

INDEPENDENT AUDITORS' REPORT

To the Members of CYBERCOM DATAMATICS INFORMATION SOLUTIONS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of **CYBERCOM DATAMATICS INFORMATION SOLUTIONS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash flows for the year then ended, and notes to the Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements Section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the Ind AS Financial Statements and our auditors' report thereon.



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

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those charged with Governance for the Financial Statements

The Company's management and the Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, the financial performance, the changes in equity and the cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

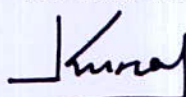
Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Financial Statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Financial Statements have been kept by the Company so far as it appears from our examination of those books.



- c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Financial Statements.
- d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations on its financial position in its Financial Statements.
 - ii. The Company did not have any material foreseeable losses on long-term contracts including derivatives contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2019.

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



Kunal Vakharia
Partner
Membership no. 148916



Place: Mumbai
Date: May 8, 2019

ANNEXURE A TO THE AUDITOR'S REPORT

Referred to in paragraph 1 of 'Report on other Legal and Regulatory Requirements' in our Report of even date on the accounts of CYBERCOM DATAMATICS INFORMATION SOLUTIONS LIMITED for the year ended March 31, 2019

- i. (a) The Company is generally maintaining proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed during the year.

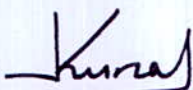
(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered transfer deed provided to us, we report that, in respect of immovable properties of premises that have been taken on lease and disclosed as fixed assets in the financial statement, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- ii. The Company's nature of operations does not require it to hold inventories. Consequently, clause 3(ii) of the Order is not applicable.
- iii. As informed to us, the Company has not granted loans, secured or unsecured, to companies, firms, and limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Hence sub clauses (a) & (b) of clause 3(iii) of the order are not applicable to the Company.
- iv. According to information and explanation provided to us in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of Section 185 and 186 of the companies Act, 2013.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified and therefore clause (v) of the Order is not applicable.
- vi. The Central Government has not prescribed the maintenance of cost records under sub-Section (1) of Section 148 of the Companies Act, for any of the products of the Company.
- vii. (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess, Goods & Service Tax and any other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at March 31, 2019 for a period of more than six months from the date they became payable.

(b) As informed to us, there were no disputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, GST, Custom Duty, Value Added Tax, Cess and any other material statutory dues in arrears, as at March 31, 2019.



- viii. According to the records of the Company examined by us and information and explanation given to us, the Company does not have any long term borrowing and therefore clause (viii) of the Order is not applicable.
- ix. The Company has not raised any moneys by way of public issue/ further offer including debt instruments.
- x. To the best of our knowledge and according to the information and explanation given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. To the best of our knowledge and according to the information and explanation given to us, the Company has not paid managerial remuneration and therefore clause 3(xi) of the Order is not applicable.
- xii. In our opinion and according to the information and explanations given to us, the nature of the activities of the Company does not attract any special statue applicable to Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanation given to us, and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sec 177 and 188 of Companies Act, 2013 where applicable and details of such transactions have been disclosed in the Ind AS Financial Statements as required by the applicable accounting standards.
- xiv. The Company has not made any preferential allotment or private placement of shares or has fully or partly convertible debentures during the year under review.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- xvi. According to the information and explanations given to us the Company is not required to obtain registration under section 45 IA of the Reserve Bank of India Act, 1934 and therefore clause (xvi) of the Order is not applicable.

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



Kunal Vakharia
Partner
Membership no. 148916



Place: Mumbai
Date: May 8, 2019

ANNEXURE B TO THE AUDITORS' REPORT**Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **CYBERCOM DATAMATICS INFORMATION SOLUTIONS LIMITED** ("the Company") as of March 31, 2019 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

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

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

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



Meaning of Internal Financial Controls over Financial Reporting

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

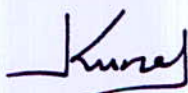
Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For Kanu Doshi Associates LLP
Chartered Accountants
Firm registration No: 104746W/W100096



Kunal Vakharia
Partner
Membership No: 148916



Place: Mumbai
Date: May 8, 2019

Balance Sheet as at

Particulars	Note	(Amount in Rs.)	
		March 31, 2019	March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	2	40,286,722	40,881,018
Other intangible assets	3	122,447	101,651
Financial assets			
i. Other financial assets	4	686,194	577,016
Non-current tax assets		963,298	-
Other non-current assets	5	6,432,305	7,446,792
Total non-current assets		48,490,966	49,006,477
Current assets			
Financial assets			
i. Investments	6	62,140,926	46,669,966
ii. Trade receivables	7	48,072,133	22,226,069
iii. Cash and cash equivalents	8	2,601,490	1,971,479
iv. Bank balances other than (iii) above	9	1,063,610	1,002,149
v. Other financial assets	10	371,056	109,541
Other current assets	11	1,992,146	1,742,735
Total current assets		116,241,361	73,721,939
Total assets		164,732,327	122,728,416
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12(a)	8,484,000	8,484,000
Other equity	12(b)	142,515,450	102,832,726
Total equity		150,999,450	111,316,726
LIABILITIES			
Non-current liabilities			
Provisions	13	3,113,227	2,630,442
Deferred tax liabilities	23(c)	3,835,774	3,416,715
Total non-current liabilities		6,949,001	6,047,157
Current liabilities			
Financial liabilities			
i. Trade payables	14	6,054,258	4,159,646
ii. Other financial liabilities	15	-	384,230
Provisions	16	181,825	215,732
Current tax liabilities		-	45,391
Other current liabilities	17	547,793	559,534
Total current liabilities		6,783,876	5,364,533
Total liabilities		13,732,877	11,411,690
Total equity and liabilities		164,732,327	122,728,416

