.

(i) Current income tax

Current tax charge is based on taxable profit for the year. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements at the reporting date. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised.

Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

The carrying amount of deferred tax assets is reviewed at each reporting date and adjusted to reflect changes in probability that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred income tax assets and liabilities are off-set against each other and the resultant net amount is presented in the Balance Sheet, if and only when, (a) the Company has a legally enforceable right to set-off the current income tax assets and liabilities, and (b) the deferred income tax assets and liabilities relate to income tax levied by the same taxation authority.

Minimum Alternate Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

(iii) Dividend distribution tax

Dividend distribution tax paid on the dividends is recognised consistently with the presentation of the transaction that creates the income tax consequence. Dividend distribution tax is charged to statement of profit and loss if the dividend itself is charged to statement of profit and loss. If the dividend is recognised in equity, the presentation of dividend distribution tax is recognised in equity.

H) Property, plant and equipment

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 used those carrying value as the deemed cost of the property, plant and equipment.

(i) Freehold land is carried at historical cost including expenditure that is directly attributable to the acquisition of the land.

(ii) All other items of property, plant and equipment are stated at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items.

(iii) Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

(iv) Cost of Capital Work in Progress ('CWIP') comprises amount paid towards acquisition of property, plant and equipment outstanding as of each balance sheet date and construction expenditures, other expenditures necessary for the purpose of preparing the CWIP for its intended use and borrowing cost incurred before the qualifying asset is ready for intended use. CWIP is not depreciated until such time as the relevant asset is completed and ready for its intended use.

(v) Depreciation methods, estimated useful lives and residual value

(a) Fixed assets are stated at cost less accumulated depreciation.

(b) Depreciation is provided on a pro rata basis on the straight-line method over the estimated useful lives of the assets which is as prescribed under Schedule II to the Companies Act, 2013. The depreciation charge for each period is recognised in the Statement of Profit and Loss, unless it is included in the carrying amount of any other asset. The useful life, residual value and the depreciation method are reviewed at least at each financial year end. If the expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimate.

(c) Leasehold Land is depreciated over the period of the Lease.

(vi) Tangible assets which are not ready for their intended use on reporting date are carried as capital work-in-progress.

(vii) The residual values are not more than 5% of the original cost of the asset.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Estimated useful lives, residual values and depreciation methods are reviewed annually, taking into account commercial and technological obsolescence as well as normal wear and tear and adjusted prospectively, if appropriate.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other expenses or other income as applicable.

I) Investment Property

Property that is held for Capital appreciation and which is not occupied by the Company, is classified by Investing property. Investment property is measured at cost including related transaction cost and where applicable borrowing cost. Investment properties are depreciated at the same rate applicable for class of asset under Property, Plant and Equipment.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its investment properties recognised as at April 01, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties.



Note 1: Significant accounting policies (continued)

J) Intangible assets

On transition to Ind AS, The Company has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2016 measured as per the previous GAAP and used those carrying value as the deemed cost of the intangible assets.

(i) An intangible asset shall be recognised if, and only if: (a) it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and (b) the cost of the asset can be measured reliably.

(ii) Cost of technical know-how is amortised over a period of six years.

(iii) Computer software is capitalised where it is expected to provide future enduring economic benefits. Capitalisation costs include licence fees and costs of implementation / system integration services. The costs are capitalised in the year in which the relevant software is implemented for use. The same is amortised over a period of 3 years on straight-line method.

K) Leases

(i) As a lessee

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards)

Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning from 1 April 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (1 April 2019). Accordingly, the Company has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on 1 April 2019.

Refer note 1(K) – Significant accounting policies – Leases in the Annual report of the Company for the year ended 31 March 2019, for the policy as per Ind AS 17, the previous standard on Leases.

(ii) As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

L) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf of third parties.

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(I) Revenue from services – consulting

i) **Timing of recognition:** Revenue from consulting services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided (percentage of completion method).

ii) **Measurement of revenue:** Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

(II) Other Income

(i) Interest Income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

(ii) Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the group, and the amount of the dividend can be measured reliably.



Note 1: Significant accounting policies (continued)

M) Employee Benefit

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The group operates the following post-employment schemes:

Gratuity and Leave encashment which are defined benefits are accrued based on actuarial valuation working provided by Actuarial valuers.

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan. The defined benefit obligation is calculated annually as provided by Actuarial valuers. The present value of the 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 net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

(b) Defined Contribution plan:

Contribution payable to recognised provident fund which is defined contribution scheme is charged to Statement of Profit & Loss. The company has no further obligation to the plan beyond its contribution.

N) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. All the foreign exchange gains and losses are presented in the statement of Profit and Loss on a net basis within other expenses or other income as applicable.

O) Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

The company designates their derivatives as hedges of foreign exchange risk associated with the cash flows of highly probable forecast transactions and variable interest rate risk associated with borrowings (cash flow hedges).

The company documents at the inception of the hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows of hedged items. The company documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

P) Borrowing Cost

(i) 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.

(ii) Borrowings are classified as current financial liabilities unless the group 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.



Note 1: Significant accounting policies (continued)

Q) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company; and
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares; and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

R) Impairment of Assets

Intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

S) Provisions, contingent liabilities and contingent assets

(i) Provisions:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss.

(ii) Contingent liabilities:

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

(iii) Contingent Assets: Contingent Assets are disclosed, where an inflow of economic benefits is probable.

T) Investments

On transition to Ind AS, equity investments are measured at fair value, with value changes recognised in Other Comprehensive Income, except for those mutual fund for which the Company has elected to present the fair value changes in the Statement of Profit and Loss.

U) Trade receivables

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

V) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are recognised, initially at fair value, and subsequently measured at amortised cost using effective interest rate method.

W) 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.



CIGNEX Datamatics Technologies Limited
Financial statements as at and for the year ended March 31, 2020

1 Note 1 - Property, plant and equipment

(Amount in Rs.)

| Particulars | FURNITURE & FIXTURES | VEHICLES | OFFICE EQUIPMENTS | COMPUTERS + SERVER | ELECTRICAL FITTINGS | Total |
|----------------------|----------------------|----------|-------------------|--------------------|---------------------|-------------|
| Gross block | | | | | | |
| As at April 01, 2018 | 6,902,416 | 426,180 | 4,073,494 | 15,143,313 | 3,805,836 | 30,351,239 |
| Additions | 1,487,763 | - | 598,876 | 490,666 | 127,574 | 2,704,879 |
| Disposals | - | - | - | (3,836,086) | - | (3,836,086) |
| As at April 01, 2019 | 8,390,179 | 426,180 | 4,672,370 | 11,797,893 | 3,933,410 | 29,220,032 |
| Additions | 53,300 | - | 91,617 | - | - | 144,917 |
| Disposals | - | - | - | (40,000) | - | (40,000) |
| As at March 31, 2020 | 8,443,479 | 426,180 | 4,763,987 | 11,757,893 | 3,933,410 | 29,324,949 |

