

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF REVERIE LANGUAGE TECHNOLOGIES PRIVATE LIMITED

Report on the audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **Reverie Language Technologies Private Limited ('the Company')**, which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information. (hereinafter referred to as "the Financial Statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act, of the financial position of the Company as at 31st March 2020, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

The Company's Board of Directors is responsible for the other information. The other information comprises director's report, but does not include the financial statements and our auditor's report thereon.

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



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

Other Matter

The financial statements of the Company for the year ended March 31, 2020, were audited by another auditor who expressed an unmodified opinion on those statements on June 28, 2019.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Act read with relevant rules issued there under. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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



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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.



2. Further to our comment in the Annexure A, as required by Section 143 (3) of the Act, we report that:
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the aforesaid Ind AS financial statements comply with Ind AS prescribed under Section 133 of the Act read with relevant rules there under;
 - e. On the basis of the written representations received from the directors of the Company as on 31st March, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act;
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure B**”;
 - g. With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197 (16) of the Act;

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.



- h. With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company does not have any pending litigation which would impact its financial position as at 31st March 2020.
 - The Company did not have any material foreseeable losses on long term contracts including derivative contracts
 - There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.

For Chaturvedi & Shah LLP
Chartered Accountants
Registration No. 101720W/W100355

Vijay Napawaliya

Vijay Napawaliya
Partner
Membership No. 109859
UDIN: 20109859AAAABH2666



Place: Mumbai
Date: 3rd April 2020

“Annexure A” to the Independent Auditor’s Report

(Referred to in paragraph 1 under the heading “ Report on Other Legal and Regulatory Requirements” of our report of even date to the members of the Reverie Language Technologies Private Limited on the financial statements for the year ended 31st March 2020)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- (b) As explained to us, the Company has a regular programme for physical verification in a phased periodic manner, which, in our opinion, is reasonable having regards to the size of the Company and the nature of its assets. According to that programme fixed assets are not physically verified during the current year.
- (c) The Company does not have any immovable properties. Therefore, the provisions of paragraph 3 (i) (c) of the Order are not applicable to the Company
- (ii) The Company does not have any inventory at any time during the year. Therefore, the provisions of paragraph 3 (ii) of the Order are not applicable to the Company.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provision of paragraph 3 (iii) of the Order are not applicable to the Company.
- (iv) According to the information and explanation given to us, the Company has not made any loan, investment, and guarantees to any person specified under section 185 and section 186 of the Companies Act, 2013. Therefore, the provisions of paragraph 3(iv) of the Order are not applicable to the Company.
- (v) According to the information and explanation given to us, the Company has not accepted any deposits within the meaning of sections 73 to 76 of the Act and Companies (Acceptance of Deposits) Rules, 2014. Therefore, the provisions of paragraph 3(v) of the Order are not applicable to the Company.
- (vi) According to the information and explanation given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Act in respect of Company’s services. Therefore, the provisions of paragraph 3(vi) of the Order are not applicable to the Company.
- (vii) (a) According to the records of the company and information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Tax deducted at sources, Tax collected at source, Professional tax, Goods and services tax, duty of Customs, Cess and other material statutory dues applicable to it, with the appropriate authorities. Further, no undisputed amount payable in respect thereof were outstanding at the year-end for a period more than six months from the date they become payable.



- (b) According to the information and explanations given to us, there are no dues in respect of Income-tax, Sales tax, value added tax, Service Tax, Goods and services tax, duty of Customs, duty of excise, value added tax and other material statutory dues that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) In our opinion and according to the information and explanation given to us, the Company has no loans / borrowings payable to a financial institution, bank, government and no dues payable to debenture holders. Accordingly, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- (x) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and on the basis of information and explanations given by the management, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has paid or provided managerial remuneration in accordance with the requisite approvals mandated by the provision of section 197 read with Schedule V to the Act.
- (xi) In our opinion, the Company is not Nidhi Company as per Companies Act 2013. Therefore, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- (xii) In our opinion, all transactions with related parties are in compliance with section 188 of the Companies Act, wherever applicable, details have been disclosed in financial statements, as required by the applicable Indian accounting standards. Further, in our opinion, the Company is not required to constitute audit committee under section 177 of the Companies Act.
- (xiii) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Therefore, the provisions of Clause 3(xiv) of the Order are not applicable to the Company. In previous year the Company has made private placement of shares and unutilised funds as at 31st March 2019 were invested in liquid investments. In our opinion and according to the information and explanations given to us, during the year the fund is applied for the purpose it was raised.
- (xiv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Therefore, the provisions of Clause 3(xv) of the Order are not applicable to the Company.