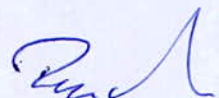
The accompanying notes forming an integral part of the financial statements 1 - 36

As per our attached report of even date
For Kanu Doshi Associates LLP
Chartered Accountants
Firm Registration No. 104746W/W100096

For and on behalf of the Board


Kunal Vakharia
Partner
Membership No. 148916





Rahul Kanodia
Director
DIN - 00075801


Niklas Flyborg
Director
DIN - 05307988

Place : Mumbai
Date : May 8, 2019

Statement of profit and loss for year ended March 31, 2019

Particulars	Note	(Amount in Rs.)	
		March 31, 2019	March 31, 2018
Revenue from operations	18	105,186,834	82,071,738
Other income	19	2,849,977	12,049,845
Total income		108,036,811	94,121,583
Expenses			
Employee benefit expenses	20	37,286,804	31,855,931
Net finance costs	21	999,996	1,001,247
Depreciation and amortisation expense		2,092,950	1,747,641
Other expenses	22	17,113,348	9,217,050
Total expenses		57,493,098	43,821,870
Profit before tax		50,543,713	50,299,714
Income tax expense			
- Current tax	23(a)	10,538,642	8,359,901
- Deferred tax	23(a)	436,630	3,373,673
Total tax expense/(credit)		10,975,272	11,733,574
Profit for the year		39,568,441	38,566,140

Statement of other comprehensive income (OCI) for the year ended March 31, 2019 (Amount in Rs.)

Particulars	Note	March 31, 2019	March 31, 2018
<i>Items that will be reclassified to profit or loss</i>			
<i>Items that will not be reclassified to profit or loss</i>			
Actuarial gains and losses		97,052	209,047
Tax relating to above		17,231	(43,043)
Total		114,283	166,004
OCI for the year		114,283	166,004
Total comprehensive income for the year		39,682,724	38,732,144

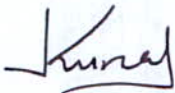
Earnings per Equity Share (of Rs. 10 each)

Basic and diluted	30	46.64	45.46
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The accompanying notes forming an integral part of the financial statements 1 - 36

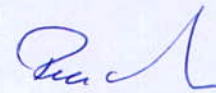
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For and on behalf of the Board



Kunal Vakharia
 Partner
 Membership No. 148916





Rahul Kanodia
 Director
 DIN - 00075801




 Niklas Flyborg
 Director
 DIN - 05307988

Place : Mumbai
 Date : May 8, 2019

Statement of changes in equity for the year ended March 31, 2019

A. Equity share capital

Particulars	Amount in Rs.
As at March 31, 2018	8,484,000
Changes in equity share capital	-
March 31, 2019	8,484,000

B. Other equity

	Reserves and surplus				other comprehensive income	Total
	Securities premium reserve	Retained earnings	General reserve	Capital redemption reserve	Actuarial gain / (losses)	
As at March 31, 2017	3,654,000	126,897,039	38,838,402	12,320,000	(180,717)	181,528,724
Profit for the year	-	38,566,140	-	-	-	38,566,140
Other comprehensive income	-	-	-	-	166,004	166,004
Total comprehensive income for the year	-	38,566,140	-	-	166,004	38,732,144
- Dividend on Equity shares	-	(97,566,000)	-	-	-	(97,566,000)
- Tax on Equity Dividend	-	(19,862,142)	-	-	-	(19,862,142)
As at March 31, 2018	3,654,000	48,035,037	38,838,402	12,320,000	(14,713)	102,832,726
Profit for the year	-	39,568,441	-	-	-	39,568,441
Other comprehensive income	-	-	-	-	114,283	114,283
Total comprehensive income for the year	-	39,568,441	-	-	114,283	39,682,724
March 31, 2019	3,654,000	87,603,478	38,838,402	12,320,000	99,570	142,515,450

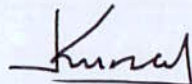
The accompanying notes forming an integral part of the financial statements

As per our attached report of even date

For Kanu Doshi Associates LLP

Chartered Accountants

Firm Registration No. 104746W/W100096

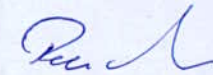


Kunal Vakharia
Partner
Membership No. 148916

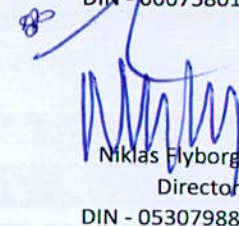


Place : Mumbai
Date : May 8, 2019

For and on behalf of the Board



Rahul Kanodia
Director
DIN - 00075801



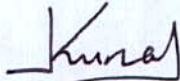
Niklas Flyborg
Director
DIN - 05307988

Cybercom Datamatics Information Solutions Limited
CIN - U72900MH2000PLC123469
Cash flow statement for the year ended March 31, 2019

(Amount in Rs.)