| Particulars | FURNITURE & FIXTURES | VEHICLES | OFFICE EQUIPMENTS | COMPUTERS + SERVER | ELECTRICAL FITTINGS | Total |
|--|----------------------|----------|-------------------|--------------------|---------------------|-------------|
| Accumulated depreciation | | | | | | |
| As at April 01, 2018 | 2,784,353 | 107,108 | 2,671,475 | 11,011,762 | 1,627,181 | 18,201,879 |
| Depreciation charge during the year | 1,541,563 | 53,554 | 785,765 | 2,269,376 | 690,814 | 5,341,072 |
| Disposals | - | - | - | (3,836,086) | - | (3,836,086) |
| As at April 01, 2019 | 4,325,916 | 160,662 | 3,457,240 | 9,445,052 | 2,317,995 | 19,706,865 |
| Depreciation charge during the year | 1,118,876 | 53,555 | 649,656 | 1,600,117 | 673,921 | 4,096,125 |
| Disposals | - | - | - | (40,000) | - | (40,000) |
| As at March 31, 2020 | 5,444,792 | 214,217 | 4,106,896 | 11,005,169 | 2,991,916 | 23,762,990 |
| Net carrying amount as at March 31, 2020 | 2,998,687 | 211,963 | 657,091 | 752,724 | 941,494 | 5,561,959 |
| Net carrying amount as at March 31, 2019 | 4,064,263 | 265,518 | 1,215,130 | 2,352,841 | 1,615,415 | 9,513,167 |



CIGNEX Datamatics Technologies Limited
 Financial statements as at and for the year ended March 31, 2020

2 Note 2 - Intangible assets

(Amount in Rs.)

| Particulars | Computer Softwares | Total |
|--|--------------------|-----------|
| <i>Gross block</i> | | |
| As at April 01, 2018 | 1,524,858 | 1,524,858 |
| Additions | 109,800 | 109,800 |
| As at April 01, 2019 | 1,634,658 | 1,634,658 |
| Additions | - | - |
| As at March 31, 2020 | 1,634,658 | 1,634,658 |
| <i>Accumulated amortisation and impairment</i> | | |
| As at April 01, 2018 | 1,397,866 | 1,397,866 |
| Amortisation charge during the year | 86,963 | 86,963 |
| As at April 01, 2019 | 1,484,829 | 1,484,829 |
| Amortisation charge during the year | 78,103 | 78,103 |
| As at March 31, 2020 | 1,562,932 | 1,562,932 |
| Net carrying amount as at March 31, 2020 | 71,726 | 71,726 |
| Net carrying amount as at March 31, 2019 | 149,829 | 149,829 |



CIGNEX Datamatics Technologies Ltd
Financial statements as at and for the year ended March 31, 2020

| 3 Note 3 - Non-current investments | | (Amount in Rs.) | (Amount in Rs.) |
|--|--------------------|--------------------|-----------------|
| Particulars | Mar 31, 2020 | Mar 31, 2019 | |
| Investment in subsidiaries - Wholly Owned | | | |
| Quoted (Cost) | | | |
| Investment in Attune Infocom | | 15,000,000 | |
| Nil (7370) Equity Shares of ` 10/- each of Attune Infocom Pvt. Ltd. (Fully Paid) (Extent of holding 51%) | | | |
| Other | | | |
| 10410 (NIL) Equity Shares of ` 10/- each & premium of INR 48.94 of Scalsys Technologies Pvt Ltd (Fully Paid) (Extent of holding 51%) | | 613,565 | |
| Provision for impairment in value of investment | | (613,565) | |
| Total | | 15,000,000 | |
| 4 Note 4 - Non-current loans | | | |
| Particulars | Mar 31, 2020 | Mar 31, 2019 | |
| (Unsecured, Considered Good, unless specified otherwise) | | | |
| Loan given to Scalsys Technologies Pvt. Ltd. | 750,000 | 1,268,252 | |
| Total | 750,000 | 1,268,252 | |
| 5 Note 5 - Other non-current financial assets | | | |
| Particulars | Mar 31, 2020 | Mar 31, 2019 | |
| (Unsecured, Considered Good, unless specified otherwise) | | | |
| Security deposits | 6,308,988 | 7,398,145 | |
| Fair Value of Outstanding Contract | | 7,543,250 | |
| Fixed Deposit Accounts with maturity greater than 12 months (Marked against lien) | 61,277 | 57,312 | |
| (Fixed deposit against VAT and CST) | | | |
| Total | 6,370,265 | 14,998,707 | |
| 6 Note 6 - Current investments | | | |
| Particulars | Mar 31, 2020 | Mar 31, 2019 | |
| Investment in mutual funds - Non Trade | | | |
| Quoted (at FVTPL) | | | |
| Investment - Current | | | |
| 280,636 (P.Y. 280,636) Units of Birla Sun Life Short Term Opport Fund - Growth (Face Value of ` 10 each) (NAV 33.1755 P.Y. 30.8995) | 9,310,251 | 8,671,523 | |
| Nil (P.Y. 365,487) Units of ICICI Prudential Liquid fund - Direct - Growth (Face Value of ` 100 each) (NAV Nil P.Y. ` 276.4164) | | 101,026,637 | |
| 378,339 (P.Y. Nil) Units of Nippon India Overnight Fund - Reg - Growth (Face Value of ` 1000 each) (NAV 107.0489 P.Y. Nil) | 40,500,757 | | |
| 226.38 (P.Y. 13,737) Units of Reliance Liquid fund - TP - Growth (Face Value of ` 1000 each) (NAV 4822.5085 P.Y. 4539.2103) | 1,091,719 | 61,446,687 | |
| Total | 50,902,727 | 171,144,847 | |
| 7 Note 7 - Trade receivables | | | |
| Particulars | Mar 31, 2020 | Mar 31, 2019 | |
| Unsecured | 311,155,524 | 208,211,850 | |
| Unsecured | | | |
| Considered Good | 311,155,524 | 123,545,767 | |
| | 311,155,524 | 123,545,767 | |
| Less :- Allowance for expected credit loss | | | |
| Total | 311,155,524 | 123,545,767 | |
| 8 Note 8 - Cash and cash equivalents | | | |
| Particulars | Mar 31, 2020 | Mar 31, 2019 | |
| Bank balances | 8,038,660 | 10,615,903 | |
| Cash on hand | 92,062 | 94,699 | |
| Total | 8,130,722 | 10,710,602 | |



