

Reverie Language Technologies Limited (formerly Reverie Language Technologies Private Limited)

Balance Sheet

All amounts are in ₹ Lakhs, unless otherwise stated

Particulars	Notes	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	49.51	70.62
Intangible assets	4	0.40	72.42
Intangible assets under development	5	6,447.44	3,085.15
Income tax assets (net)	6	70.53	95.33
Total Non-Current Assets (I)		6,567.88	3,323.52
Current assets			
Financial assets			
(i) Investments	7	492.36	525.46
(ii) Trade receivables	8	254.10	512.27
(iii) Cash and cash equivalents	9	11.81	59.07
(iv) Bank balances Other than cash and cash equivalents above	9	-	9.50
(v) Other financial assets	10	5.81	0.83
Other current assets	11	377.32	185.36
Total Current Assets (II)		1,141.40	1,292.49
Total Assets (I+II)		7,709.28	4,616.01
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	12	1.92	1.76
Other equity	13	6,363.00	3,819.98
Total Equity (III)		6,364.92	3,821.74
LIABILITIES			
Non-current liabilities			
Provisions	14	124.80	82.24
Total Non-Current Liabilities (IV)		124.80	82.24
Current liabilities			
Financial liabilities			
(i) Trade payables	15	-	-
-Total outstanding dues of micro and small enterprises		-	-
-Total outstanding dues of other than micro and small enterprises		1,052.84	631.19
(ii) Other financial liabilities	16	-	8.48
Provisions	14	22.32	13.71
Other current liabilities	17	144.40	58.65
Total Current Liabilities (V)		1,219.56	712.03
Total Liabilities (III+IV+V)		7,709.28	4,616.01

See accompanying notes (1-34) forming part of these financial statements.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration No: 117366W/W-100018

Shreedhar Ghanekar
Partner
Membership No: 210840

Place: Bangalore
Dated: April 19, 2021



For and on behalf of the Board

Arvind Pani
Whole Time Director
DIN: 00936914

Vivekananda Pani
Whole Time Director
DIN: 01012763

Nikki Srivastava
Company Secretary
Membership No: 41741

Place: Bangalore
Dated: April 19, 2021

Place: Bangalore
Dated: April 19, 2021

Place: Bangalore
Dated: April 19, 2021



Reverie Language Technologies Limited (formerly Reverie Language Technologies Private Limited)
Statement of Profit and Loss
 All amounts are in ₹ Lakhs, unless otherwise stated

Particulars	Notes	Year Ended 31 March 2021	Year Ended 31 March 2020
Revenue from operations (I)	18	435.06	549.17
Other income (II)	19	73.56	71.12
Total Revenue (III) - (I+II)		508.62	620.29
Expenses			
Employee benefits expense (IV)	20	252.23	203.96
Depreciation and amortisation expense (V)	3,4	29.55	52.49
Other expenses (VI)	21	276.49	401.48
Total Expenses (VII) - (IV+V+VI)		558.27	657.93
Loss before tax (VIII) - (III-VII)		(49.65)	(37.64)
Tax expense (IX)		-	-
Loss for the year (X) - (VIII-IX)		(49.65)	(37.64)
Other comprehensive income			
Items that will not to be reclassified profit/(loss)			
Remeasurements of the net defined benefit liability / asset		(4.85)	(43.41)
Other comprehensive income for the year (XI)		(4.85)	(43.41)
Total comprehensive income for the year (XII) - (X+XI)		(54.50)	(81.05)
Earnings per share (nominal value of ₹10 each)			
Basic and diluted	23	(270.67)	(221.82)

See accompanying notes (1-34) forming part of these financial statements.

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Reverie Language Technologies Limited (formerly Reverie Language Technologies Private Limited)

Statement of Cash flows

All amounts are in ₹ Lakhs, unless otherwise stated

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
A. Cash flow from operating activities		
Loss before tax	(49.65)	(37.64)
Adjustments for :		
Depreciation and amortisation expense	29.55	52.49
Provision for bad debts and debts written off	-	26.76
Provisions no longer required written back	(4.48)	-
(Profit)/Loss on sale of Property, plant and equipment	(0.16)	(5.64)
Net gain on sale / fair valuation of financial assets measured at FVTPL	(60.14)	(64.21)
Interest on income tax refund	(8.50)	-
Interest on fixed deposits	(0.28)	(0.51)
Operating loss before working capital changes	(93.66)	(28.75)
Movements in working capital		
Trade receivables	262.66	(451.47)
Other current assets	(183.43)	(94.47)
Loans	-	17.66
Other financial assets	(4.01)	7.01
Trade payables	43.20	151.50
Other financial liabilities	(0.87)	(78.00)
Other current liabilities	85.72	(42.18)
Provisions	7.06	0.61
Cash used in operating activities	116.67	(518.09)
Income tax (paid)/ refund (net)	33.30	(9.80)
Net cash flow used in operating activities (A)	149.97	(527.89)
B. Cash flow from investing activities		
Intangible assets under development	(2,863.48)	(2,917.96)
Purchase of Property, plant and equipment	(25.74)	(78.97)
Proceeds from sale of Property, plant and equipment	0.84	6.42
Investment in mutual funds	(2,474.88)	(1,380.00)
Investment in fixed deposits	-	0.16
Redemption of mutual funds	2,568.12	3,323.82
Interest on fixed deposits	0.28	0.51
Net Cash flow (used in)/generated from Investing activities (B)	(2,794.86)	(1,046.02)
C. Cash flow from financing activities		
Proceeds from issue of shares	2,597.63	1,499.15
Net Cash flow from financing activities (C)	2,597.63	1,499.15
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(47.26)	(74.76)
Cash and cash equivalent at the beginning of the year	59.07	133.83
Cash and cash equivalents at the end of the year	11.81	59.07
Cash and cash equivalents as per Note 9	11.81	59.07

See accompanying notes (1-34) forming part of these financial statements.