- (xv) The Company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934.

For Chaturvedi & Shah LLP
Chartered Accountants
Registration No. 101720W/W100355

Vijay Napawaliya

Vijay Napawaliya
Partner
Membership No. 109859
UDIN: 20109859AAAABH2666



Place: Mumbai
Date: 03rd April, 2020

“Annexure B” to the Independent Auditor’s Report

Referred to in paragraph 2(f) under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date to the members of the Reverie language technologies Private Limited on the financial statements for the year ended 31st March 2020.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **Reverie language technologies Private Limited** (“the Company”) as of 31st March, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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



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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Chaturvedi & Shah LLP
Chartered Accountants
Registration No. 101720W/W100355

Vijay Napawaliya

Vijay Napawaliya
Partner
Membership No. 109859
UDIN: 20109859AAAABH2666



Place: Mumbai
Date: 03rd April, 2020

Balance Sheet as at 31st March 2020

All amounts are in ₹ lakhs, unless otherwise stated

	Notes	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	70.62	48.27
Intangible assets	4	72.42	226.89
Intangible assets under development	5	3,085.15	165.03
Income tax assets (net)	6	95.33	85.53
		3,323.52	525.72
Current assets			
Financial assets			
(i) Loans	7	-	17.66
(ii) Investments	8	525.46	2,405.07
(iii) Trade receivables	9	512.27	79.41
(iv) Cash and cash equivalents	10	59.07	133.83
(v) Bank balances Other than cash and cash equivalents above	10	9.50	9.04
(vi) Other financial assets	11	0.83	7.83
Other current assets	12	185.36	91.51
		1,292.49	2,744.35
		4,616.01	3,270.07
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	13	1.76	1.67
Other equity	14	3,819.98	2,401.99
		3,821.74	2,403.66
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Provisions	15	82.24	32.72
		82.24	32.72
Current liabilities			
Financial liabilities			
(i) Trade payables	16	-	-
- Total outstanding dues of micro and small enterprises		-	-
- Total outstanding dues of other than micro and small enterprises		204.43	48.61
(ii) Other financial liabilities	17	432.17	669.92
Provisions	15	13.71	14.34
Other current liabilities	18	61.72	100.82
		712.03	833.69
		4,616.01	3,270.07

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

As per the Report of even date

For Chaturvedi & Shah LLP
Chartered Accountants
Firm Registration No: 101720W/W100355

Vijay Napawaliya
Partner
Membership No: 109859

Mumbai
Dated: 03rd Apr 2020



For and on behalf of the Board of Directors of
Reverie Language Technologies Private Limited

Arvind Pani
Director
DIN: 00936914

Bengaluru
Dated: 03rd Apr 2020

Vivekananda Pani
Director
DIN: 01012763

Bengaluru
Dated: 03rd Apr 2020



Statement of Profit and Loss for the year ended 31st March 2020

All amounts are in ₹ lakhs, unless otherwise stated

	Notes	Year ended 31 March 2020	Year ended 31 March 2019
Income			
Revenue from operations	19	549.17	315.05
Other income	20	71.12	73.97
		<u>620.29</u>	<u>389.02</u>
Expenses			
Employee benefits expense	21	203.96	993.58
Depreciation and amortisation expense	3,4	52.49	182.95
Other expenses	22	401.48	4,850.01
		<u>657.93</u>	<u>6,026.54</u>
Loss before tax		<u>(37.64)</u>	<u>(5,637.52)</u>
Tax expense			
Current Tax	23	-	-
Deferred Tax		-	-
Tax credit pertaining to earlier years		-	12.47
		<u>-</u>	<u>12.47</u>
Loss after tax		<u>(37.64)</u>	<u>(5,625.05)</u>
Other comprehensive income			
Items that will not to be reclassified profit/(loss)			
Remeasurements of the net defined benefit liability / asset		(43.41)	2.90
Other comprehensive income for the year		<u>(43.41)</u>	<u>2.90</u>
Total comprehensive income for the year		<u>(81.05)</u>	<u>(5,622.15)</u>
Earnings per share (nominal value of ₹ 10 each)			
Basic and diluted	24	(221.82)	(51,219.48)