| 9 Note 9 - Current loans | | |
|---|---------------------|--------------------|
| Particulars | Mar 31, 2020 | Mar 31, 2019 |
| (Unsecured, Considered Good, unless specified otherwise) | | |
| Loan to employees | 439,190 | 2,049,412 |
| Loan to others | 5,000,000 | 12,258,740 |
| Total | 5,439,190 | 14,308,152 |
| 10 Note 10 - Other current financial assets | | |
| Particulars | Mar 31, 2020 | Mar 31, 2019 |
| Fair Value of Outstanding Forward Contracts (FVOCI) | - | 6,313,445 |
| Assets classified as held for sale (Refer note no. 34) | 12,500,000 | - |
| Total | 12,500,000 | 6,313,445 |
| 11 Note 11 - Other current assets | | |
| Particulars | Mar 31, 2020 | Mar 31, 2019 |
| Prepaid expenses | 3,192,034 | 3,298,173 |
| Travel Advance | (1) | 251,284 |
| Advances to suppliers | 8,977,510 | 11,048,792 |
| Unbilled Revenue | 19,118,045 | 26,342,026 |
| Total | 31,287,589 | 40,940,275 |
| 12A Note 12A - Equity share Capital | | |
| Particulars | Mar 31, 2020 | Mar 31, 2019 |
| a) SUBSCRIBED AND PAID UP | | |
| Equity share capital | 500,000 | 500,000 |
| Equity share capital | 500,000 | 500,000 |
| 12B Note 12B - Other Equity | | |
| Particulars | Mar 31, 2020 | Mar 31, 2019 |
| a) Other Comprehensive Income (OCI) | | |
| - Cash Flow Reserves | | |
| Balance as per last Balance Sheet | 10,001,762 | 10,063,941 |
| Add: Gain / (Loss) on cash flow hedging derivatives | (22,289,348) | (62,179) |
| Closing Balance | (12,287,586) | 10,001,762 |
| - Actuarial Gains and Losses | | |
| Balance as per last Balance Sheet | (2,921,226) | (1,646,195) |
| Add: Gain / (Loss) on cash flow hedging derivatives | (4,700,730) | (1,275,031) |
| Closing Balance | (7,621,956) | (2,921,226) |
| Other Comprehensive Income (OCI) | (19,909,542) | 7,080,536 |
| b) Surplus in Profit And Loss Statement | | |
| Balance brought forward from last year | 340,227,718 | 291,364,839 |
| Profit for the year | 55,578,563 | 48,862,879 |
| IND As 116 impact | (364,981) | |
| Closing Balance | 395,441,300 | 340,227,718 |
| Total | 375,531,758 | 347,308,254 |
| 13 Note 13 - Long Term Employee benefit obligations | | |
| Particulars | Mar 31, 2020 | Mar 31, 2019 |
| <u>Provisions for employee benefits (Refer Note No. 32)</u> | | |
| Long-term provisions - Gratuity | 25,550,292 | 19,316,628 |
| Long-term provisions - Leave | 12,803,296 | 10,446,906 |
| Total | 38,353,588 | 29,763,534 |



| 14 Note 14 - Other non current financial liabilities | | |
|---|-------------------|-------------------|
| Particulars | Mar 31, 2020 | Mar 31, 2019 |
| Fair Value of Outstanding Forward Contracts (FVOCI) | 7,499,984 | - |
| Total | 7,499,984 | - |
| 15 Note 15 - Other non current liabilities | | |
| Particulars | Mar 31, 2020 | Mar 31, 2019 |
| Lease Liability (Lease 116) | 2,852,489 | - |
| Total | 2,852,489 | - |
| 16 Note 16 - Trade payables | | |
| Particulars | Mar 31, 2020 | Mar 31, 2019 |
| Dues of micro and small enterprises (Refer Note No 16.1) | - | - |
| Dues other than micro and small enterprises (Refer Note No 16.1) | 26,079,699 | 22,470,342 |
| Total | 26,079,699 | 22,470,342 |
| Note No 16.1: The company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to amounts unpaid as at the year end together with interest paid / payable under this Act, have not been given. | | |
| 17 Note 17 - Other current financial liabilities | | |
| Particulars | Mar 31, 2020 | Mar 31, 2019 |
| Accrued Exp. | - | - |
| Fair Value of Outstanding Forward Contracts (FVOCI) | 2,575,773 | 7,484,714 |
| Other payables | 8,920,685 | - |
| | 115,756 | 141,976 |
| Total | 11,612,214 | 7,626,690 |
| 18 Note 18 - Short Term Employee benefit obligations | | |
| Particulars | Mar 31, 2020 | Mar 31, 2019 |
| Provisions for employee benefits (Refer Note No. 32) | - | - |
| Gratuity | - | - |
| Leave Encashment | 690,527 | 638,939 |
| | 1,962,425 | 1,736,134 |
| Total | 2,652,952 | 2,375,073 |
| 19 Note 19 - Current tax assets / (Liabilities) | | |
| Particulars | Mar 31, 2020 | Mar 31, 2019 |
| Provision for taxation (Net of tax payment) | 27,203,410 | 6,325,890 |
| Total | 27,203,410 | 6,325,890 |
| 20 Note 20 - Other current liabilities | | |
| Particulars | Mar 31, 2020 | Mar 31, 2019 |
| Statutory dues | 12,628,164 | 10,313,988 |
| Advances from customers | 1,087,067 | 1,087,067 |
| Unearned revenue | 427,200 | 86,202 |
| Lease Liability (Lease 116) | 3,971,418 | - |
| Total | 18,113,849 | 11,487,257 |



12 Note 12 - Share capital and other equity

12 12(a) - Equity share capital

(i) Authorised share capital

| Particulars | (Amount in Rs.) | |
|--------------------------|------------------|---------|
| | Number of shares | Amount |
| As at April 01, 2018 | 50,000 | 500,000 |
| Increase during the year | - | - |
| As at March 31, 2019 | 50,000 | 500,000 |
| Increase during the year | - | - |
| As at March 31, 2020 | 50,000 | 500,000 |

(ii) Issued, Subscribed and Fully Paid Up Shares

| Particulars | Number of shares | | Amount |
|--------------------------|------------------|--|---------|
| | | | |
| As at April 01, 2018 | 50,000 | | 500,000 |
| Increase during the year | - | | - |
| As at March 31, 2019 | 50,000 | | 500,000 |
| Increase during the year | - | | - |
| As at March 31, 2020 | 50,000 | | 500,000 |

(iii) Movements in equity share capital

| Particulars | Number of shares | | Amount |
|------------------------|------------------|--|---------|
| | | | |
| As at April 01, 2018 | 50,000 | | 500,000 |
| Issued during the year | - | | - |
| As at March 31, 2019 | 50,000 | | 500,000 |
| Issued during the year | - | | - |
| As at March 31, 2020 | 50,000 | | 500,000 |

(iv) Shares of the company held by holding company

| Particulars | As at March 31, | |
|----------------------------------|-----------------|--------|
| | 2020 | 2019 |
| CIGNEX Datamatics Inc (Michigan) | 49,950 | 49,950 |

(v) Details of shareholders holding more than 5% shares in the Company

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|----------------------------------|----------------------|-----------|----------------------|-----------|
| | Number of shares | % Holding | Number of shares | % Holding |
| CIGNEX Datamatics Inc (Michigan) | 49,950 | 99.99% | 49,950 | 99.99% |

12(b) - Reserves and surplus

| Particulars | As at March 31, | |
|--------------------------------------|-----------------|-------------|
| | 2020 | 2019 |
| Retained earnings (refer note below) | 395,441,300 | 340,227,718 |
| OCI - Actuarial Gains and Losses | (7,621,956) | (2,921,226) |
| OCI - Hedging Reserve | (12,287,586) | 10,001,762 |
| Total | 375,531,759 | 347,308,255 |

(ii) Retained earnings

| Particulars | As at March 31, | |
|---------------------------|-----------------|-------------|
| | 2020 | 2019 |
| Opening balance | 340,227,718 | 291,364,839 |
| Net profit for the period | 55,578,563 | 48,862,879 |
| IND As effect | (364,981) | - |
| Closing balance | 395,441,300 | 340,227,718 |

Nature of Reserves

(i) OCI - Actuarial gains and losses

Actuarial gain and losses are recognised in other comprehensive income, net of taxes.