In terms of our report attached

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Chartered Accountants
Firm Registration No: 117366W/W-100018



Shreedhar Ghanekar
Partner
Membership No: 210840



Place: Bangalore
Dated: April 19, 2021

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Reverie Language Technologies Limited (formerly Reverie Language Technologies Private Limited)
Statement of Changes in Equity for the year ended 31st March 2021
 All amounts are in ₹ Lakhs, unless otherwise stated

A. Equity share capital	Equity shares	
	Number	Amount
As at 31 March 2019	16,738	1.67
Add: Issued and subscribed of Rs. 10 per equity shares during the year	928	0.09
As at 31 March 2020	17,666	1.76
Add: Issued and subscribed of Rs. 10 per equity shares during the year	1,608	0.16
As at 31st March 2021	19,274	1.92

B. Other Equity	Reserves and Surplus		Total Other Equity
	Securities premium reserve	Deficit in Statement of Profit and Loss	
As at 31 March 2019	9,745.49	(7,343.50)	2,401.99
Additions during the year			
Loss for the year	-	(37.64)	(37.64)
Premium on issue of shares	1,499.04	-	1,499.04
Other comprehensive income / (loss)	-	(43.41)	(43.41)
As at 31 March 2020	11,244.53	(7,424.55)	3,819.98
Additions during the year			
Loss for the year	-	(49.65)	(49.65)
Premium on issue of shares	2,597.47	-	2,597.47
Other comprehensive income / (loss)	-	(4.85)	(4.85)
As at 31st March 2021	13,842.00	(7,479.05)	6,362.95

See accompanying notes (1-34) forming part of these financial statements.

In terms of our report attached

For Deloitte Haskins & Sells LLP
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Shreedhar Ghanekar
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Place: Bangalore
 Dated: April 19, 2021

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Reverie Language Technologies Limited (formerly Reverie Language Technologies Private Limited)
Summary of significant accounting policies and other explanatory information for the year ended 31st March 2021 (cont'd)
All amounts are in ₹ Lakhs, unless otherwise stated

Note 1

General Information

Reverie Language Technologies Limited ("the Company"/Formerly known as Reverie Language Technologies Private Limited) was incorporated on 12 November 2009. The Company builds technologies that are bridging the language divide in the digital world. Content from applications and portals can be delivered in multiple languages in real-time through the Company's Language-as-a-Service (LaaS) cloud platform. The Company's LaaS cloud platform serves the consumer internet space (online retail, e-commerce marketplaces, travel, social media and messaging, vehicles for hire, etc.), banks and financial services and e-governance across millions of devices. The Company was converted into Limited company as Reverie Language Technologies Limited (Formerly known as Reverie Language Technologies Private Limited) with effect from 29th April 2020.

Note 2

Summary of significant accounting policies

(a) Statement of compliance

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] as amended, and other relevant provisions of the Act.

The financial statements have been approved by the Board of Directors in the meeting held on April 19, 2021

(b) Basis of Measurement

The financial statements has been prepared on the historical cost basis except for the following which are measured at fair value as required by relevant Ind AS:

- i) Certain financial assets and liabilities measured at fair value,
- ii) Defined benefit and other long-term employee benefit obligations

Fair value is the price 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. In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

(c) Use of estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Estimates and judgments are continually evaluated and are based on historical

The Company bases its estimates and assumptions on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Significant management judgements

In the application of the Company's accounting policies, which are described above, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the amounts recognized in the financial statements or that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Classification of leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an options to extend the lease if the Company is reasonably certain to exercise that options; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that options. In assessing whether the company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.



Reverie Language Technologies Limited (formerly Reverie Language Technologies Private Limited)
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021(cont'd)
All amounts are in ₹ Lakhs, unless otherwise stated

Note 2 (Cont'd)

Summary of significant accounting policies (Cont'd)

(c) Use of estimates (Cont'd)

Significant management judgements (Cont'd)

Expected Credit Loss

At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

Useful lives of depreciable / amortisable assets

Management reviews its estimate of the useful lives of depreciable / amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain items of property, plant and equipment.

Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Evaluation of indicators for impairment of assets

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets. In assessing impairment, management estimates the recoverable amount of each asset or cash generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry forward can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

Capitalisation of internally developed Intangible assets

Distinguishing the research and development phases of a new customised project and determining whether the recognition requirements for the capitalisation of development costs are met requires judgement. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired.

(d) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has evaluated and considered its operating cycle as 12 months.

Deferred tax assets / liabilities are classified as non-current assets / liabilities.



Reverie Language Technologies Limited (formerly Reverie Language Technologies Private Limited)
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (cont'd)
 All amounts are in ₹ Lakhs, unless otherwise stated

Note 2 (Cont'd)

Summary of significant accounting policies (Cont'd)

(e) Going Concern

The Financial statements have been drawn on a going concern basis in view of the financial support available from Jio Platforms Limited, the Parent Company, which has confirmed continued financial support in the form of letter of comfort/undertaking to any bank/financial institution or any other agency with respect to loan/financial assistance/facilities to be availed by the Company. Hence, the Company believes that this will enable it to continue its operations and settle its obligations as and when they become due over the next twelve month period. These financial statements, therefore, do not include any adjustments relating to recoverability and classification of recorded asset amounts or to amounts and classification of liabilities that may be necessary if the Company was unable to continue as a going concern.

(f) Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by management.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

The Company depreciates property, plant and equipment over their estimated useful lives using the WDV method. The estimated useful lives of assets are as follows as per the indicative useful life prescribed in Schedule II to the Companies Act, 2013:

Asset Category	Useful lives (in years)
Furniture and fixtures	10
Computers	3
Servers	6
Vehicles	8
Electrical installation	15
Office equipment	5

The Company has evaluated the applicability of component accounting as prescribed under Ind AS 16 and Schedule II of the Companies Act, 2013, the management has not identified any significant component having different useful lives. Schedule II requires the Company to identify and depreciate significant components with different useful lives separately.

Depreciation methods, useful lives and residual values are reviewed periodically and updated as required, including at each financial year end.

The Company depreciates lease hold improvements over their lease period using the Straight line method.

Gains or losses arising from de-recognition of Property, plant and equipment, capital work in progress are measured as the difference between the net disposal proceeds and the carrying amount of the property, plant and equipment and are recognised in the Statement of Profit and Loss when the asset is derecognised.

(g) Intangible assets

Intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortisation and impairment. Advances paid towards the acquisition of intangible assets outstanding at each Balance Sheet date are disclosed as other non-current assets and the cost of intangible assets not ready for their intended use before such date are disclosed as intangible assets under development.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

The residual values, useful lives and methods of amortization of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

The Company amortises intangible over their estimated useful lives using the Straight line method. The estimated useful lives of intangible assets are as follows:

Asset Category	Useful lives (in years)
Computer software	3

Intangible assets development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Company has an intention and ability to complete and use or sell the software and the costs can be measured reliably. The costs which can be capitalized include direct labour and overhead costs that are directly attributable to preparing the asset for its intended use. Intangible assets are amortised on a straight line basis over the estimated useful economic life i.e., 3 years.