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

As per the Report of even date

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration No. 101720W/W100355

Vijay Napawaliya

Partner

Membership No: 109859

Mumbai

Dated: 03rd Apr 2020



For and on behalf of the Board of Directors of
Reverie Language Technologies Private Limited

Arvind Pani

Director

DIN: 00936914

Bengaluru

Dated: 03rd Apr 2020

Vivekananda Pani

Director

DIN: 01012763

Bengaluru

Dated: 03rd Apr 2020



Statement of Changes in Equity for the year ended 31st March 2020

All amounts are in ₹ lakhs, unless otherwise stated

A. Equity share capital

	Equity shares	
	Number	Amount
As at 31 March 2018	10,820	1.08
Add: Issued and subscribed during the year	5,918	0.59
As at 31 March 2019	16,738	1.67
Add: Issued and subscribed during the year	928	0.09
As at 31 March 2020	17,666	1.76

B. Other Equity

	Other equity			Total
	Securities premium account	Share options outstanding reserve	Deficit in Statement of Profit and Loss	
Balance as at 01 April 2018	186.26	209.22	(1,721.35)	(1,325.87)
Additions during the year				
Loss for the year	-	-	(5,625.05)	(5,625.05)
Premium on issue of shares	9,559.23	-	-	9,559.23
Employee stock options forfeited / exercised	-	(659.22)	-	(659.22)
Employee stock option expense	-	450.00	-	450.00
Items of the other comprehensive income, net of tax				
Remeasurement losses on defined benefit plans	-	-	2.90	2.90
Balance 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
Items of the other comprehensive income, net of tax				
Remeasurement gains on defined benefit plans	-	-	(43.41)	(43.41)
Balance as at 31 March 2020	11,244.53	-	(7,424.55)	3,819.98

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

As per the Report of even date

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration No:101720W/W100355

Vijay Napawaliya

Partner

Membership No: 109859

Mumbai

Dated: 03rd Apr 2020

For and on behalf of the Board of Directors of
Reverie Language Technologies Private Limited

Arvind Pani

Director

DIN: 00936914

Bengaluru

Dated: 03rd Apr 2020

Vivekananda Pani

Director

DIN: 01012763

Bengaluru

Dated: 03rd Apr 2020



Cash Flow Statement for the year ended 31st March 2020

All amounts are in ₹ lakhs, unless otherwise stated

	Year Ended 31 March 2020	Year Ended 31 March 2019
A. Cash flow from operating activities		
Loss before tax	(37.64)	(5,637.52)
Adjustments for :		
Depreciation and amortisation expense	52.49	182.95
Share based payment expense	-	450.00
Provision for bad debts and debts written off	26.76	-
Profit/Loss on sale of Property, plant and equipment	(5.64)	0.05
Fair value gain/(loss) on CCPs	-	4,148.60
Net gain on sale / fair valuation of financial assets measured at FVTPL	(64.21)	(36.11)
Interest on income tax refund	-	(5.79)
Interest on fixed deposits	(0.51)	(0.59)
Operating loss before working capital changes	(28.75)	(898.41)
Movements in working capital		
Trade receivables	(451.47)	113.02
Other current assets	(94.46)	(54.69)
Loans	17.66	0.54
Other financial assets	7.01	0.89
Trade payables	155.81	30.90
Other financial liabilities	(246.24)	2.22
Other current liabilities	(39.15)	52.10
Provisions	5.50	11.01
Cash used in operating activities	(674.09)	(742.42)
Income tax paid, net of refund	(9.82)	(21.91)
Net cash flow used in operating activities (A)	(683.91)	(764.33)
B. Cash flow from investing activities		
Intangible assets under development	(2,762.81)	81.11
Purchase of Property, plant and equipment	(78.10)	(234.91)
Proceeds from sale of Property, plant and equipment	6.41	0.03
Investment in mutual funds	(1,380.00)	(2,895.00)
Investment in fixed deposits	0.16	(0.53)
Redemption of mutual funds	3,323.84	1,089.30
Interest on fixed deposits	0.51	0.59
Net Cash flow (used in)/generated from Investing activities (B)	(889.99)	(1,959.41)
C. Cash flow from financing activities		
Proceeds from issue of shares	1,499.14	2,801.19
Net Cash flow from financing activities (C)	1,499.14	2,801.19
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(74.76)	77.45
Cash and cash equivalent at the beginning of the year	133.83	56.38
Cash and cash equivalents at the end of the year	59.07	133.83
Cash and cash equivalents as per Note 10	59.07	133.83