(ii) OCI - Cash Flow Hedging Reserve

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve. Such gains or losses will be reclassified to statement of profit and loss in the period in which the hedged transaction occurs.



CIGNEX Datamatics Technologies Ltd
Financial statements as at and for the year ended March 31, 2020

| 21 Note 21 - Revenue from operations | (Amount in Rs.) | |
|--------------------------------------|------------------------------|------------------------------|
| | Year ended March 31, 2020 | Year ended March 31, 2019 |
| Particulars | | |
| Sale of Licenses | 3,495,375 | 4,050,336 |
| Sale of Services | 854,205,029 | 819,345,200 |
| Total | 857,700,404 | 823,395,536 |

| 22 Note 22 - Other income | Year ended | |
|---|-------------------|-------------------|
| | March 31, 2020 | March 31, 2019 |
| Particulars | | |
| Interest from others | 22,387 | 913,104 |
| Profit on sale of investments | 9,247,340 | 4,992,737 |
| Unrealised Gain/Loss on revaluation of Investment | (1,458,480) | 1,798,124 |
| Profit on Sale of Assets | 5,000 | 270,000 |
| Income on settlement of ROU Assets | 331,533 | - |
| Excess Diminution Written Back | - | 299,985 |
| Exchange Fluctuation (Net) | 20,037,075 | 10,257,225 |
| Miscellaneous receipts | 200,341 | 27,491 |
| Total | 28,385,196 | 18,558,666 |

| 23 Note 23 - Operational expenses | Year ended | |
|-----------------------------------|------------------|------------------|
| | March 31, 2020 | March 31, 2019 |
| Particulars | | |
| Purchase of Software Licences | 2,799,545 | 2,954,370 |
| Total | 2,799,545 | 2,954,370 |

| 24 Note 24 - Employee benefit expenses | Year ended | |
|--|--------------------|--------------------|
| | March 31, 2020 | March 31, 2019 |
| Particulars | | |
| Salaries, Wages, Bonus & allowances | 631,382,605 | 590,837,729 |
| Contribution towards PF & Other funds | 13,026,114 | 10,792,604 |
| Staff Welfare Expenses | 5,025,453 | 3,782,977 |
| Total | 649,434,172 | 605,413,310 |

| 25 Note 25 - Finance costs | Year ended | |
|-------------------------------|------------------|------------------|
| | March 31, 2020 | March 31, 2019 |
| Particulars | | |
| Interest on others | 100,383 | 31,957 |
| Interest on lease liabilities | 403,024 | - |
| Guarantee commission | 960,000 | 960,000 |
| Other Finance Cost | 6,399 | 33,314 |
| Total | 1,469,806 | 1,025,271 |

| 26 Note 26 - Depreciation and Amortisation Expenses | Year ended | |
|---|------------------|------------------|
| | March 31, 2020 | March 31, 2019 |
| Particulars | | |
| Depreciation on property plant and equipment | 4,096,125 | 5,341,072 |
| Depreciation on ROU | 3,705,303 | - |
| Amortisation on Intangible Assets | 78,103 | 86,963 |
| Total | 7,879,531 | 5,428,035 |



27 Note 27 - Other expenses

| Particulars | Year ended | Year ended |
|--|--------------------|--------------------|
| | March 31, 2020 | March 31, 2019 |
| Technical Fees | 67,123,082 | 62,553,333 |
| Travelling Expenses | 21,716,402 | 18,604,302 |
| Rent | 13,430,135 | 18,139,634 |
| Legal and Professional charges | 4,184,187 | 2,393,125 |
| Communication Expenses | 7,270,179 | 7,944,789 |
| Recruiting Expenses | 7,414,112 | 14,352,816 |
| Advertisement and Sales Promotion Expenses | 2,920 | 57,778 |
| Subscription Charges | 1,116,899 | 798,028 |
| Insurance Premium | 4,875,171 | 3,680,202 |
| Lease Rent & Hire Charges | 6,530,995 | 5,820,680 |
| Repairs and Maintenance | 1,426,649 | 2,505,032 |
| Utilities Expenses | 3,512,554 | 3,945,882 |
| Office Supplies | 838,663 | 1,122,076 |
| Remuneration to Auditor | 350,000 | 255,000 |
| Security Expenses | 1,604,093 | 1,491,608 |
| Software charges | 695,708 | 1,005,599 |
| Car Lease RCM | 1,574,032 | 1,570,000 |
| Rates and Taxes | 1,280,537 | 652,448 |
| Postage and Telegram Charges | 377,762 | 413,483 |
| Bank & Other charges | 128,127 | 212,877 |
| Miscellaneous Expenses | - | 10,000 |
| Sundry balances written off | 1,326,992 | - |
| Printing & Stationery | 296,685 | 632,401 |
| Total | 147,075,883 | 148,161,093 |

• Auditor's Remuneration

| Particulars | Year ended | Year ended |
|---|----------------|----------------|
| | March 31, 2020 | March 31, 2019 |
| For services as auditors including quarterly audits | 300,000 | 205,000 |
| For other services | 50,000 | 50,000 |
| Total | 350,000 | 255,000 |



CIGNEX Dataanalytics Technologies Ltd
Financial statements as at and for the year ended March 31, 2020

28 Note 28 - Taxation

| Particulars | Net balance as at 1 April 2019 | Recognised in statement of profit and loss | Recognised in OCI | Charged to SOGIE | Net balance as at 31 March 2020 |
|---|--------------------------------|--|-------------------|------------------|---------------------------------|
| Deferred Tax Assets/(Liabilities) | | | | | |
| Property, plant and equipment/Investment Property/Other Intangible Assets | 2,080,561 | 174,278 | | | 2,254,839 |
| Deferred tax on lease liability under IND AS 116 | - | - | - | - | - |
| Deferred tax on lease liability under IND AS 116 | (3,854,933) | (115,889) | | | 24,784 |
| Cash flow hedging | (1,349,284) | 495,632 | 7,988,015 | 140,673 | 4,135,082 |
| Unrealised gain upto Mar'19 | | | | | (853,652) |
| Expenses allowable under income tax on payment basis | 10,435,874 | (156,128) | 1,259,185 | | 11,538,931 |
| | 7,312,218 | 397,893 | 9,247,200 | 140,673 | 17,097,984 |

Income tax

The major components of income tax expense for the year ended 31 March, 2020

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|--------------|-------------------------------------|-------------------------------------|
| Current tax | 22,245,991 | 28,106,943 |
| Deferred Tax | (97,892) | 2,002,302 |
| | 21,848,099 | 30,109,245 |

₹

Reconciliation of tax expenses and accounting profit multiplied by Domestic Tax Rate

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|-------------------------------------|-------------------------------------|
| Profit before income tax expenses | 77,426,662 | 78,972,123 |
| Tax at the Indian tax rate @ 25.17 & 27.82 % | 19,488,291 | 21,970,045 |
| Add: Item giving rise to difference in tax | | |
| Permanent difference of income as per books vs income as per income tax | 436,916 | 2,284,822 |
| Tax Adjustment of Earlier Years / Change in Tax Rates | 1,840,339 | 4,099,077 |
| Others | 82,553 | 1,755,301 |
| | 21,848,099 | 30,109,245 |

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SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS