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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021(cont'd)
All amounts are in ₹ Lakhs, unless otherwise stated

Note 2 (Cont'd)

Summary of significant accounting policies (Cont'd)

Intangible assets under development

Recognition and initial measurement

Intangibles under development represent the costs incurred in the development of Language-as-a-Service cloud platform (LAAS 2.0) which aims at providing users with automated machine translation. The platform also brings in new products involving technologies such as Neural Machine Translation (NMT), Natural Language Understanding (NLU), Speech to Text (STT), Automatic Speech Recognition (ASR), Text to Speech (TTS) etc. along with AI powered tools such as Prabandhak & Anuvadak

Other indirect expenses incurred relating to project during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Intangible assets under development.

Research and development expenditures

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss.

Development costs are capitalized as an intangible asset if it can be demonstrated that prescribed capitalisation criteria are met, the project is expected to generate future economic benefits, it is probable that those future economic benefits will flow to the Company and the costs of the asset can be measured reliably, else it is charged to the Statement of Profit and Loss.

(h) Impairment of property, plant and equipment and intangible assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses are recognised in the Statement of Profit and Loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.



Reverie Language Technologies Limited (formerly Reverie Language Technologies Private Limited)
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021(cont'd)
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Note 2 (Cont'd)

Summary of significant accounting policies (Cont'd)

(i) Revenue recognition

Sale of services

The company derives its revenue primarily from rendering of IT related services & translation services and the income comprises of income from software licenses and service related data translation. Revenue from these contracts includes both fixed one time fees and on the basis of usage as mentioned in the contract.

Revenue on license fee is recognised pro-rata over the year of the contract.

Revenue is reported net of discount.(if any)

The specific recognition criteria described below must also be met before revenue is recognized.

Dividend income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Unbilled Revenue

Unbilled Revenue included in other current assets represent revenues recognised on services rendered as per contractual terms, for which amounts are to be billed in subsequent periods.

Deferred revenue

Deferred revenue included in other current liabilities represent billings in excess of revenues recognised. Advances received for services are reported as liabilities until all conditions for revenue recognition are met.

(ii) Employee benefits

Employee benefits include provident fund, employee state insurance scheme, gratuity and compensated absences. Expenses and liabilities in respect of employee benefits are recorded in accordance with Ind AS 19, Employee Benefits.

Defined contribution plan

Retirement benefit in the form of provident fund and employee state insurance scheme is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund and employee state insurance scheme. The Company recognises contribution payable to the schemes as an expenditure, when an employee renders the related service. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Defined benefit plan

Gratuity

Gratuity is a post employment benefit and is a defined benefit plan. The liability recognised in the Balance Sheet represents the present value of the defined benefit obligation at the Balance Sheet date, less the fair value of plan assets (if any), together with adjustment for unrecognised actuarial gains or losses and past service cost. Independent actuaries using the Projected Unit Credit Method calculate the defined benefit obligation annually.

Long Term Benefits

Compensated absences

The Company provides benefit of compensated absences under which unavailed leave are allowed to be accumulated to be availed in future. The compensated absences comprises of vesting as well as non vesting benefit. The cost of short term compensated absences are provided for based on estimates. Long term compensated absence costs are provided for based on actuarial valuation using the project unit credit method. The Company treats accumulated leave expected to be carried forward beyond 12 months, as long-term employee benefit for measurement purposes. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred. The Company presents the leave as a current liability in the Balance Sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where the Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

The present value of the defined benefit obligation denominated in ₹ 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.

Defined benefit costs are categorised as follows:

-service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

-net interest expense or income; and

-remeasurement

For defined benefit plan, in the form of gratuity, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Remeasurement gains and losses are recognised in the Other comprehensive income in the period in which they occur. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme.

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expenses'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.



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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021(cont'd)
All amounts are in ₹ Lakhs, unless otherwise stated

Note 2 (Cont'd)

Summary of significant accounting policies (Cont'd)

Employee benefits (Cont'd)

Gains and losses through re-measurements of the defined benefit plans are recognized in other comprehensive income, which are not reclassified to profit or loss in a subsequent period.

Short-term employee benefits

Short-term employee benefits comprise of employee costs such as salaries, bonus etc, is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

(k) Leases

The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense over the lease term.

In the comparative period, leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalised at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Assets held under leases that do not transfer substantially all the risks and reward of ownership are not recognized in the balance sheet.

Lease payments under operating lease are generally recognized as an expense in the statement of profit and loss on a straight-line basis over the term of lease unless such payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases.

(l) Foreign currency transactions

Functional and presentation currency

The functional currency of the Company is the Indian Rupee. These financial statements are presented in Indian Rupees (₹).

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 Statement of Profit or Loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains/(losses).

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.

(m) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.



Reverie Language Technologies Limited (formerly Reverie Language Technologies Private Limited)
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021(cont'd)
All amounts are in ₹ Lakhs, unless otherwise stated

Note 2 (Cont'd)

Summary of significant accounting policies (Cont'd)

(n) Income taxes

The Income-tax expense comprises current tax and deferred tax. It is recognized in profit and loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

Current income tax

Current tax comprises the expected tax payable or receivable on the taxable income for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantially enacted by the reporting dates.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the assets and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognized in respect of temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

Deferred tax liabilities are recognized for all taxable temporary differences.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

(o) Provisions and contingencies

Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

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 not wholly within 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 or it cannot be measured with sufficient reliability. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets

Contingent assets are neither recognised nor disclosed. However, when realisation of income is virtually certain, related asset is recognised.

(p) Financial instruments

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- i. Debt instruments at amortised cost;
- ii. Debt instruments at fair value through other comprehensive income (FVTOCI);
- iii. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL); and
- iv. Equity investments.

i. Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.



Reverie Language Technologies Limited (formerly Reverie Language Technologies Private Limited)
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021(cont'd)
All amounts are in ₹ Lakhs, unless otherwise stated

Note 2 (Cont'd)

Summary of significant accounting policies (Cont'd)

Financial instruments (cont'd)

ii. Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of profit & loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of profit & loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

iii. Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

iv. Equity investments

All equity investments in scope of Ind AS 109 Financial Instruments, are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 Business Combinations, applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by- instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's Balance Sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (i) the Company has transferred substantially all the risks and rewards of the asset, or (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

(q) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 Financial Instruments.



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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021(cont'd)
All amounts are in ₹ Lakhs, unless otherwise stated

Note 2 (Cont'd)

Summary of significant accounting policies (Cont'd)

Financial instruments (cont'd)

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit or Loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss. This category generally applies to borrowings.

Derecognition of financial liabilities

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 derecognition 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 and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Impairment of financial assets

In accordance with Ind AS 109 Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables

The Company applies approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of receivables.

Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

Fair value measurement

Fair value is the price 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable



Reverie Language Technologies Limited (formerly Reverie Language Technologies Private Limited)
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021(cont'd)
All amounts are in ₹ Lakhs, unless otherwise stated

Note 2 (Cont'd)

Summary of significant accounting policies (Cont'd)

(r) Cash and cash equivalents

Cash and cash equivalent in the statement of financial position comprises cash at banks and on hand, demand deposits, short-term deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash, which are subject to an insignificant risk of changes in value.

Cash flow statement

Cash flows are reported using the indirect method, whereby net profit/(loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated. Bank overdrafts are classified as part of cash and cash equivalents as they form an integral part of an entity's cash management.

(s) Earnings/ (Loss) per Share (EPS)

Basic EPS are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company (after adjusting for interest on the convertible preference shares, if any) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

(t) 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



Reverie Language Technologies Limited (formerly Reverie Language Technologies Private Limited)
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Note 3
Property, plant and equipment

Carrying amounts of	As at March 31,		As at March 31,							Total
	2021	2020	Leasehold improvements	Office equipment	Furniture and fittings	Electrical installation	Vehicles	Computers		
Office equipment	1.16	3.35								
Furniture and fittings	-	0.09								
Electrical installation	-	0.78								
Vehicles	0.50	1.23								
Computers	47.85	65.17								
	49.51	70.62								
Gross carrying amount										
Balance as at 31 March 2019	20.23	15.43		11.42		7.21	5.30	43.62	103.21	
Additions	-	2.77						81.11	83.88	
Disposals	20.23	11.95		11.18				-	43.36	
Balance as at 31st March 2020		6.25		0.24		7.21	5.30	124.73	143.73	
Additions	-	-						25.73	25.73	
Disposals	-	-						3.96	3.96	
Balance as at 31st March 2021		6.25		0.24		7.21	5.30	146.50	165.50	
Accumulated depreciation										
Balance as at 31 March 2019	14.36	9.74		5.20		2.38	2.80	20.46	54.94	
Depreciation charge for the period	3.16	3.38		1.64		4.05	1.27	39.10	52.60	
Disposals	17.52	10.22		6.69		-	-	-	34.44	
Balance as at 31st March 2020		2.90		0.15		6.43	4.06	59.55	73.10	
Depreciation charge for the period	-	2.18		0.08		0.78	0.74	42.40	46.18	
Disposals	-	-		-		-	-	3.29	3.29	
Balance as at 31st March 2021		5.09		0.24		7.21	4.80	98.65	115.99	
Net carrying amount										
Balance as at 31 March 2019	5.87	5.69		6.22		4.84	2.51	23.16	48.29	
Balance as at 31st March 2020	-	3.35		0.09		0.78	1.23	65.17	70.62	
Balance as at 31st March 2021	-	1.16		-		-	0.50	47.85	49.51	

Note 1: All assets are owned by the Company, unless stated otherwise.



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Note 4

Intangible assets

Carrying amounts of	As at March 31, 2021	As at March 31, 2020
Technical knowhow	-	69.70
Computer software	0.40	2.72
	0.40	72.42

	Technical knowhow	Computer software	Total
Gross carrying amount			
Balance as at 31 March 2019	459.76	10.06	469.82
Additions	-	2.89	2.89
Disposals	-	-	-
Balance as at 31 March 2020	459.76	12.95	472.71
Additions	-	-	-
Disposals	-	-	-
Balance as at 31 March 2021	459.76	12.95	472.71
Accumulated amortisation			
Balance as at 31 March 2019	236.56	6.38	242.94
Amortisation for the period	153.50	3.85	157.35
Disposals	-	-	-
Balance as at 31st March 2020	390.06	10.23	400.29
Amortisation for the period	69.70	2.32	72.02
Disposals	-	-	-
Balance as at 31st March 2021	459.76	12.55	472.31
Net carrying amount			
Balance as at 31 March 2019	223.20	3.68	226.88
Balance as at 31 March 2020	69.70	2.72	72.42
Balance as at 31st March 2021	-	0.40	0.40



Note 5

Cost of intangible capitalized / transferred to intangible asset under development

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020		Amount charged to statement of profit and loss
	Total expense Incurred	Inangible asset Capitalized Under development	Total expense Incurred	Inangible asset Capitalized Under development	
Balance at the beginning of the year	-	-	-	165.03	-
Add: Directly attributable costs	-	-	-	-	-
Employee benefits expense (refer note-20)	2,296.84	-	1,824.32	1,620.36	203.96
Depreciation and amortisation expense (refer note-3,4)	118.21	-	208.97	157.48	52.49
Other expenses (refer note-21)	1,505.51	-	1,543.75	1,142.28	401.47
	3,920.56	-	3,576.04	2,920.12	657.92
Less: Capitalized from opening balance	-	-	-	-	-
Closing balance at the end of the year		6,447.44		3,085.15	-

Note 1: All assets are owned by the Company, unless stated as taken on lease

Note 2:

The management has assessed the carrying amount of the intangibles and intangibles under development as at March 31, 2021 for impairment. In making such assessment, it has considered revenue growth and estimated costs to complete as applicable. Changes in these assumptions could lead to an impairment to the carrying value of these intangible assets. The company believes that any reasonably possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount of such intangible assets under development. Based on such assessment, the company has concluded that the recoverable amount of the intangibles and those under development is higher than its carrying value.



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Note 6

Income tax assets (net)

Particulars	As at 31 March 2021	As at 31 March 2020
Non-current		
Advance tax and Tax deducted at source	70.53	95.33
Total	70.53	95.33

Note 7

Investments

(Unsecured Considered good, unless otherwise stated)

Particulars	No Of Units	As at 31 March 2021	As at 31 March 2020
In Mutual Funds quoted			
-Aditya Birla Sun Life Floating Rate Fund(Growth)	2,08,272	-	525.46
-HDFC Low Duration Fund-Direct Plan Growth	10,34,908	492.36	-
Total		492.36	525.46
Value of quoted investments		492.36	525.46

Note 8

Trade receivables

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured		
Considered good	254.10	512.27
Considered doubtful	25.20	30.39
	279.30	542.66
Less: Expected credit loss provision	(25.20)	(30.39)
Total	254.10	512.27

The Company uses a provision matrix to determine expected credit loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward-looking estimates. At each reporting period, the historically observed default rates are updated and changes in forward-looking estimates are analysed. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows.