	March 31, 2019	March 31, 2018
A. Cash flow from operating activities		
Profit before tax	50,543,713	50,299,714
Adjustments for :		
Depreciation and amortisation expense	2,092,950	1,747,641
Finance cost	999,996	1,001,247
Unrealised gain on fair value of financial assets	(1,441,281)	(4,285,130)
Profit on sale of investments	(2,875,996)	(4,655,237)
Dividend income	(268,732)	-
Interest income	(68,290)	(82,479)
Operating profit before working capital changes	48,982,360	44,025,756
Adjustments for :		
(Increase) in trade receivables	(25,846,064)	(3,306,713)
Decrease in other assets	394,383	20,398
Increase in trade and other payables	2,044,231	1,732,658
Cash generated from operations	25,574,910	42,472,099
Direct taxes paid (net)	(11,547,331)	(8,539,888)
Net cash flow from operating activities (A)	14,027,579	33,932,210
B. Cash flow from investing activities		
Purchase of fixed assets / capital work-in-progress	(1,519,450)	(26,600)
Sale of long-term investments	-	32,461,157
(Purchase) / Sale of current investments	(11,241,323)	44,315,138
Dividend received	268,732	-
Interest received	94,469	96,007
Net cash flow from / (used in) investing activities (B)	(12,397,572)	76,845,702
C. Cash flow from financing activities		
Dividend paid	-	(97,566,000)
Tax paid on dividend	-	(19,862,142)
Payment towards finance cost	(999,996)	(1,001,247)
Net cash flow used in financing activities (C)	(999,996)	(118,429,389)
Net cash flow during the year (A+B+C)	630,010	(7,651,476)
Cash and cash equivalents at the beginning of the year	1,971,479	9,622,956
Net cash and cash equivalents at the end of the year	2,601,490	1,971,479

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 : May 8, 2019

For and on behalf of the Board



Rahul Kanodia
Director
DIN - 00075801




Nikias Flyborg
Director
DIN - 05307988

Note 1A: Company Overview

The Company was originally incorporated as Innovative Internet Trading Private Limited on January 5, 2000. Thereafter, the name of the Company was changed to Cybercom Datamatics Information Solutions Private Limited, pursuant to the Joint Venture agreement between Cybercom Group AB and Datamatics Global Services Limited (DGSL), with effect from June 1, 2006. Later, the Company became a public limited Company with effect from March 28, 2007. During the year ended March 31, 2013, the Company, by virtue of allotment of additional shares to DGSL, has become subsidiary of DGSL.

The principal object of the Company is to act as consultants and advisors on information/internet system and surveyors of information services, and to carry on the business of development, testing, implementation, migration of home grown and other applications, marketing and manufacturing of information technology products and services, software and hardware systems to enterprise and embedded technologies in the telecom and other industries.

Note 1B: Significant accounting policies

a) Basis of preparation

i) Compliance with Ind AS

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

ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities which are measured at fair value;
- defined benefit plans – plan assets measured at fair value; and

All assets and liabilities are classified as current and non current as per Company's normal operating cycle and other criteria set out in Schedule III to the Companies' Act, 2013. Based on the nature of services, the Company has ascertained its operating cycle as twelve months.

b) Foreign currency translation

Transactions and balances

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. Monetary items are translated at the year-end rates. The exchange difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation of Monetary items at the end of the year, is recognised as income or expense, as the case may be.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

c) Revenue recognition

Revenue from technical and software services is recognized on a time and material basis when services are rendered and related costs are incurred. Revenue is recognized when it is earned and no significant uncertainty exists as to its ultimate realization or collection.

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to the contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated - i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

Dividend income is accounted for when the right to receive is established. Interest income is accounted on accrual basis.

d) Income tax

Tax expense comprises of current tax and deferred tax. The Company is registered under Software Technology Park of India (STPI) scheme and Special Economic Zone (SEZ) scheme. Accordingly, provision for current tax has been made after considering the benefits available as per the Income-tax Act, 1961.

Deferred income-tax reflect the current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years/period. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation and carry forward of losses and items related to capital losses, are recognised if there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available to realise the same.

Minimum Alternate Tax (MAT) credit entitlement is recognized in accordance with the Guidance Note on Accounting for credit available in respect of Minimum Alternate Tax under the Income-tax Act, 1961 issued by the Institute of Chartered Accountants of India (ICAI).

Tax on distributed profits payable in accordance with the provisions of the Income-tax Act, 1961 is disclosed in accordance with the Guidance Note on Accounting for Corporate Dividend Tax issued by the ICAI.



e) Leases

As a lessee

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

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.

f) Impairment of assets

Intangible assets that have an indefinite useful life are not subject to amortisation 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 group of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

g) Trade receivables

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

h) Investments and other financial assets

i) Classification

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

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- 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.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. 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.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

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 finance 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 revenue 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 gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

- **Fair value through profit or loss:** 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 gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, 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 gain/(losses) 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 losses to be recognised from initial recognition of the receivables.

iv) **Derecognition of financial assets**

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or

- 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.

v) **Income recognition**

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 Company 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.

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 Company, and the amount of the dividend can be measured reliably.

i) **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

j) **Property, plant and equipment**

All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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.

Depreciation methods, estimated useful lives and residual value

Depreciation on Property Plant and Equipments is provided on the Straight Line Method at the rates as per the useful life prescribed in Schedule II to Companies Act, 2013.

Leasehold Premises is amortized on the Straight Line method over the period of the Lease.

Note 1C: Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified following new and amendments to Ind AS which the Company has not applied as they are effective from April 1, 2019.

Ind AS - 116 : Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. 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 lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company will adopt Ind AS 116, effective annual reporting period beginning April 1, 2019. The Company will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application. Accordingly, the Company will not restate comparative information, instead, the cumulative effect of initially applying this standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the Company will recognise 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 date, but discounted using lessee's incremental borrowing rate as at April 1, 2019. In accordance with the standard, the Company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which underlying asset is of low value.

With effect from April 1, 2019, the Company will recognise new assets and liabilities for its operating lease of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to a) amortisation charge for right-to-use asset, and b) interest accrued on lease liability.