29 Quantitative Details :

- i) The main activity of the Company is IT Enabled Services and related software services. The production and sale of such services cannot be expressed in any generic unit. Hence, it is not possible to give the quantitative details of sales and certain information as required under paragraphs 3 of part II of Schedule III to the Companies Act, 2013.
- ii) Traded Goods:

| Particulars | Opening Stock | | Purchases | |
|-------------------------|---------------|-----------|---------------|-----------|
| | Qty (Nos) | Value (₹) | Qty (Nos) | Value (₹) |
| IT Products & Licenses | - | - | 12.00 | 2,799,545 |
| Previous Year (2018-19) | - | - | 12.00 | 2,954,370 |
| Particulars | Sales | | Closing Stock | |
| | Qty (Nos) | Value (₹) | Qty (Nos) | Value (₹) |
| IT Products & Licenses | 12.00 | 3,495,375 | - | - |
| Previous Year (2018-19) | 12.00 | 4,050,336 | - | - |

30 In the opinion of the Company, the Current Assets, Loans and Advances are approximately of the value stated, if realized in the ordinary course of business. The provision for all known Liabilities and for Depreciation is adequate and not in excess of the amount reasonably necessary.

31 Trade receivables, other receivables, trade payables and loans and advances are subject to confirmations and reconciliations if any.

32 Employee Benefits

As per IND AS 19 "Employee Benefits", the disclosures of Employee benefits as defined in the said Accounting Standards are given below :

| Defined Contribution Plan | Gratuity (Un Funded) | |
|--|----------------------|------------|
| | 2019-20 | 2018-19 |
| Charge to the Profit and Loss Account based on contributions | | |
| Employers Contribution to Provident Fund | 12,879,603 | 11,842,877 |
| | 12,879,603 | 11,842,877 |

(ii) Defined Benefit Plan

(a) Gratuity:

The Company operates gratuity plan wherein every employee is entitled to the benefit equivalent to 15 days/one month salary last drawn for each completed year of service depending on the date of joining. The same is payable on termination of service, retirement or death, whichever is earlier. The benefit vests after 5 years of continuous service.

(b) Leave encashment:

The Company has a policy on leave encashment which is applicable to all. The expected cost of accumulating leave encashment is determined based on the policy taken by the company from Actuarial Valuation Report which provides information on the obligation of the Company.

The plans of the Company exposes to actuarial risks such as Investment Risk, Interest rate risk, salary risk and longevity risk. These risks may impact the obligation of the Company.

(c) The following tables set out the funded status of the gratuity and leave encashment plans and the amounts recognised in the Company's financial statements as at 31 March 2020 and 31 March 2019.

| | 2019-20 | | 2018-19 | |
|---|------------------|------------------|------------------|------------------|
| | Leave Encashment | Gratuity | Leave Encashment | Gratuity |
| I) Change in Defined Benefit Obligation | | | | |
| Present Value of Defined Benefit Obligation as at the beginning of the year | 12,183,040 | 19,955,567 | 11,072,420 | 16,290,909 |
| Interest Cost | 958,407 | 1,569,851 | 851,970 | 1,253,509 |
| Current Service Cost | 3,749,807 | 4,479,957 | 3,731,783 | 4,296,480 |
| Benefits Paid | (4,393,625) | (5,724,471) | (4,131,995) | (3,651,791) |
| Actuarial (Gains) / Loss | 2,268,092 | 5,959,915 | 658,862 | 1,766,460 |
| Present Value of Defined Benefit Obligation as at the end of the year (Refer Note No. 13 and 18) | 14,765,721 | 26,240,819 | 12,183,040 | 19,955,567 |
| II) Changes in Fair Value of Assets | | | | |
| Fair Value of Plan Asset as at beginning of the year | - | - | - | - |
| Expected return on Plan Assets | - | - | - | - |
| Contributions by the employer | - | - | - | - |
| Benefits Paid | - | - | - | - |
| Actuarial gain/(loss) | - | - | - | - |
| Fair Value of Plan Asset as at end of the year | - | - | - | - |
| III) Amount recognised in the Balance Sheet | | | | |
| Present value of defined benefit obligation as at end of the year | 14,765,721 | 26,240,819 | 12,183,040 | 19,955,567 |
| Fair Value of Plan Assets at the end of the year | - | - | - | - |
| | 14,765,721 | 26,240,819 | 12,183,040 | 19,955,567 |
| (d) Amount for the year ended 31 March, 2020 and 31 March, 2019 recognised in the statement of profit and loss under employee benefit expenses. | | | | |
| Expenses recognised in Profit and Loss Account | | | | |
| Current Service Cost | 3,749,807 | 4,479,957 | 3,731,783 | 4,296,480 |
| Interest Cost | 958,407 | 1,569,851 | 851,970 | 1,253,509 |
| Actuarial gain/(loss) | 2,268,092 | 5,959,915 | 658,862 | 1,766,460 |
| Total Expenses/(Income) Recognised in Profit and Loss Account | 6,976,306 | 6,049,808 | 5,242,615 | 5,549,989 |
| (e) Amount for the year ended March 31, 2020 and March 31, 2019 recognised in the statement of other comprehensive income. | | | | |
| Actuarial Gain/Loss recognized | | | | |
| Actuarial gain for the year - Obligation | - | - | - | - |
| Actuarial gain for the year - plan assets | - | - | - | - |
| Total gain for the year | - | - | - | - |
| Total actuarial (gain)/ loss included in other comprehensive income | - | - | - | - |



SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS

33 Related party disclosures:

(i) As per IND AS 24, the disclosures of Related Parties and transactions during the year as deemed in the Accounting Standard are given below:

A)(i) Holding Company
CIGNEX Datamatics Inc.

A)(ii) Subsidiary Companies
Attune Infocom Pvt. Ltd. (Sale on 10.09.2019)
Scalys Technologies Ltd (Sale on 24.07.2018)

B) Key Managerial Personnel
Divya Kumari
Dr. Lalit Kanodia

C) Relatives of Key Managerial Personnel and Enterprise Owned by Key Managerial Personnel

Datamatics Global Services Ltd. (Ultimate Holding Company)
Lumina Datamatics Ltd. (Fellow Subsidiary)
Lumina Datamatics Assessment & Analytics (Fellow Subsidiary)

Datamatics Robotics Ltd (Fellow Subsidiary)