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

As per the Report of even date

For Chaturvedi & Shah LLP
Chartered Accountants
Firm Registration No: 101720W/W100355

Vijay Napawaliya
Partner
Membership No: 109859

Mumbai
Dated: 03rd Apr 2020



For and on behalf of the Board of Directors of
Reverie Language Technologies Private Limited

Arvind Pani
Director
DIN: 00936914

Bengaluru
Dated: 03rd Apr 2020

Vivekananda Pani
Director
DIN: 01012763

Bengaluru
Dated: 03rd Apr 2020



Summary of significant accounting policies and other explanatory information for the year ended 31st March 2020 (cont'd)

All amounts are in ₹ lakhs, unless otherwise stated

Note 1

General Information

Reverie Language Technologies Private Limited ("the Company") 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.

Note 2

Summary of significant accounting policies

(a) Statement of compliance

The financial statements have been prepared in accordance with the accounting principles generally accepted in India including Ind AS prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

The financial statements have been approved by the Board of Directors in the meeting held on April 03, 2020.

(b) Basis of accounting and preparation

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its financial statements as per the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended). Accordingly, the Company has prepared these financial statements which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended 31 March 2020, and a summary of significant accounting policies and other explanatory information (together hereinafter referred to as 'financial statements').

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below. These accounting policies have been used throughout all periods presented in these financial statements

The financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

(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.

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

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



Summary of significant accounting policies and other explanatory information for the year ended 31st March 2020 (cont'd)

All amounts are in ₹ lakhs, unless otherwise stated

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.

Recoverability of advances / receivables

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.



Summary of significant accounting policies and other explanatory information for the year ended 31st March 2020 (cont'd)

All amounts are in ₹ lakhs, unless otherwise stated

(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.

(e) Property, plant and equipment

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognized in its Previous GAAP financial statements as deemed cost at the transition date, viz., 1 April 2017.

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



Summary of significant accounting policies and other explanatory information for the year ended 31st March 2020 (cont'd)

All amounts are in ₹ lakhs, unless otherwise stated

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.

(f) Intangible assets

The Company has elected to continue with the carrying value for all of its intangible assets as recognized in its Previous GAAP financial statements as deemed cost at the transition date, viz., 1 April 2017.

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.

(g) 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.



Summary of significant accounting policies and other explanatory information for the year ended 31st March 2020 (cont'd)

All amounts are in ₹ lakhs, unless otherwise stated

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.

(i) Revenue recognition

Revenue is recognised to depict the transfer of promised goods or services to a customer in an amount that reflects the fair value of the consideration received or receivable which the entity expects to be entitled in exchange for those goods or services. Ind AS 115 establishes a five-step model that will apply to revenue earned from a contract with a customer, regardless of the type of revenue transaction or the industry.

Revenue is recognized upon transfer of control of promised products or services to customers in a amount that reflects the consideration which the Company expects to receive in exchange for those products or services. Revenue is measured at the fair value of the consideration received or receivable, net of returns, discounts and volume rebates. The following specific recognition criteria must also be met before revenue is recognised:

Sale of services

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

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



Summary of significant accounting policies and other explanatory information for the year ended 31st March 2020 (cont'd)

All amounts are in ₹ lakhs, unless otherwise stated

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.

Contract assets

Contract assets 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.

(j) Employee benefits

Employee benefits include provident fund, employee state insurance scheme, superannuation fund, 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.

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.

Service cost on the Company's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost. 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. Further, as required under Ind AS compliant Schedule III, the Company transfers those amounts recognized in other comprehensive income to retained earnings in the statement of changes in equity and in the balance sheet.



Summary of significant accounting policies and other explanatory information for the year ended 31st March 2020 (cont'd)

All amounts are in ₹ lakhs, unless otherwise stated

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. Further, as required under Ind AS compliant Schedule III, the Company transfers those amounts recognized in other comprehensive income to retained earnings in the statement of changes in equity and in the balance sheet.