Category	Ageing in days				
	Not Due	0-90	90-180	180-270	Above 360
Expected Credit Loss %	2.53%	3.85%	9.59%	19.76%	100.00%

The Company's exposure to credit and currencies risks, and loss allowances related to trade receivables are disclosed in note 31 . And the related party transactions and receivable outstanding of Rs.in lakhs 48.40 (Previous year - Rs.in lakhs 62.37) included above are disclosed in note 28



Reverie Language Technologies Limited (formerly Reverie Language Technologies Private Limited)

Notes forming part of Financials Statements for the year ended 31st March, 2021

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Note 9

Cash and cash equivalents

Particulars	As at 31 March 2021	As at 31 March 2020
Balances with banks - in current accounts	11.81	59.07
Total	11.81	59.07

Note 9

Bank balances Other than cash and cash equivalents above

Particulars	As at 31 March 2021	As at 31 March 2020
More than 3 months but less than or equal to 12 months maturity - in Fixed Deposit with bank [Under lien]	-	9.50
Total	-	9.50

For the purpose of the statement of cashflows, cash and cash equivalent comprise the following:

Particulars	As at 31 March 2021	As at 31 March 2020
Cash on Hand	-	-
Balance with Banks - In Current Accounts	11.81	59.07
Cash and cash equivalents in the statement of cash flows	11.81	59.07

Note 10

Other financial assets

Particulars	As at 31 March 2021	As at 31 March 2020
Advance to employees	4.83	0.83
Unbilled Revenue	0.98	-
Total	5.81	0.83

Note 11

Other current assets

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good		
Prepaid expenses	37.39	23.40
Balances with government authorities	319.78	159.42
Advance to suppliers	20.15	2.54
Total	377.32	185.36



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Note 12

Equity share capital

	As at 31 March 2021		As at 31 March 2020	
	Number	Amount	Number	Amount
Authorised share capital				
Equity shares of ₹10 each	19,753	1.98	19,753	1.98
Preference shares ₹10 each	4,200	4.20	4,200	4.20
	23,953	6.18	23,953	6.18
Issued, subscribed and paid up				
Equity shares of ₹10 each	19,274	1.92	17,666	1.76
	19,274	1.92	16,738	1.76

a) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year

Equity shares of ₹10 each					
Balance at the beginning of the year	17,666	1.76	16,738	1.67	
Add: Issued during the year:	1,608	0.16	928	0.09	
Balance at the end of the year	19,274	1.92	17,666	1.76	

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

	Number	%	Number	%
Equity shares of ₹10 each				
Mr. Arvind Pani	1,378	7.15%	1,378	7.80%
Mr. Vivekananda Pani	1,378	7.15%	1,378	7.80%
Jio Platforms Limited	15,917	82.86%	14,363	81.30%
	19,274		17,666	

c) Terms and rights attached to Equity shares

The Company has only one class of issued equity shares having par value of ₹10 each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of preferential allotment, if any. The distribution will be in proportion to the number of equity shares held by the equity shareholders. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting shall be payable in Indian rupees.

d) Issue of equity shares for consideration other than cash

The Company has not issued any bonus shares and has not bought back any shares in the immediately preceding five years. The Company had issued 246 Equity shares of ₹10 each during the year ended 31 March 2016 for consideration other than cash.

Note 13

Other equity

Particulars	As at 31 March 2021	As at 31 March 2020
Securities premium account		
Balance at the beginning of the year	11,244.53	9,745.49
Add: Premium on shares issued during the year	2,597.47	1,499.04
Balance at the end of the year	13,842.00	11,244.53
Deficit in Statement of Profit and Loss		
Balance at the beginning of the year	(7,424.50)	(7,343.50)
Add: Loss for the Year	(49.65)	(37.64)
Other comprehensive income / (loss)	(4.85)	(43.41)
Balance at the end of the year	(7,479.00)	(7,424.55)
	(7,479.00)	(7,424.55)
Total	6,363.00	3,819.98

Nature and purpose of other equity

Securities premium account

Securities premium account represents premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act.

Retained Earnings

Retained earnings comprises of amounts that can be distributed by the company as divided to its equity shareholders.



Reverie Language Technologies Limited (formerly Reverie Language Technologies Private Limited)
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Note 14

Provisions

Particulars	As at 31 March 2021	As at 31 March 2020
Non-current		
Provision for employee benefits		
- Gratuity (refer note 29)	93.85	71.48
- Compensated absences	30.95	10.76
Total	124.80	82.24
Current		
Provision for employee benefits		
- Gratuity (refer note 29)	15.92	11.64
- Compensated absences	6.40	2.07
Total	22.32	13.71

Note 15

Trade Payables

Particulars	As at 31 March 2021	As at 31 March 2020
Total outstanding dues of micro and small enterprises (refer note below)	-	-
Total outstanding dues of other than micro and small enterprises	1,052.84	631.19
Total	1,052.84	631.19

Note:

The management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMEDA). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2021 has been made in the financials statements based on information received and available with the Company.

This includes Related party transactions and payable outstanding of Rs 279.30 in lakhs (Previous year - Rs.in lakhs 144) and are disclosed in Note 28

Note 16

Other financial liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Payables for purchase of Property, Plant & Equipment	-	8.48
Total	-	8.48

Note 17

Other current liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Statutory remittances	93.02	45.62
Deferred revenue	51.38	13.03
Total	144.40	58.65



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Note 18

Revenue from operations

Particulars	For the Year ended 31 March 2021	For the Year ended 31 March 2020
Sale of services		
- IT Consulting & Support services	178.50	88.89
- Translation & Interpretation services	256.56	460.28
	435.06	549.17

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers based on the time of transfer of services.

Particulars	For the Year ended 31 March 2021	For the Year ended 31 March 2020
Revenue by timing of transfer of services		
Transfer at a point of time	391.11	528.68
Transfer over time	43.95	20.49
	435.06	549.17

Note 19

Other income

Particulars	For the Year ended 31 March 2021	For the Year ended 31 March 2020
Net profit on sale/redemption of current investments	60.14	58.69
Net gain arising on financial assets designated as FVTPL	-	5.52
Interest income from financial asset at amortised cost	0.28	0.51
Interest on income tax refund	8.50	-
Profit on sale of fixed assets	0.16	5.64
Miscellaneous income	-	0.76
Provisions no longer required written back	4.48	-
	73.56	71.12



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Note 20

Employee benefits expense

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Salaries, wages and bonus	2,205.97	1,760.19
Contribution to provident and other funds	48.01	38.20
Gratuity	28.63	12.23
Staff welfare expense	14.23	13.70
Less: Transfer to Intangible Asset Under Development	(2,044.61)	(1,620.36)
	252.23	203.96