(ii) Details of transactions with the related parties stated in (i) above :

| Nature of Transaction | Refer I (A) (i) & (ii) | | Refer I (B) | | Refer I (C) | |
|---|------------------------|-------------|-------------|---------|-------------|------------|
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| Sales | | | | | | |
| Technical Fees & License Sale | | | | | | |
| CIGNEX Datamatics Inc. | 437,450,863 | 449,453,098 | - | - | 6,531,545 | 7,803,572 |
| Datamatics Global Service Ltd. | 437,450,863 | 449,453,098 | - | - | - | - |
| Lumina Datamatics Assessment & Analytics | - | - | - | - | 6,531,545 | 7,219,345 |
| Lumina Datamatics Ltd. | - | - | - | - | - | 344,227 |
| | - | - | - | - | - | 240,000 |
| Purchase of Software License | | | | | | |
| Datamatics Global Service Ltd. | - | - | - | - | 1,260,000 | 1,496,836 |
| Datamatics Robotics Ltd | - | - | - | - | - | 992,836 |
| | - | - | - | - | 1,260,000 | 504,000 |
| Technical Fees | | | | | | |
| Datamatics Global Services Ltd. | 15,518,916 | 24,146,361 | - | - | - | 10,815,072 |
| Attune Infocom Pvt. Ltd. | 10,568,174 | 21,925,726 | - | - | - | 10,815,072 |
| Datamatics Robotics Ltd | 4,950,742 | 2,220,635 | - | - | - | - |
| Corporate Guarantee Fees | | | | | | |
| Datamatics Global Services Ltd. | - | - | - | - | 960,000 | 960,000 |
| | - | - | - | - | 960,000 | 960,000 |
| Exp. Incurred on behalf of related party | | | | | | |
| Lumina Datamatics Ltd. | - | - | - | - | 5,230,574 | 6,254,429 |
| | - | - | - | - | 5,230,574 | 6,254,429 |
| Exp. Incurred by related party | | | | | | |
| Datamatics Global Service Ltd. | - | - | - | - | 3,284,600 | 2,130,800 |
| | - | - | - | - | 3,284,600 | 2,130,800 |
| Sale of Investment | | | | | | |
| Scalys Technologies Ltd. | - | 300,000 | - | - | - | - |
| | - | 300,000 | - | - | - | - |
| Loan repayment | | | | | | |
| Scalys Technologies Ltd. | - | 100,000 | - | - | - | - |
| | - | 100,000 | - | - | - | - |
| Reimbursement cost by related party | | | | | | |
| Datamatics Global Service Ltd. | - | - | - | - | 1,882,190 | 3,694,640 |
| | - | - | - | - | 1,882,190 | 3,694,640 |
| Prepaid Expense - Insurance | | | | | | |
| Datamatics Global Services Ltd. | - | - | - | - | 2,448,872 | 2,515,959 |
| | - | - | - | - | 2,448,872 | 2,515,959 |
| Investments in Equity Share of Subsidiaries | | | | | | |
| Attune Infocom Pvt. Ltd. | - | 15,000,000 | - | - | - | - |
| Sale of Investment | | | | | | |
| Attune Infocom Pvt. Ltd. (Payment received till date INR 25 Lacs) | 15,000,000 | - | - | - | - | - |
| Loans & Advances | | | | | | |
| Scalys Technologies Ltd. | - | 1,868,252 | - | - | - | - |
| | - | 1,868,252 | - | - | - | - |
| Receivables | | | | | | |
| CIGNEX Datamatics Inc. | 230,737,224 | 46,368,198 | - | - | 2,375,269 | 3,785,748 |
| Datamatics Global Services Ltd. | 225,364,253 | 38,257,098 | - | - | - | - |
| Lumina Datamatics Ltd. | - | - | - | - | 843,549 | 1,415,647 |
| Attune Infocom Pvt. Ltd. | 5,372,971 | 8,111,100 | - | - | 1,531,720 | 2,370,101 |
| Payables | | | | | | |
| Datamatics Global Services Ltd. | 2,214,921 | - | - | - | 6,420,447 | 5,007,930 |
| Lumina Datamatics Assessment & Analytics | - | - | - | - | 2,127,795 | 1,132,378 |
| Attune Infocom Pvt. Ltd. | - | - | - | - | 915,401 | 915,401 |
| Datamatics Robotics Ltd | 2,214,921 | - | - | - | - | - |
| | - | - | - | - | 3,377,251 | 2,960,151 |

Notes:

1) Related parties are identified by the management and relied upon by the Auditors.

34 Assets held for sale:

We have entered in to agreement with ATTUNE Infocom Pvt. Ltd. and Dr. Zakir Laliwala on 10.09.2019 for sale of shares. As per agreement we are expecting last payment for sale of shares to be received by 6th August, 2020. From the date of agreement the representatives of the Company have resigned from Directorship so there is no control over ATTUNE Infocom Pvt. Ltd. and because of this from Current year the Company is not required to prepare Consolidated Financial Statements.



SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS

35 FAIR VALUE MEASUREMENTS

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, security deposit, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts. There is no significant variations in rate of interest applicable on Non-current borrowings and current borrowing rate. Hence, fair value of these borrowing approximates to their carrying amounts.

There are no assets and liabilities carried that are measured at fair value.

(A) Financial Instruments by category:

| PARTICULARS | 31st March, 2020 | | 31st March, 2019 | |
|--|-------------------|--------------------|--------------------|--------------------|
| | FVPL | Amortised cost | FVPL | Amortised cost |
| Financial Assets (Non - Current) | | | | |
| - Available for sale | 12,500,000 | - | 15,000,000 | - |
| - Loans | | 750,000 | | 1,268,252 |
| - Other financial assets | | 6,308,988 | 7,543,250 | 7,455,457 |
| Financial Assets (Current) | | | | |
| - Investments | 50,902,727 | | 171,144,847 | |
| - Trade Receivables | | 311,155,524 | | 123,545,767 |
| - Cash and cash equivalents | | 8,130,722 | | 10,710,602 |
| - Loans | | 5,439,190 | | 14,308,152 |
| - Other financial assets | | - | 6,313,445 | - |
| TOTAL FINANCIAL ASSETS | 63,402,727 | 331,784,424 | 200,001,542 | 157,288,230 |
| Financial Liabilities (Non Current) | | | | |
| - Other financial liabilities | 7,499,984 | - | | - |
| Financial Liabilities (Current) | | | | |
| - Trade payables | | 23,079,599 | | 22,470,342 |
| - Other financial liabilities | 8,920,685 | 2,691,532 | | 7,626,690 |
| TOTAL FINANCIAL LIABILITIES | 16,420,669 | 25,771,131 | | 30,097,032 |

(B) Fair Value Hierarchy:

| Financial assets and liabilities measured at fair value - recurring fair value measurements as at 31st March, 2020 | Notes | Level 1 | Level 2 | Level 3 | Total |
|--|-------|-------------------|--------------------|---------|-------------------|
| Financial assets | | | | | |
| Financial investments at FVPL | | | | | |
| - Mutual Funds | | 50,902,727 | | | 50,902,727 |
| Financial asset available for sale | | | 12,500,000 | | 12,500,000 |
| Derivatives designated as hedges | | | | | |
| - Foreign exchange forward contracts | | | (16,420,669) | | (16,420,669) |
| TOTAL FINANCIAL ASSETS | | 50,902,727 | (3,920,669) | | 46,982,058 |