Ind AS 12 : Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. The amendment does not amend the situations where the entity pays a tax on dividend which is effectively a portion of dividend paid to taxation authorities on behalf of shareholders.

Ind AS 109 : Prepayment features with negative compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost even in case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

Ind AS 19 : Plan amendment, curtailment or settlement

The amendment clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.



Cybercom Datamatics Information Solutions Limited
Notes to the financial statements

Note 2 - Property, plant and equipment

Particulars	Furniture & Fixtures	Office Equipments	Computers	Leasehold Premises	Total	(Amount in Rs.)
						Capital work-in-progress
Gross block						
As at April 01, 2017	2,437,505	1,713,270	240,236	39,524,724	43,915,736	-
Additions	-	9,400	17,200	-	26,600	-
March 31, 2018	2,437,505	1,722,670	257,436	39,524,724	43,942,336	-
Additions	-	71,000	1,308,450	-	1,379,450	-
March 31, 2019	2,437,505	1,793,670	1,565,886	39,524,724	45,321,786	-

Particulars	Furniture & Fixtures	Office Equipments	Computers	Leasehold Premises	Total	(Amount in Rs.)
						Capital work-in-progress
Accumulated depreciation						
As at April 01, 2017	601,318	452,338	52,875	444,099	1,550,630	-
Depreciation charge during the year	601,319	414,368	51,386	443,615	1,510,688	-
March 31, 2018	1,202,637	866,707	104,261	887,714	3,061,318	-
Depreciation charge during the year	601,319	578,770	350,042	443,615	1,973,746	-
March 31, 2019	1,803,956	1,445,477	454,303	1,331,328	5,035,064	-
Net carrying amount as at March 31, 2019	633,549	348,193	1,111,584	38,193,396	40,286,722	-
Net carrying amount as at March 31, 2018	1,234,868	855,963	153,176	38,637,011	40,881,018	-



Cybercom Datamatics Information Solutions Limited
Notes to the financial statements

Note 3 - Other Intangible assets

Particulars	(Amount in Rs.)	
	Computer Softwares	Total
Gross block		
As at April 01, 2017	655,191	655,191
Additions	-	-
March 31, 2018	655,191	655,191
Additions	140,000	140,000
March 31, 2019	795,191	795,191

Particulars	(Amount in Rs.)	
	Computer Softwares	Total
Accumulated amortisation and impairment		
As at April 01, 2017	316,584	316,584
Amortisation charge during the year	236,956	236,956
March 31, 2018	553,540	553,540
Amortisation charge during the year	119,204	119,204
March 31, 2019	672,744	672,744
Net carrying amount as at March 31, 2019	122,447	122,447
Net carrying amount as at March 31, 2018	101,651	101,651



Cybercom Datamatics Information Solutions Limited
Notes to the financial statements

Note 4 - Other non-current financial assets

Particulars	(Amount in Rs.)	
	March 31, 2019	March 31, 2018
Other deposits	686,194	577,016
Total	686,194	577,016

Note 5 - Other non-current assets

Particulars	(Amount in Rs.)	
	March 31, 2019	March 31, 2018
Prepaid expenses	40,061	20,301
Balance with govt authorities	6,392,244	7,426,491
Total	6,432,305	7,446,792

Note 6 - Current investments

Particulars	(Amount in Rs.)	
	March 31, 2019	March 31, 2018
Investment in mutual funds		
Quoted (Non-Trade) (at FVTPL)		
5,806 (P.Y. 3,235) units of Reliance Liquid Fund Growth of Rs. 1,000 each	26,353,363	13,660,695
193,121 (P.Y. 193,121) units of Franklin India Ultra Short Bond Fund - Growth of Rs. 10 each	5,073,065	4,645,166
Nil (P.Y. 500,000) units of UTI - Fixed Term Income Fund Series - XXII - VI - Growth of Rs. 10 each	-	6,497,000
1,094,691 (P.Y. 1,094,691) units of Franklin India Low Duration Fund - Growth of Rs. 10 each	23,798,577	21,867,105
648,670 (P.Y. Nil) units of Franklin India Low Duration Fund – MDR of Rs. 10 each	6,915,921	-
Total	62,140,926	46,669,966

Note 7 - Trade receivables

Particulars	(Amount in Rs.)	
	March 31, 2019	March 31, 2018
Unsecured		
Considered Good	48,072,133	22,226,069
Total	48,072,133	22,226,069

Note 8 - Cash and cash equivalents

Particulars	(Amount in Rs.)	
	March 31, 2019	March 31, 2018
Bank balances	2,601,490	1,971,479
Total	2,601,490	1,971,479

Note 9 - Other bank balances

Particulars	(Amount in Rs.)	
	March 31, 2019	March 31, 2018
Fixed deposits	1,063,610	1,002,149
Total	1,063,610	1,002,149

Note 10 - Other current financial assets

Particulars	(Amount in Rs.)	
	March 31, 2019	March 31, 2018
Advance to employees	140,794	77,664
Other receivables	230,262	31,877
Total	371,056	109,541

Note 11 - Other current assets

Particulars	(Amount in Rs.)	
	March 31, 2019	March 31, 2018
(Unsecured, considered good)		
Advance to vendors	347,326	159,082
Prepaid expenses	240,811	150,954
Balance with govt authorities	1,404,009	1,432,699
Total	1,992,146	1,742,735



Note 12 - Equity share capital and other equity

12(a) - Equity share capital

(i) Authorised equity share capital of face value of Rs. 10/- each

Particulars	Number of shares	Amount in Rs.
As at April 01, 2017	1,000,000	10,000,000
Increase during the year	-	-
As at March 31, 2018	1,000,000	10,000,000
Increase during the year	-	-
March 31, 2019	1,000,000	10,000,000