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

(i) Determining whether an arrangement contains a lease

At inception of an arrangement, the Company determines whether the arrangement is or contains a lease.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. For arrangements entered into prior to 1 April 2017 (date of transition to Ind AS), the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

As a lessor

A lease for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.



Summary of significant accounting policies and other explanatory information for the year ended 31st March 2020 (cont'd)

All amounts are in ₹ lakhs, unless otherwise stated

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

(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.

(n) Income taxes

Income tax expense comprises current and deferred income tax. Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to setoff the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. The company has accumulated losses and thus no deferred-tax asset or deferred-tax liability is created if there is no reasonable certainty of profits in the future years



Summary of significant accounting policies and other explanatory information for the year ended 31st March 2020 (cont'd)

All amounts are in ₹ lakhs, unless otherwise stated

(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.



Summary of significant accounting policies and other explanatory information for the year ended 31st March 2020 (cont'd)

All amounts are in ₹ lakhs, unless otherwise stated

ii. Debt instrument at FVTOCI

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

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
- b) 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:

- a. The rights to receive cash flows from the asset have expired, or
- b. 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



Summary of significant accounting policies and other explanatory information for the year ended 31st March 2020 (cont'd)

All amounts are in ₹ lakhs, unless otherwise stated

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.

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.

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.



Summary of significant accounting policies and other explanatory information for the year ended 31st March 2020 (cont'd)

All amounts are in ₹ lakhs, unless otherwise stated

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.

(q) 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.

(r) 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



Summary of significant accounting policies and other explanatory information for the year ended 31st March 2020 (cont'd)

All amounts are in ₹ lakhs, unless otherwise stated

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

(s) 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.

(t) 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.

(u) Share-based compensation

Equity Settled Awards

Eligible employees of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions). The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

The cost is recognised, together with a corresponding increase in employee stock options outstanding reserves in equity, over the period in which performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit for a period represents the movement in cumulative expense recognised as the beginning and end of that period and is recognised in employee benefits expense.

The value of share-based payment depends on the market value of shares on vesting date/exercise date and hence cannot be known with certainty before these dates. Nevertheless, since the share-based payments are payments for services rendered by employees during the period, the value of share-based payments should be recognised as expense during the vesting period, i.e. before value such payments are known with certainty. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.



Summary of significant accounting policies and other explanatory information for the year ended 31st March 2020 (cont'd)

All amounts are in ₹ lakhs, unless otherwise stated

Note 3

Property, plant and equipment

	Leasehold improvements	Office equipment	Furniture and fittings	Electrical installation	Vehicles	Computers	Total
Gross carrying amount							
Balance as at 31 March 2018	20.23	13.82	11.42	7.21	5.30	21.40	79.38
Additions	-	1.61	-	-	-	22.22	23.83
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	0.00	6.25	0.24	7.21	5.30	124.73	143.73
Accumulated depreciation							
Balance as at 31 March 2018	7.18	5.84	2.97	1.31	1.66	9.38	28.34
Depreciation charge for the year	7.18	3.90	2.23	1.07	1.14	11.08	26.60
Balance as at 31 March 2019	14.36	9.74	5.20	2.38	2.80	20.46	54.94
Depreciation charge for the year	3.17	3.38	1.65	4.05	1.27	39.10	52.62
Disposals	17.53	10.22	6.70	-	-	-	34.45
Balance as at 31st March 2020	-	2.90	0.15	6.43	4.07	59.56	73.11
Net carrying amount							
Balance as at 31 March 2019	5.87	5.69	6.22	4.83	2.50	23.16	48.27
Balance as at 31 March 2020	0.00	3.35	0.09	0.78	1.23	65.17	70.62

Note : Depreciation / Amortisation for Property, Plant & Equipment for the year include depreciation of Rs. 39.46 Lakh (Previous year: Rs. Nil) capitalised during the year. Thus, net amount of Rs. 13.15 Lakh (Previous year: Rs.26.60) has been considered in the Statement of Profit and Loss.