(There are no Financial liabilities measured at Fair value during the year)

| Assets and liabilities measured at amortised cost for which fair values are disclosed as at 31st March, 2020 | Notes | Level 1 | Level 2 | Level 3 | Total |
|--|-------|---------|---------|--------------------|--------------------|
| Financial Assets | | | | | |
| - Available for sale | | | | | |
| - Trade Receivables | | | | 311,155,524 | 311,155,524 |
| - Cash and cash equivalents | | | | 8,130,722 | 8,130,722 |
| - Loans | | | | 6,189,190 | 6,189,190 |
| - Other financial assets | | | | 6,308,988 | 6,308,988 |
| TOTAL FINANCIAL ASSETS | | | | 331,784,424 | 331,784,424 |
| Financial Liabilities | | | | | |
| - Trade payables | | | | 23,079,599 | 23,079,599 |
| - Other financial liabilities | | | | 2,691,532 | 2,691,532 |
| TOTAL FINANCIAL LIABILITIES | | | | 25,771,131 | 25,771,131 |

| Financial assets and liabilities measured at fair value - recurring fair value measurements as at 31st March, 2019 | Notes | Level 1 | Level 2 | Level 3 | Total |
|--|-------|--------------------|-------------------|---------|--------------------|
| Financial assets | | | | | |
| Financial investments at FVPL | | | | | |
| - Mutual Funds | | 171,144,847 | | | 171,144,847 |
| Financial asset available for sale | | | 15,000,000 | | 15,000,000 |
| Derivatives designated as hedges | | | | | |
| - Foreign exchange forward contracts | | | 13,856,695 | | 13,856,695 |
| TOTAL FINANCIAL ASSETS | | 171,144,847 | 28,856,695 | | 200,001,542 |



| Assets and liabilities measured at amortised cost for which fair values are disclosed as at 31st March, 2019 | Notes | Level 1 | Level 2 | Level 3 | Total |
|--|-------|---------|---------|--------------------|--------------------|
| Financial Assets | | | | | |
| - Available for sale | | | | - | - |
| - Trade receivables | | | | 123,545,767 | 123,545,767 |
| - Cash and cash equivalents | | | | 10,710,602 | 10,710,602 |
| - Loans | | | | 15,576,404 | 15,576,404 |
| - Other financial assets | | | | 7,455,457 | 7,455,457 |
| TOTAL FINANCIAL ASSETS | | | | 157,288,230 | 157,288,230 |
| Financial liabilities | | | | | |
| - Trade payables | | | | 22,470,342 | 22,470,342 |
| - Other financial liabilities | | | | 7,626,690 | 7,626,690 |
| TOTAL FINANCIAL LIABILITIES | | | | 30,097,032 | 30,097,032 |

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. For example, listed equity instruments that have quoted market price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the

use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

FINANCIAL RISK MANAGEMENT

Risk management framework: The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimize potential adverse effects of market risk on its financial performance. The Company's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors is responsible for overseeing the Company's risk assessment and management policies and processes. The Company has exposure to the following risks arising from financial instruments:

- Credit risk,
- Liquidity risk and
- Market risk

(A) Credit Risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The maximum exposure to credit risk is represented by the total carrying amount of these financial assets in the balance sheet

| Particulars | As at 31st March, 2020 |
|---------------------------|------------------------|
| Trade Receivables | 311,155,524 |
| Loans | 6,189,190 |
| Cash and Cash equivalents | 8,130,722 |
| Other assets | 31,297,589 |
| Other financial assets | 18,870,265 |

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk on cash and cash equivalents and bank deposits is limited as the Company generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies. Investments primarily include investments in mutual funds and long term investments in subsidiaries.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India. Trade receivables also includes receivables from local sales and from export.

On adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or gain.

The company's exposure to credit risk for trade receivables is as follows:

| Particulars | Gross carrying amount |
|-------------------------------|------------------------|
| | As at 31st March, 2020 |
| 1 - 180 days past due * | 311,155,524 |
| 181 - 365 days past due | - |
| More than 365 days past due # | - |
| TOTAL | 311,155,524 |

* The Company believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behaviour.

The Company based upon past trends determine an impairment allowance for loss on receivables outstanding for more than 180 days past due.



FINANCIAL RISK MANAGEMENT (continued)**(B) Liquidity Risk:**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Company's approach to manage liquidity is to have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed circumstances, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company believes that its liquidity position, including total cash as at 31 March 2020 anticipated future internally generated funds from operations will enable it to meet its future known obligations in the ordinary course of business. However, if a liquidity needs were to arise, the Company believes it has access to financing arrangements which should enable it to meet its ongoing capital, operating, and other liquidity requirements. The Company will continue to consider various borrowing or leasing options to maximize liquidity and supplement cash requirements as necessary.

The Company's liquidity management process as monitored by management, includes the following:

- Day to Day funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining rolling forecasts of the Group's liquidity position on the basis of expected cash flows.
- Maintaining diversified credit lines.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The contractual cash flow amounts are gross and undiscounted.

| As at 31st March, 2020 | Carrying amount | Contractual cash flows | |
|--|-------------------|------------------------|----------------------------|
| | | Less than six months | Between six months and one |
| Working capital arrangements | - | - | - |
| Interest accrued but not due on borrowings | - | - | - |
| Trade Payables | 26,079,699 | 26,079,699 | - |
| TOTAL | 26,079,699 | 26,079,699 | - |

| As at 31st March, 2019 | Carrying amount | Contractual cash flows | |
|------------------------|-------------------|------------------------|----------------------------|
| | | Less than six months | Between six months and one |
| Trade Payables | 22,470,342 | 22,470,342 | - |
| TOTAL | 22,470,342 | 22,470,342 | - |

(C) Market Risk:

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk namely: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the returns. Interest rate risk is mitigated by having Fixed interest rate borrowing.

A. Currency risk:

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Company's operating, investing and financing activities.

Exposure to foreign currency risk:

The summary of quantitative data about the Company's exposure to currency risk, as expressed in Indian Rupees, as at 31st March, 2020 and 31st March, 2019 are as below:

| Particulars | Currency | 31st March, 2020 | 31st March, 2019 |
|-------------------------------|----------|--------------------|-------------------|
| Financial assets | | | |
| - Trade Receivable | USD | ₹ 225,747,640 | 39,220,971 |
| Total financial assets | | 225,747,640 | 39,220,971 |

Exchange rate sensitivity analysis:

A reasonably possible strengthening (weakening) of the Indian Rupee against below currencies at 31st March, 2020 and 31st March, 2019 would have affected the measurement of financial instruments denominated in foreign currency and affected Statement of Profit and Loss by the amounts shown below. This analysis is performed on foreign currency denominated monetary financial assets and financial liabilities outstanding as at the year end. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

| Particulars | Impact of Exchange rate sensitivity on Profit and loss statement as at 31st March, 2020 | | Impact of Exchange rate sensitivity on Profit and loss statement as at 31st March, 2019 | |
|--------------|---|------------------------------------|---|------------------------------------|
| | Gain / (Loss) on appreciation (5%) | Gain / (Loss) on depreciation (5%) | Gain / (Loss) on appreciation (5%) | Gain / (Loss) on depreciation (5%) |
| USD | 11,287,382 | (11,287,382) | 1,961,049 | (1,961,049) |
| TOTAL | 11,287,382 | (11,287,382) | 1,961,049 | (1,961,049) |

CAPITAL MANAGEMENT**(A) Risk Management**

The primary objective of the management of the Company's capital structure is to maintain an efficient mix of debt and equity in order to achieve a low cost of capital, while taking into account the desirability of retaining financial flexibility to pursue business opportunities and adequate access to liquidity to mitigate the effect of unforeseen events on cash flows. Management also monitors the return on equity. The Board of directors regularly review the Company's capital structure in light of the economic conditions, business strategies and future commitments. For the purpose of the Company's capital management, capital includes issued share capital and all other equity reserves. Debt includes, foreign currency term loan, if any and finance lease obligations. During the financial year ended 31st March 2020, no significant changes were made in the objectives, policies or processes relating to the management of the Company's capital structure.