(ii) Authorised 8% redeemable non-cumulative preference share capital of face value of Rs. 10/- each

Particulars	Number of shares	Amount in Rs.
As at April 01, 2017	1,520,000	15,200,000
Increase during the year	-	-
As at March 31, 2018	1,520,000	15,200,000
Increase during the year	-	-
March 31, 2019	1,520,000	15,200,000

(iii) Issued, Subscribed and Paid-up equity share capital of face value of Rs. 10/- each

Particulars	Number of shares	Amount in Rs.
As at April 01, 2017	848,400	8,484,000
Increase during the year	-	-
As at March 31, 2018	848,400	8,484,000
Increase during the year	-	-
March 31, 2019	848,400	8,484,000

(iv) Movements in equity share capital

Particulars	Number of shares	Amount in Rs.
As at April 01, 2017	848,400	8,484,000
Increase during the year	-	-
As at March 31, 2018	848,400	8,484,000
Increase during the year	-	-
March 31, 2019	848,400	8,484,000

All the Equity Shares have the same dividend and voting rights and in case of repayment of capital.

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

Particulars	March 31, 2019		March 31, 2018	
	Number of shares	% Holding	Number of shares	% Holding
Datamatics Global Services Limited	428,400	50.50%	428,400	50.50%
Cybercom Group AB	420,000	49.50%	420,000	49.50%

12(b) - Other Equity

Particulars	(Amount in Rs.)	
	March 31, 2019	March 31, 2018
Securities premium reserve	3,654,000	3,654,000
Retained earnings	87,603,478	48,035,037
General reserve	38,838,402	38,838,402
Capital redemption reserve	12,320,000	12,320,000
Other Comprehensive Income - Actuarial gain / (loss)	99,570	(14,713)
Total	142,515,450	102,832,726

(i) Securities Premium

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

(ii) General Reserve

The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to statement of profit and loss.

(iii) Capital Redemption Reserve

As per Companies Act, 2013, capital redemption reserve is created when Company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve.



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Notes to the financial statements

Note 13 - Non-Current Provision		(Amount in Rs.)	
Particulars	March 31, 2019	March 31, 2018	
Unfunded (Refer Note no.29)			
Gratuity	2,206,389	1,946,752	
Leave Encashment	906,838	683,690	
Total	3,113,227	2,630,442	

Note 14 - Trade payables		(Amount in Rs.)	
Particulars	March 31, 2019	March 31, 2018	
Dues of Micro and Small Enterprise (Refer Note no.34)	43,922	-	
Dues of other than Micro and Small Enterprise	6,010,336	4,159,646	
Total	6,054,258	4,159,646	

Note 15 - Other current financial liabilities		(Amount in Rs.)	
Particulars	March 31, 2019	March 31, 2018	
Other payables	-	384,230	
Total	-	384,230	

Note 16 - Current Provision		(Amount in Rs.)	
Particulars	March 31, 2019	March 31, 2018	
Unfunded (Refer Note no.29)			
Gratuity	79,934	71,335	
Leave Encashment	101,891	144,397	
Total	181,825	215,732	

Note 17 - Other current liabilities		(Amount in Rs.)	
Particulars	March 31, 2019	March 31, 2018	
Statutory dues (net)	547,793	559,534	
Total	547,793	559,534	



Cybercom Datamatics Information Solutions Limited
Notes to the financial statements

Note 18 - Revenue from operations		
	(Amount in Rs.)	
Particulars	March 31, 2019	March 31, 2018
Export sales	105,186,834	82,071,738
Total	105,186,834	82,071,738
Note 19 - Other income		
	(Amount in Rs.)	
Particulars	March 31, 2019	March 31, 2018
Interest received	68,290	82,479
Profit on sale of investments	2,875,996	4,655,237
Dividend received	268,732	-
Unrealised (loss) / gain on fair value of mutual funds	1,441,281	4,285,130
Miscellaneous receipts	3,111	2,847
Exchange (loss) / gain	(1,807,433)	3,024,152
Total	2,849,977	12,049,845
Note 20 - Employee benefit expenses		
	(Amount in Rs.)	
Particulars	March 31, 2019	March 31, 2018
Salary, Wages & Allowances	33,348,405	27,949,383
Contribution towards PF & Other funds	1,381,527	1,332,853
Staff Welfare	2,556,872	2,573,695
Total	37,286,804	31,855,931
Note 21 - Net finance costs		
	(Amount in Rs.)	
Particulars	March 31, 2019	March 31, 2018
Bank Guarantee Fees	999,996	1,001,247
Total	999,996	1,001,247
Note 22 - Other expenses		
	(Amount in Rs.)	
Particulars	March 31, 2019	March 31, 2018
Electricity expenses	3,489,973	3,251,375
Legal and Professional expenses	970,324	938,867
Travelling expenses	5,739,582	-
Link Charges	350,000	350,000
Rent	73,488	73,500
Communication charges	278,018	280,164
Miscellaneous expenses	304,402	55,771
House Keeping expenses	483,078	437,034
Audit fees	393,240	375,936
Bank charges	76,389	123,609
Rates and Taxes	2,113,241	478,852
Water charges	-	111,923
Repairs and Maintenance expenses	1,935,996	1,947,295
Security charges	837,000	687,528
Insurance	68,617	105,196
Total	17,113,348	9,217,050



Cybercom Datamatics Information Solutions Limited
Notes to the financial statements