Note 21

Other expenses

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Legal and professional fees	559.86	709.09
Advertisement and business promotion	64.53	76.26
Software expenses	0.92	4.27
Rent	255.83	174.13
Travelling and conveyance expenses	4.13	48.29
Subscription expenses	412.18	191.04
Communication expenses	2.44	10.01
Recruitment expenses	17.75	41.92
Insurance	35.78	29.51
Office maintenance and Housekeeping	1.34	3.27
Repairs and maintenance	3.62	3.07
Rates and taxes	16.40	6.75
Electricity charges	-	1.35
Engineering expenses	97.11	201.33
Bad debts written off	-	26.76
Audit fees**		
a) Statutory Auditor**	20.00	11.50
b) Tax Auditor	-	0.60
c) Out of pocket expenses	-	0.59
Bank charges	0.67	0.69
Printing and stationery	0.34	1.98
Exchange difference on forex (net)	0.04	0.47
Interest on other statutory dues	-	0.05
Interest on tax deducted at source	-	0.31
Miscellaneous expenses	3.88	0.52
Net loss arising on financial assets designated as FVTPL	8.69	-
	1,505.51	1,543.76
Less: Transfer to Intangible Asset Under Development	1,229.02	1,142.28
Total Other Expenses	276.49	401.48

Note 3&4

Depreciation and amortisation expense

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Depreciation for Property, plant & equipment	46.18	52.60
Amortization of Intangible assets	72.02	157.35
Less: Transfer to Intangible Asset Under Development	88.65	157.48
Total Depreciation and amortisation expense	29.55	52.47

Note on Remuneration to Auditors *

	Year ended 31 March 2021	Year ended 31 March 2020
Statutory audit	12.50	11.50
Limited Review in respect of previous auditors	7.50	-
Tax audit	-	0.60
	20.00	12.10

* Excluding applicable taxes



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Note 22

Contingent liabilities and commitments

(i) Contingent liabilities

The Company does not have any contingent liability as on 31st March, 2021 (previous year - NIL).

(ii) Commitments:

Estimated amounts of contracts remaining to be executed on capital account (net of advances) and not provided amounts to ` NIL (previous year: ` NIL).

Note 23

Deferred tax asset/(liability)

The Company has unabsorbed depreciation and unused tax losses at the end of the year. The net deferred tax asset has not been recognised on such losses and unabsorbed depreciation on prudent basis. The Company has not created deferred tax assets on the following

Particulars	As at March 31, 2021	As at March 31, 2020
Unused tax losses which expire in the following financial years ("FY"):		
-FY 2026-27	1,155.36	-
-FY 2027-28	123.43	1,155.36
Unabsorbed depreciation for the above financial years	353.90	353.90

Note 24

Earnings per share

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Net loss after tax	(49.65)	(37.64)
Weighted average number of equity shares outstanding (nos.)	18,343	16,969
Basic loss per share	(270.67)	(221.82)
Diluted loss per share	(270.67)	(221.82)
Nominal value per share	10	10

Note 25

Operating lease

Rent expense includes lease rental payments towards office premises and residential facilities. Such leases are generally for a period of 11 to 120 months with options of renewal against increased rent and premature termination of agreement through notice period of one month.

The lease expense for cancellable operating leases during the year is disclosed as 'Rent' under other expenses. The Company has not entered into any non-cancellable lease agreements in the current year. Total rental expense under cancellable operating leases for the year ended 31 March 2021 amounted to ₹255.83 lakhs (31 March 2020: ₹174.13 lakhs).

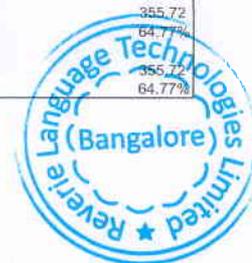
Note 26

Segment information

The Board of Director of the Company has been identified as the Chief Operating Decision Maker(CODM) as defined by Ind AS 108- Operating Segments. The CODM evaluates the Company performance and allocates resources based on "Information Technology Platform Services" performance which constitutes a single reporting segment. The Company does not have multiple reporting segments.

Entity-wide disclosure as required by Ind AS 108 "Operating Segment" are as follows:

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Revenues from external customers for each product or each group of similar services		
Sale of services	435.06	549.17
	435.06	549.17
Revenues from external customers attributed to the Company's country of domicile and attributed to all foreign countries from which the Company derives revenues		
India	431.50	545.28
Outside India	3.56	3.89
	435.06	549.17
Non-current assets (excluding income tax assets) located in the Company's country of domicile and in all foreign countries in which the Company holds assets		
India	6,497.35	3,237.69
Outside India	-	-
	6,497.35	3,237.69
Details in respect of percentage of revenues generated from top customer and revenues from transactions with customers amounts to 10 percent or more of Company's revenues from product sale		
Revenue from top customer	151.47	355.72
Percentage	34.82%	64.77%
Revenue from customers contributing 10% or more to the Company's revenues from product sale	95.34	355.72
Percentage	21.91%	64.77%



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Note 27

Capital management

For the purpose of the Company's capital management, capital includes issued capital, additional paid in capital and all other equity reserves attributable to the equity shareholders Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

Particulars	As at 31 March 2021	As at 31 March 2020
Total equity attributable to the equity shareholders of the company	6,364.92	3,821.74
As a percentage of total capital	100.00%	100.00%
Borrowings from Financial institutions and organization	0.00	0.00
As a percentage of total capital	-	-
Other Equity	-	-
Total Capital (Equity & Borrowings)	6,364.92	3,821.74

The Company is mainly funded through equity share capital subscribed by the investors of the Company through Right issue

Note 28

Related party transactions

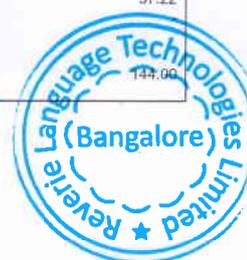
Nature of relationship	Name of related parties
Ultimate holding company *	Reliance Industries Limited
Holding Company *	Reliance Industrial Investments and Holding Limited (uptil 30 March 2020) Jio Platforms Limited (w.e f.31st Mar 2020)
Fellow Subsidiaries	Reliance Retail Limited Surajya Services Private Limited Saavn Media Limited Reliance Projects & Property Management Services Limited
Key managerial personnel (KMP)	Mr. Arvind Pani - Whole Time Director Mr. Vivekananda Pani - Whole Time Director Mr. Sachindra Kumar Mohanty - Director Ms. Nikki Srivastava - Company Secretary (w.e.f 15th January, 2021)
Relative of Key management personnel (KMP)	Mrs. Subhashree Mishra Mr. Ritwik Mohanty

Details of related parties transactions for the year ended 31 March 2021 and 31 March 2020 are as follows :