Debt-Equity Ratio

| Particulars | 31st March, 2020 | 31st March, 2019 |
|------------------------------------|--------------------|--------------------|
| Foreign currency loan- from others | - | - |
| Borrowings | - | - |
| Total Debt (A) | - | - |
| Equity share capital | 500,000 | 500,000 |
| Other equity | 375,531,759 | 347,308,255 |
| Total Equity (B) | 376,031,759 | 347,808,255 |
| Debt equity ratio (C = A/B) | - | - |

Return on Equity

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|-----------------------------------|-------------------------------------|-------------------------------------|
| Profit after Tax | 55,578,563 | 48,862,878 |
| Equity share capital | 500,000 | 500,000 |
| Other equity | 375,531,759 | 347,308,255 |
| Total equity | 376,031,759 | 347,808,255 |
| Return on equity Ratio (%) | 15% | 14% |



SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS

38 Transition to Ind AS 116

Company as a lessee

As a lessee, the Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company. Under Ind AS 116, the Company recognizes right of use assets and lease liabilities for most leases i.e. these leases are on balance sheet.

On transition, the Company has applied following practical expedients:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with similar end date.
- Applied the exemption not to recognise right-of-use-assets and liabilities for leases with less than 12 months of lease term on the date of transition.
- Excluded the initial direct costs from the measurement of the right-of-use-asset at the date of transition.
- Grandfathered the assessment of which transactions are, or contain leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.
- Relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

On transition, the Company recognised a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement of the lease, but discounted using the lessee's incremental borrowing rate as at 1 April 2019. Accordingly, a right-of-use asset of ₹ 44,26,552 and a corresponding lease liability of ₹ 49,32,206 has been recognised. The cumulative effect on transition in retained earnings, net of taxes is ₹ 364,981 (including the deferred tax of ₹ 140,673).

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

The following table presents the various components of lease costs:

| Particulars | Amount as on period ended 31 st March, 2020 (In INR) |
|---|---|
| Depreciation charge on right-to-use asset | 3,705,303 |
| Interest on Lease Liabilities | 403,024 |
| Total cash outflow for leases | 4,183,980 |
| Carrying amount of right-to-use asset | 6,725,440 |

39 Activities in Foreign Currency

| | As at March 31, 2020 | As at March 31, 2019 |
|---|----------------------|----------------------|
| Expenditure in Foreign Currency (on Accrual Basis) | | |
| Foreign Travel | 3,204,194 | 3,897,577 |
| TOTAL | 3,204,194 | 3,897,577 |

40 Fair Value of Forward Contract

The company uses forward exchange contracts to hedge its exposure in foreign currency on highly probable forecast transactions. The information on derivative instruments is given below:

The table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining period as of the Balance Sheet date:

| PARTICULARS | As at March 31, 2020 | As at March 31, 2019 |
|--|----------------------|----------------------|
| Not Later Than One Month | 30,305,143 | 30,188,488 |
| Later Than One Month And Not Later Than Three Months | 60,841,255 | 89,812,884 |
| Later Than Three Months And Not Later Than One Year | 249,162,984 | 232,733,008 |
| Later Than One Year | 204,788,764 | 200,579,778 |
| TOTAL | 545,098,146 | 553,314,158 |

The following are outstanding foreign exchange forward contracts, which have been designated as Cash Flow Hedges, as at:

| PARTICULARS | As at March 31, 2020 | As at March 31, 2019 |
|--|----------------------|----------------------|
| No. of Contracts | 178 | 223 |
| Notional amount of Currency Forward contracts (\$) | 7,175,868 | 7,560,200 |
| Notional amount of Currency Forward contracts (₹) | 545,098,146 | 553,314,158 |
| Fair Value (₹) Gain / (Loss) | (16,420,669) | 13,856,695 |

Net loss on derivative instruments of ₹ 1,64,20,669 (P.Y. Gain of ₹ 1,38,56,695) recognised in Hedging reserve as of March 31, 2020, is expected to be reclassified to the statement of profit and loss by March 31, 2021. The foreign currency exposures that are not hedged by a derivative instrument or otherwise is ₹ NIL (P.Y. ₹ NIL).



SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS

41 Earning Per Share

The Components of basic and diluted earnings per share were as follows:

| | As of March 31, 2020 | As of March 31, 2019 |
|--|----------------------|----------------------|
| (a) Net Profit After Taxation attributable to Equity Shareholders(') | 55,578,563 | 48,862,878 |
| Less: Dividend on Preference Shares | | |
| Less: Tax on Preference Dividend | | |
| Profit attributable to Equity Shareholders | <u>55,578,563</u> | <u>48,862,878</u> |
| (b) Weighted Average Number of Outstanding Equity Shares | | 50,000 |
| Considered for basic EPS including shares allotted pursuant to the scheme outstanding at beginning of the year | 50,000 | |
| Considered for diluted EPS outstanding at end of the year | <u>50,000</u> | <u>50,000</u> |
| (c) Earnings per share | | 977.26 |
| (Nominal value per share ₹ 10 each) | 1,111.57 | 977.26 |
| Basic (') | 1,111.57 | |
| Diluted (') | | |

42 In terms of Section 22 of the Micro, Small and Medium Enterprises Development Act 2006, the outstanding to these enterprises are required to be disclosed. However, these enterprises are required to be registered under the Act. In the absence of the information about registration of the enterprises under the above Act, the required information could not be furnished.

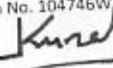
43 Prior period comparative:
 Previous year figures have been appropriately reclassified / recast to confirm to the current year's presentations.

44 COVID 19:
 On the basis of its assessment of the impact of the outbreak of COVID-19 on carrying amounts of receivables, unbilled revenues, goodwill, intangibles, investments and other assets / liabilities of the entity, the entity's management concludes that no adjustments are required in the financial statements as it does not impact the current financial year. However, the situation with COVID-19 is still evolving. Also, the various preventive measures taken are still in force, leading to a highly uncertain economic environment. Due to these circumstances, the management's assessment of the impact on the subsequent period is dependent upon the circumstances as they evolve.

45 Transfer pricing
 The Company is yet to initiate a review of the transactions with overseas associates for the year ended March 31, 2020 to ascertain compliance with transfer pricing requirements under the Income Tax Act, 1961. Therefore, adjustments, if any, arising out of such study, has not been made in the financial statements.

46 Figures are rounded off to the nearest of rupee.

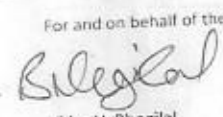
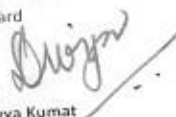
For Kanu Doshi Associates LLP
 Chartered Accountants
 Firm Registration No. 104746W/W100096

Kunal Vakharia 
 Partner
 Membership No. 148916

Place : Mumbai
 Date :- 14th May, 2020



For and on behalf of the Board

V.V. Bilegial  Divya Kumat 

Vidur V. Bhogilal
 Director
 DIN 00008036

Divya Kumat
 Director
 DIN 03592056

Place : Mumbai
 Date :- 14th May, 2020