Summary of significant accounting policies and other explanatory information for the year ended 31st March 2020 (cont'd)

All amounts are in ₹ lakhs, unless otherwise stated

Note 4

Intangible assets

	Technical knowhow	Computer software	Total
Gross carrying amount			
Balance as at 31 March 2018	250.42	7.88	258.30
Additions	209.59	2.18	211.77
Disposals	0.25	-	0.25
Balance as at 31 March 2019	459.76	10.06	469.82
Additions	-	2.89	2.89
Balance as at 31 March 2020	459.76	12.95	472.71
Accumulated amortisation			
Balance as at 31 March 2018	83.47	3.28	86.75
Amortisation for the year	153.25	3.10	156.35
Disposals	0.17	-	0.17
Balance as at 31 March 2019	236.55	6.38	242.93
Amortisation for the Year	153.51	3.85	157.36
Balance as at 31 March 2020	390.06	10.23	400.29
Net carrying amount			
Balance as at 31 March 2019	223.21	3.68	226.89
Balance as at 31 March 2020	69.70	2.72	72.42

Note : Depreciation / Amortisation for Intangible Assets for the year include depreciation of Rs. 118.02 Lakh (Previous year: Rs. Nil) capitalised during the year. Thus, net amount of Rs. 39.34 Lakh (Previous year: Rs.156.35) has been considered in the Statement of Profit and Loss.

Note 5

Intangible assets under development

	Development of technical knowhow	Total
Balance as at 31 March 2018	246.83	246.83
Additions	127.79	127.79
Capitalised	209.59	209.59
Balance as at 31 March 2019	165.03	165.03
Additions	2,920.12	2,920.12
Balance as at 31 March 2020	3,085.15	3,085.15

Note: During the year, the Company has capitalised the following expenses to the cost of intangible assets under development. Consequently, expenses disclosed under the respective notes are disclosed net off expenditure capitalised by the Company.



Summary of significant accounting policies and other explanatory information for the year ended 31st March 2020 (cont'd)

All amounts are in ₹ lakhs, unless otherwise stated

	As at 31 March 2018	Additions during the year	Capitalised during the year	As at 31 March 2019
Employee benefits expense				
Salaries, wages and bonus	246.59	127.79	209.35	165.03
Cost of tangible assets purchased	0.24	-	0.24	-
	<u>246.83</u>	<u>127.79</u>	<u>209.59</u>	<u>165.03</u>

	As at 31 March 2019	Additions during the year	Capitalised during the year	As at 31 March 2020
Employee benefits expense				
Salaries, wages and bonus	165.03	1,560.76	-	1,725.79
Contribution to provident and other funds	-	34.49	-	34.49
Gratuity	-	10.86	-	10.86
Compensated absences	-	2.64	-	2.64
Staff welfare expense	-	11.61	-	11.61
Depreciation and Amortisation	-	157.48	-	157.48
Other operating expenditure (Refer note no: 22)	-	1,142.28	-	1,142.28
	<u>165.03</u>	<u>2,920.12</u>	<u>-</u>	<u>3,085.15</u>

	As at 31 March 2020	As at 31 March 2019
Note 6		
Income tax assets (net)		
Non-current		
Advance tax	95.33	57.83
(Refer Note no 23)	<u>95.33</u>	<u>57.83</u>

	As at 31 March 2020	As at 31 March 2019
Note 7		
Loans		
Rent Deposits - Unsecured		
Considered Good	-	17.66
Considered having significant increase in credit risk	-	-
Credit impaired	-	-
	<u>-</u>	<u>17.66</u>



Summary of significant accounting policies and other explanatory information for the year ended 31st March 2020 (cont'd)

All amounts are in ₹ lakhs, unless otherwise stated

	As at 31 March 2020	As at 31 March 2019		
Note 10				
Bank balances Other than cash and cash equivalents above				
More than 3 months but less than or equal to 12 months maturity				
- in Fixed Deposit with bank	9.50	9.04		
	<u>9.50</u>	<u>9.04</u>		
	As at 31 March 2020	As at 31 March 2019		
Note 11				
Other financial assets				
Advance to employees	0.83	2.67		
Contract assets	-	5.16		
	<u>0.83</u>	<u>7.83</u>		
	As at 31 March 2020	As at 31 March 2019		
Note 12				
Other current assets				
Unsecured, considered good				
Prepaid expenses	23.40	8.62		
Balances with government authorities	159.42	76.27		
Advance to suppliers	2.54	2.46		
Other advances	-	4.16		
	<u>185.36</u>	<u>91.51</u>		
	As at 31 March 2020	As at 31 March 2019		
	Number	Amount	Number	Amount
Note 13				
Equity share capital				
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
	<u>23,953</u>	<u>6.18</u>	<u>19,753</u>	<u>6.18</u>
Issued, subscribed and paid up				
Equity shares of ₹ 10 each	17,666	1.76	16,738	1.67
	<u>17,666</u>	<u>1.76</u>	<u>16,738</u>	<u>1.67</u>