Note 23 - Taxation

23(a) - Income tax expense		(Amount in Rs.)
Particulars	March 31, 2019	March 31, 2018
<i>Current tax</i>		
Current tax on profits for the year	10,381,877	10,287,167
Adjustments for current tax of prior periods	156,765	(1,927,266)
Total current tax expense	10,538,642	8,359,901
<i>Deferred tax</i>		
(Decrease)/increase in deferred tax liabilities	436,630	3,373,673
Total deferred tax expense/(benefit)	436,630	3,373,673
Income tax expense	10,975,272	11,733,574

23(b) - Reconciliation of tax expense and accounting profit multiplied by statutory tax rates		(Amount in Rs.)
Particulars	March 31, 2019	March 31, 2018
Profit for the year	50,543,713	50,299,714
Statutory tax rate applicable	27.82%	27.55%
Tax expense at applicable tax rate	14,061,261	13,858,829
Tax effects of amounts which are not deductible (taxable) in calculating taxable income:		
Effect of Exempt Income	(6,372,265)	(5,633,022)
Change in Rate	32,897	(1,185,535)
Income taxed at different rates	(306,921)	-
Recognition of unutilized tax benefit	3,403,535	3,431,482
Adjustments for current tax of prior periods	156,765	1,927,266
Other	-	(665,446)
Income tax expense	10,975,272	11,733,574

23(c) - Deferred tax assets		(Amount in Rs.)
Particulars	March 31, 2019	March 31, 2018
The balance comprises temporary differences attributable to:		
Employee Benefits	678,346	542,854
Total deferred tax assets	678,346	542,854
Set-off of deferred tax liabilities pursuant to set-off provisions	-	-
Net deferred tax assets	678,346	542,854

Movement in deferred tax assets		(Amount in Rs.)			
Particulars	March 31, 2018	Charged/ (credited) to profit and loss	Charged/ (credited) to OCI	Charged/ (credited) to equity	March 31, 2019
Employee Benefits	542,854	118,261	17,231	-	678,346
Total deferred tax assets	542,854	118,261	17,231	-	678,346

- Deferred tax liabilities		(Amount in Rs.)
Particulars	March 31, 2019	March 31, 2018
The balance comprises temporary differences attributable to:		
Depreciation and Amortisation	3,335,236	3,085,918
Unrealised gain / (loss) on fair value of mutual funds	1,178,884	873,651
Total deferred tax liabilities	4,514,120	3,959,569
Set-off of deferred tax assets pursuant to set-off provisions	-	-
Net deferred tax liabilities	4,514,120	3,959,569

Movement in deferred tax liabilities		(Amount in Rs.)			
Particulars	March 31, 2018	Charged/ (credited) to profit and loss	Charged/ (credited) to OCI	Charged/ (credited) to equity	March 31, 2019
Depreciation and Amortisation	3,085,918	249,318	-	-	3,335,236
Unrealised gain / (loss) on fair value of mutual funds	873,651	305,233	-	-	1,178,884
Total deferred tax liabilities	3,959,569	554,551	-	-	4,514,120



Note 24: Fair value measurements

Financial instruments by category

(Amount in Rs.)

	March 31, 2019			March 31, 2018		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Investments						
- Mutual funds	62,140,926	-	-	46,669,966	-	-
Trade receivables	-	-	48,072,133	-	-	22,226,069
Cash and cash equivalents	-	-	2,601,490	-	-	1,971,479
Bank balances other than Cash and	-	-	1,063,610	-	-	1,002,149
Advance to Employees	-	-	140,794	-	-	77,664
Other receivables	-	-	230,262	-	-	31,877
Other deposits	-	-	686,194	-	-	577,016
Total financial assets	62,140,926	-	52,794,483	46,669,966	-	25,886,254
Financial liabilities						
Trade payables	-	-	6,054,258	-	-	4,159,646
Other payables	-	-	-	-	-	384,230
Total financial liabilities	-	-	6,054,258	-	-	4,543,876

i) Fair value hierarchy

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.

(Amount in Rs.)

Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
At 31 March 2019				
Financial assets				
Financial Investments at FVPL				
Mutual funds	62,140,926	-	-	62,140,926
Total financial assets	62,140,926	-	-	62,140,926

(Amount in Rs.)

Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
At 31 March 2018				
Financial assets				
Financial Investments at FVPL				
Mutual funds	46,669,966	-	-	46,669,966
Total financial assets	46,669,966	-	-	46,669,966

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

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.

There are no transfers between levels 1 and 2 during the year.

ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

The use of quoted market prices or dealer quotes for similar instruments

All of the resulting fair value estimates are included in level 2 except for unlisted equity securities, contingent consideration and indemnification asset, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

iii) Valuation processes

The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Note 25: Capital management

Dividends

(Amount in Rs.)

Particulars	March 31, 2019	March 31, 2018
(i) Equity shares		
Interim dividend for the year ended March 31, 2019 of Nil (March 31, 2018 – Rs. 90) per fully paid share	-	76,356,000
Proposed dividend for the year ended March 31, 2019 of Rs. 25 (March 31, 2018 – Nil) per fully paid share	21,210,000	-



Note 26: Financial risk management

The Company's activities expose it to market risk, liquidity risk and credit risk.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables and financial assets.	Aging analysis Credit ratings	Diversification of bank deposits, credit limits
Liquidity risk	Trade payable	Maturity analysis, cash flow forecasts	Credit limits
Market risk – foreign exchange	Receivables on Indenting services.	Cash flow forecasting Sensitivity analysis	Forecast of highly probable foreign currency cash flows
Market risk – security prices	Investments in mutual funds	Sensitivity analysis	Portfolio diversification

The Board provides guiding principles for overall risk management, as well as policies covering specific areas such as credit risk, liquidity risk, and Foreign Exchange Risk effecting business operations. The Company's risk management is carried out by the management as per guidelines and policies approved by the Board of Directors.

A) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses the direct risk of default, risk of deterioration of creditworthiness as well as concentration risks. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and deposits with banks.

Credit risk management

The Company's credit risk mainly from trade receivables as these are typically unsecured. This credit risk has always been managed through credit approvals, establishing credit limits and continuous monitoring the creditworthiness of customers to whom credit is extended in the normal course of business. The Company estimates the expected credit loss based on past data, available information on public domain and experience. Expected credit losses of financial assets receivable are estimated based on historical data of the Company. The Company has provisioning policy for expected credit losses. There is no credit risk in bank deposits which are demand deposits.

The maximum exposure to credit risk as at March 31, 2019 and March 31, 2018 is the carrying value of such trade receivables as shown in note 7 of the financials.

B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements.

C) Market risk

i) Foreign currency risk

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to EUR and SEK. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows.

Foreign currency risk exposure:

Details of foreign currency exposures not covered by derivative instruments as at March 31, 2019 and March 31, 2018 are given below :

Particulars	Currency	March 31, 2019		March 31, 2018	
		Foreign Currency	Amount in Rs.	Foreign Currency	Amount in Rs.
Trade Receivables	EUR	600,897	46,599,534	275,864	22,257,946
Other Receivables	SEK	228,879	1,702,861	-	-

Sensitivity

The Company is mainly exposed to changes in Euro. The sensitivity analysis demonstrate a reasonably possible change in Euro exchange rates, with all other variables held constant. 5% appreciation/depreciation of Euro and SEK with respect to functional currency of the Company will have impact of following (decrease)/increase in Profit & vice versa.

(Amount in Rs.)

Particulars	March 31, 2019	March 31, 2018
EUR	2,329,977	1,112,897
SEK	85,143	-

* Holding all other variables constant



Cybercom Datamatics Information Solutions Limited
Notes to the financial statements

Note 27: Related party transactions

A As required under Ind AS 24 – “Related Party Disclosures”, following are details of transactions during the year with the related parties of the Company as defined in Ind AS- 24.

The Company has entered into transactions in ordinary course of business with related parties at arms length as per details given below:

(a) Joint Venture Companies Datamatics Global Services Limited Cybercom Group AB	(b) Key Managerial personnel Rahul Kanodia Niklas Flyborg	(c) Entity wherein JV has significant influence Cybercom Sweden East AB
---	--	---

B Details of transactions with the related party as stated in (A) above:

(Amount in Rs.)

Particulars	March 31, 2019	March 31, 2018
(A) Joint Venturer Companies		
(i) Datamatics Global Services Limited (DGSL)		
Transactions during the period		
(a) Recovery from DGSL of Employee benefit expenses	3,324,786	3,171,723
(b) Corporate Guarantee expense	999,996	1,001,247
(c) Insurance expense	63,321	212,559
(d) Dividend paid	-	49,260,250
Balance as on		
(e) Balance payable	778,894	471,067
(f) Corporate Guarantee (not to be accounted)	50,000,000	50,000,000
Cybercom Group AB		
Transactions during the period		
(g) Dividend paid	-	48,300,000
(B) Entity wherein JV has significant influence		
Cybercom Sweden East AB		
Transactions during the period		
(a) Revenue from operations	105,186,834	82,071,738
Cybercom Sweden East AB		
Balance as on		
(a) Trade receivable	48,072,133	22,226,069
(b) Other receivable	230,262	31,877

Note:

Related parties are identified by the management and relied upon by the auditors.

Note 28: Contingent liabilities and contingent assets

a) Contingent liabilities

The Company has contingent liabilities at March 31, 2019 in respect of:

Service tax refund receivable represents refund claims of service tax filed by the Company with the Assistant Commissioner of Service Tax (ACST) which were rejected by the ACST during the year ended March 31, 2014. The Company had filed an appeal with the Commissioner of Service Tax (Appeals) and received refund of Rs. 10,34,247/- on February 12, 2019. For balance claim, company has filed appeal in CESTAT and is hopeful of succeeding in the same and of recovering the entire amounts.



Note 29: Employee benefits

The disclosure as required by Ind AS 19 on "Employee Benefits" are given below:

		(Amount in Rs.)	
Particulars		March 31, 2019	March 31, 2018
I.	Defined Contribution Plan		
	Charge to the Statement of Profit and Loss based on contributions:		
	Employers contribution to provident fund	1,284,290	1,217,165
	Employers contribution to employees' state insurance	54,982	78,862
	Employers contribution to employees' pension scheme 1995	38,655	33,514
	Employers contribution to labour welfare fund and others	3,600	3,312
	Included in contribution to provident fund and other funds (Refer Note no.22)	1,381,527	1,332,853