Nature of transactions/ Name of related party	Description of the relationship	Year ended 31 March 2021	Year ended 31 March 2020
Remuneration			
Mr. Arvind Pani	KMP	93.27	93.43
Mr. Vivekananda Pani	KMP	93.27	93.43
Mr. Sachindra Kumar Mohanty	KMP	-	12.79
Mrs. Subhashree Mishra	Relative of KMP	39.85	48.82
Mr. Ritwik Mohanty	Relative of KMP	3.84	2.45
Issue of Equity Share Capital			
Reliance Industrial Investments and Holding Limited	Holding Company	-	1,499.14
Jio Platforms limited	Holding Company	2,597.64	-
Revenue from operations			
Reliance Retail Limited	Fellow Subsidiary	75.31	33.20
Surajya Services Private Limited	Fellow Subsidiary	6.19	31.54
Saavn Media Limited	Fellow Subsidiary	2.57	0.20
Rental expenses			
Reliance Projects & Property Management Services Limited	Fellow Subsidiary	255.83	160.00

Details of amounts outstanding from related parties are as follows :

Nature of transactions/ Name of related party		As at 31 March 2021	As at 31 March 2020
Trade receivables			
Reliance Retail Limited	Fellow Subsidiary	45.36	25.15
Surajya Services Private Limited	Fellow Subsidiary	-	37.22
Saavn Media Limited	Fellow Subsidiary	3.04	-
Trade payables			
Reliance Projects & Property Management Services Limited	Fellow Subsidiary	279.30	144.00



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Note 29

Employee benefits

Short term employee benefits

Employee benefits payable wholly within twelve months of receiving services are classified as short-term employee benefits. These benefits include salary and wages, bonus and exgratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognized as an expense as the related service is rendered by the employees.

Post-employment benefits

A Defined contributions

The Company makes contributions to statutory provident fund as per the Employees Provident Fund and Miscellaneous Provision Act, 1952 and superannuation fund which are defined contribution plans as per Ind AS 19, Employee benefits. The Company recognised ₹ 5.20 Lakhs (net of transfer to intangible asset under development of Rs. 42.81 Lakhs) (31 March 2020: ₹ 3.71 lakhs net of transfer to intangible asset under development of Rs. 34.49) for provident fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

B Defined benefit plans

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned and returned for services in the current and prior periods; that benefit is discounted to determine its present value. The calculation of Company's obligation under the plan is performed periodically by an independent qualified actuary using the projected unit credit method.

The gratuity plan is governed by the provisions of the Payment of Gratuity Act, 1972 (as amended from time to time). Employees are entitled to all the benefits enlisted under this act.

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary overtime. Thus, the Company is exposed to various risks in providing the above benefit which are as follows:

a Interest rate risk

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability as shown in financial statements.

b Liquidity risk

This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non availability of enough cash/ cash equivalents to meet the liabilities or holding of illiquid assets not being sold in time.

c Salary escalation risk

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of employees in future. Deviation in the rate of interest in future for employees from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

d Demographic risk

The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

e Regulatory risk

Gratuity benefits are paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity pay-outs

f Asset liability mismatching or market risk

The duration of the liability is longer compared to duration of assets, exposing the company to market risk for volatilities/fall in interest rate.

g Investment risk

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.



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Notes forming part of Financials Statements for the year ended 31st March, 2021
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Note 29 (Cont'd)

Defined benefit obligations (Cont'd)

	As at 31 March 2021	As at 31 March 2020
Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows :		
Current service cost	23.44	9.19
Net interest cost	5.20	3.05
Less: Transferred to Intangibles for Development	25.50	10.87
Components of defined benefit costs recognised in Statement of Profit or Loss	3.14	1.37

Re-measurement on the net defined benefit liability :

Actuarial gains and losses arising from change in financial , demographic adjustments	0.33	3.24
Actuarial gains and losses arising from change in experience adjustments	1.98	33.50
Components of defined benefit costs recognised in other comprehensive income	2.31	36.74
Current portion of above asset/(liability)	15.92	11.64
Non-current portion of above asset/(liability)	93.85	71.48
Change in defined benefit obligations (DBO) during the year :		
Present value of DBO at the beginning of the year	83.12	43.10
Current service cost	23.44	9.19
Interest cost	5.20	3.05
Past service cost:	-	-
Benefits settled	(4.30)	(8.95)
Actuarial (gain) / loss due to financial assumptions	0.33	3.24
Actuarial (gain) / loss due to experience adjustments	1.98	33.50
Present value of DBO at the end of the year	109.77	83.13

Actuarial assumptions :

Discount rate	6.25%	6.25%
Salary escalation	8.00%	8.00%
Attrition	15.00%	15.00%
Retirement age	58 years	58 years

Note:

The assumptions were developed by management with the assistance of independent actuaries. Discount factors are determined close to each year-end by reference to market yields of government bonds that have terms to maturity approximating to the terms of the gratuity obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

A quantitative sensitivity analysis for significant assumption is as shown below :

	As at 31 March 2021	As at 31 March 2020
Impact of change in the discount rate		
Impact due to increase of 0.5%	(2.70)	(2.01)
Impact due to decrease of 0.5%	2.85	2.12
Impact of change in the salary growth rate		
Impact due to increase of 0.5%	2.13	1.46
Impact due to decrease of 0.5%	(2.06)	(1.40)
Impact of change in the attrition rate		
Impact due to increase of 0.5%	(0.08)	(0.01)
Impact due to decrease of 0.5%	0.08	0.01

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the method of valuation for the prior periods.

Effect of plan on entity's future cash flows

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company. The weighted average duration of the plan is estimated to be 10 years. Following is a maturity profile of the defined benefit obligation:



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Notes forming part of Financials Statements for the year ended 31st March, 2021
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Note 29 (Cont'd)

Defined benefit obligations (Cont'd)

Expected cash flows over the next: (valued on undiscounted basis)

	As at 31 March 2021	As at 31 March 2020
1 year	15.92	11.64
2 - 5 years	52.29	4.08
6 - 10 years	40.37	30.88
More than 10 years	52.41	38.13
	<u>160.99</u>	<u>84.73</u>



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Notes forming part of Financials Statements for the year ended 31st March, 2021
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Note 30

Fair value measurements

(i) Financial instruments by category

The carrying value and fair value of financial instruments by categories as of 31 March 2021 were as follows:

Particulars	Notes	Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVOCI
Assets:				
Investments	7	-	492.36	-
Trade receivables	8	254.10	-	-
Cash and cash equivalents	9	11.81	-	-
Bank balances Other than cash and cash equivalents above	9	-	-	-
Total		265.91	492.36	-
Liabilities:				
Trade payables	15	1,052.84	-	-
Other financial liabilities	16	-	-	-
Payable to employees		-	-	-
Accrued expenses		-	-	-
Total		1,052.84	-	-