II. Defined Benefit Plan

The present value of gratuity (unfunded) and compensated absences (unfunded) obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

a) Gratuity :

i) Movement in Present Value of Obligation

		(Amount in Rs.)	
Particulars		March 31, 2019	March 31, 2018
	Present Value of Obligation as at the beginning	2,018,087	1,491,433
	Current Service Cost	185,159	179,131
	Interest Expense or Cost	157,298	107,307
	Re-measurement (or Actuarial) (gain) / loss arising from:		
	- change in financial assumptions	25,255	(150,077)
	- experience variance (i.e. actual experience vs assumptions)	(122,307)	(58,970)
	Past Service Cost	175,921	501,186
	Benefits Paid	(153,090)	(51,923)
	Present Value of Obligation as at the end	2,286,323	2,018,087

ii) Expenses recognised in the income statement and other comprehensive income

		(Amount in Rs.)	
Particulars		March 31, 2019	March 31, 2018
	Current service cost	185,159	179,131
	Past service cost	175,921	501,186
	Net interest cost on the net defined benefit liability	157,298	107,307
	Expenses recognised in Profit & Loss Account	518,378	787,624
	Other Comprehensive Income		
	Actuarial (gains) / losses		
	- Change in financial assumptions	25,255	(150,077)
	- Experience variance	(122,307)	(58,970)
	Expenses recognised in OCI	(97,052)	(209,047)

iii) Financial Assumptions

The principal financial assumptions used in the valuation are shown in the table below

Particulars		March 31, 2019	March 31, 2018
	Discount Rate (per annum)	7.80%	7.80%
	Salary growth rate (per annum)	4.50%	4.50%
	Mortality Rate	IALM 06-08	IALM 06-08

iv) Sensitivity Analysis

Particulars	March 31, 2019		March 31, 2018	
	Decrease	Increase	Decrease	Increase
Discount rate (- / + 1%)	2,558,515	2,054,969	2,273,573	1,802,159
Salary growth rate (- / + 1%)	2,046,113	2,564,955	1,862,088	2,202,195
Attrition rate (1 / + 1%)	2,259,306	2,312,137	1,991,557	2,041,539
Mortality rate (- / + 1%)	2,283,188	2,289,443	2,014,215	2,021,939

v) Maturity profile of Defined Benefit obligation

		(Amount in Rs.)
Expected Cash flow over the next (valued on undiscounted basis)		Amount
	1 Year	79,934
	2 to 5 years	364,088
	6 to 10 years	2,275,680
	More than 10 years	3,837,888



b) Leave Encashment:

(Amount in Rs.)		
i) Movement in Present Value of Obligation		
Particulars	March 31, 2019	March 31, 2018
Present Value of Obligation as at the beginning	828,087	633,715
Current Service Cost	300,419	115,282
Interest Expense or Cost	64,544	45,595
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in financial assumptions	10,748	(51,825)
- experience variance (i.e. actual experience vs assumptions)	160,552	188,906
Benefits Paid	(355,621)	(103,586)
Present Value of Obligation as at the end	1,008,729	828,087

(Amount in Rs.)		
ii) Expenses recognised in income statement		
Particulars	March 31, 2019	March 31, 2018
Current service cost	300,419	115,282
Net interest cost on the net defined benefit liability	64,544	45,595
Re-measurement (actuarial) (gain) / loss arising from:		
- change in financial assumptions	10,748	(51,825)
- experience variance (i.e. actual experience vs assumptions)	160,552	188,906
Expenses recognised in Profit & Loss Account	536,263	297,958

iii) Financial Assumptions		
Particulars	March 31, 2019	March 31, 2018
Discount rate (per annum)	7.80%	7.80%
Salary growth rate (per annum)	4.50%	4.50%
Mortality rate	IALM 06-08	IALM 06-08

(Amount in Rs.)				
Particulars	March 31, 2019		March 31, 2018	
	Decrease	Increase	Decrease	Increase
Discount rate (- / + 1%)	1,125,945	909,880	916,357	753,508
Salary growth rate (- / + 1%)	906,109	1,128,731	750,665	918,458
Attrition rate (1 / + 1%)	951,487	1,053,319	767,471	875,236
Mortality rate (- / + 1%)	1,007,526	1,009,926	827,135	829,035

(Amount in Rs.)	
v) Maturity profile of Defined benefit obligation	
Expected cash flows over the next (based on undiscounted cashflows)	Amount
1 Year	101,891
2 to 5 years	212,219
6 to 10 years	718,529
More than 10 years	1,865,215

Note 30: Earnings per share

Particulars	March 31, 2019	March 31, 2018
Basic earnings per share		
Net Profit after taxation (in Rs.)	39,568,441	38,566,140
Weighted average number of Equity shares	848,400	848,400
Nominal value of Equity shares (in Rs.)	10.00	10.00
Basic earnings per share	46.64	45.46



Cybercom Datamatics Information Solutions Limited
Notes to the financial statements

Note 31: Subsequent events:

The Board of Directors at its meeting held on May 8, 2019 have recommended a dividend of Rs. 25/- (Rupees Twenty Five only) (Previous year Nil) per equity share of Rs. 10/- each, subject to the approval by the shareholders at the ensuing Annual General Meeting.

Note 32: Remuneration to the auditors:

		(Amount in Rs.)	
	Particulars	March 31, 2019	March 31, 2018
(a)	For statutory audit	300,000	300,000
(c)	For others	75,000	65,375
(d)	For out of pocket expenses	18,240	10,561
	TOTAL	393,240	375,936

Note 33: Segment Reporting:

The principal business of the Company is of providing of technical and software services. All other activities of the company revolve around its main business. Hence no additional disclosure under Ind AS 108 - "Operating Segments" are required in these financial statements.

Note 34: Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

There are no dues to Micro and Small Enterprises as at March 31, 2019 beyond 45 days. Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.

Note 35: Previous year figures

Previous year figures have been appropriately regrouped/reclassified and rearranged wherever necessary to conform to the current year's presentation.

Note 36: Rounding Off

Figures are rounded off to the nearest of Rupees.

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 : May 8, 2019

For and on behalf of the Board

Rahul Kanodia
Director
DIN - 00075801



Niklas Flyborg
Director
DIN - 05307988