The carrying value and fair value of financial instruments by categories as of 31 March 2020 were as follows:

Particulars	Notes	Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVOCI
Assets:				
Investments	7	-	525.46	-
Trade receivables	8	512.27	-	-
Cash and cash equivalents	9	59.07	-	-
Bank balances Other than cash and cash equivalents above	9	9.50	-	-
Total		580.84	525.46	-
Liabilities:				
Trade payables	15	631.19	-	-
Other financial liabilities	16	-	-	-
Payable to employees		-	-	-
Accrued expenses		-	-	-
Creditors for capital goods		8.48	-	-
Total		639.67	-	-



Reverie Language Technologies Limited (formerly Reverie Language Technologies Private Limited)
Notes forming part of Financials Statements for the year ended 31st March, 2021
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Note 30 (Cont'd)

Fair value measurements (Cont'd)

The management assessed that the fair value of cash and cash equivalents, trade receivables, loans, other financial assets, trade payables, working capital loans and other financial liabilities approximate the carrying amount largely due to short-term maturity of this instruments.

The fair value of the financial assets and liabilities is 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.

(ii) Fair value of financial assets and liabilities measured at amortised cost

The management assessed that for amortised cost instruments, fair value approximate largely to the carrying amount.

(iii) Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for financial instruments.

Level 2: the fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

a) Assets and liabilities measured at fair value - recurring fair value measurement

As at 31 March 2021	Notes	Level 1	Level 2	Level 3	Total
Assets measured at fair value					
Investments	7	492.36	-	-	492.36
Liabilities measured at fair value					
As at 31 March 2020	Notes	Level 1	Level 2	Level 3	Total
Assets measured at fair value					
Investments	7	525.46	-	-	525.46
Liabilities measured at fair value					

(iv) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the fair value of quoted investments is determined using the market value for the investment. The fair value estimates are included in level 1.



Reverie Language Technologies Limited (formerly Reverie Language Technologies Private Limited)

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (cont'd)

All amounts are in ₹ Lakhs, unless otherwise stated

Note 31

Financial risk management

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The Company's risk management activity focuses on actively securing the Company's short to medium-term cash flows by minimising the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed are described below.

(A) Credit risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company, resulting in a financial loss. The Company is exposed to this risk for various financial instruments. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets, as summarised below:

Assets under credit risk	As at	As at
	31 March 2021	31 March 2020
Cash and cash equivalents	11.81	59.07
Trade receivables	254.10	512.27
Other financial assets	5.81	10.33
	271.72	581.67

A1 Trade and other receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India. Credit risk has always been managed by the Company 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 Company is exposed to a concentration of customer risk with respect to its trade receivable balances. On account of adoption of Ind AS 109, Financial Instruments, the Company uses expected credit loss model to assess the impairment loss or gain. The provision for expected credit loss takes into account available external and internal credit risk factors and Company's historical experience for customers.

	As at	As at
	31 March 2021	31 March 2020
Balance at the beginning	30.39	3.64
Impairment loss recognised	-	26.75
Impairment loss reversed	(5.19)	
Balance at the end	25.20	30.39

A2 Cash and cash equivalents

The credit risk for cash and cash equivalents, is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.



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Note 31 (Cont'd)

Financial risk management (Cont'd)

(B) Liquidity risk

Liquidity risk is that the Company might be unable to meet its obligations. The Company manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, usually on a month on month basis. Long-term liquidity needs for a 360-day lookout period are identified monthly. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

The Company's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30-day periods at a minimum. This objective was met for the reporting periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

The Company's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

Maturities of financial liabilities				
As at 31 March 2021	Less than 1 year	1 year to 5 years	More than 5 years	Total
Trade payables	1,052.84	-	-	1,052.84
Other financial liabilities	-	-	-	-
Total	1,052.84	-	-	1,052.84
As at 31 March 2020	Less than 1 year	1 year to 5 years	More than 5 years	Total
Trade payable	631.19	-	-	631.19
Other financial liabilities	8.48	-	-	8.48
Total	639.67	-	-	639.67

(C) Market risk

The Company is exposed to market risk through its use of financial instruments and specifically to currency risk and interest rate risk, which result from both its operating and investing activities.



Reverie Language Technologies Limited (formerly Reverie Language Technologies Private Limited)
Notes forming part of Financials Statements for the year ended 31st March, 2021
All amounts are in ₹ Lakhs, unless otherwise stated

Note 31 (Cont'd)

Financial risk management (Cont'd)

Derivative financial instruments

The Company does not hold any derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

Interest rate risk

Liabilities

The Company's borrowings are carried at amortised cost and are fixed rate borrowings. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Assets

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Price risk

Exposure

The Company's exposure to price risk arises from investments held and classified in the Balance Sheet either at fair value through other comprehensive income or at fair value through profit and loss. To manage the price risk arising from investments, the Company diversifies its portfolio of assets.

Sensitivity

The table below summarises the impact of increases/decreases of the index on the Company's equity and profit for the period.

Impact on profit after tax

	As at 31 March 2021	As at 31 March 2020
Current investments - mutual funds		
Net asset value - increase by 1%	4.92	5.25
Net asset value - decrease by 1%	(4.92)	(5.25)



Reverie Language Technologies Limited (formerly Reverie Language Technologies Private Limited)
Notes forming part of Financial Statements for the year ended 31st March, 2021
All amounts are in ₹ Lakhs, unless otherwise stated

Note 32

Impact of COVID-19 in the Financial Statements

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic and suggested guidelines for containment and mitigation worldwide

As at March 31, 2021, in assessing the recoverability of property, plant and equipment, intangible assets and trade receivables, the Company has considered all internal and external information upto the date of approval of these financial statements. Based on current indicators of future economic conditions, the Management expects to recover the carrying amount of these assets. However, the impact of this global health pandemic may be different from that estimated as at the date of approval of these financial statements given the uncertainties associated with its nature and duration. The Company will continue to closely monitor any material changes to future economic conditions.

Note 33

Previous Year comparatives

Prior year amounts have been regrouped/rearranged wherever necessary, to conform to the current years' presentation.

Note 34 Recent pronouncements:

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.

- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.



For and on behalf of the Board

Arvind Pani *Vivekananda Pani* *Nikki Srivastava*

Arvind Pani
Whole Time Director
DIN: 00936914

Vivekananda Pani
Whole Time Director
DIN: 01012763

Nikki Srivastava
Company Secretary
Membership No: 41741

Place : Bangalore
Dated: April 19, 2021

Place : Bangalore
Dated: April 19, 2021

Place : Bangalore
Dated: April 19, 2021