Summary of significant accounting policies and other explanatory information for the year ended 31st March 2020 (cont'd)

All amounts are in ₹ lakhs, unless otherwise stated

	As at 31 March 2020		As at 31 March 2019	
	Number	Amount	Number	Amount
a) Reconciliation of share capital				
Equity shares of ₹ 10 each				
Balance at the beginning of the year	16,738	1.67	10,820	1.08
Add: Issued during the year:	928	0.09	1,734	0.17
Add: CCPS converted during the year	-	-	4,184	0.42
Balance at the end of the year	17,666	1.76	16,738	1.67
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	7.80%	1,378	8.23%
Mr. Vivekananda Pani	1,378	7.80%	1,378	8.23%
Reliance Industrial Investments and Holding Limited	-	-	13,418	80.16%
Jio Platforms Limited	14,363	81.30%	-	-

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.

	As at 31 March 2020	As at 31 March 2019
Note 14		
Other equity		
Securities premium account		
Balance at the beginning of the year	9,745.49	186.26
Premium on shares issued during the year	1,499.04	9,559.23
Balance at the end of the year	11,244.53	9,745.49
Stock Options Outstanding		
Balance at the beginning of the year	-	209.22
Add: Employee stock option compensation expense	-	450.00
Less: Options forfeited / exercised	-	(659.22)
Balance at the end of the year	-	-



Summary of significant accounting policies and other explanatory information for the year ended 31st March 2020 (cont'd)

All amounts are in ₹ lakhs, unless otherwise stated

	As at 31 March 2020	As at 31 March 2019
Other items of OCI		
Balance at the beginning of the year	2.90	-
Add: Additions during the year	(43.41)	2.90
Balance at the end of the year	(40.51)	2.90
Retained earnings		
Balance at the beginning of the year	(7,346.40)	(1,721.35)
Add: Profit/(Loss) for the Year	(37.64)	(5,625.05)
Balance at the end of the year	(7,384.04)	(7,346.40)
	(7,424.55)	(7,343.50)
	3,819.98	2,401.99

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.

Share options outstanding account

The account is used to recognise the grant date value of options issued to employees under Employee stock option plan.

	As at 31 March 2020	As at 31 March 2019
Note 15		
Provisions		
Non-current		
Provision for employee benefits		
- Gratuity (refer note 29)	71.48	32.72
- Compensated absences	10.76	-
	82.24	32.72
Current		
Provision for employee benefits		
- Gratuity (refer note 29)	11.64	10.39
- Compensated absences	2.07	3.95
	13.71	14.34

	As at 31 March 2020	As at 31 March 2019
Note 16		
Trade Payables		
Total outstanding dues of micro and small enterprises (refer note below)	-	-
Total outstanding dues of other than micro and small enterprises	204.43	48.61
	204.43	48.61



Summary of significant accounting policies and other explanatory information for the year ended 31st March 2020 (cont'd)

All amounts are in ₹ lakhs, unless otherwise stated

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 2020 has been made in the financials statements based on information received and available with the Company. Further, in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the MSMEDA is not expected to be material.

Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Amount of interest due and payable for period of delay in making payment excluding interest specified under MSMED Act	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-
	<u>As at</u> <u>31 March 2020</u>	<u>As at</u> <u>31 March 2019</u>
Note 17		
Other financial liabilities		
Payable to employees	381.31	649.03
Accrued expenses	42.38	20.89
Creditors for capital goods	8.48	-
	<u>432.17</u>	<u>669.92</u>
	<u>As at</u> <u>31 March 2020</u>	<u>As at</u> <u>31 March 2019</u>
Note 18		
Other current liabilities		
Statutory remittances	45.62	70.86
Deferred revenue	13.03	24.64
Other liabilities	3.07	5.32
	<u>61.72</u>	<u>100.82</u>
	<u>Year ended</u> <u>31 March 2020</u>	<u>Year ended</u> <u>31 March 2019</u>
Note 19		
Revenue from operations		
Sale of services		
- Domestic sales	545.28	259.05
- Export sales	3.89	56.00
	<u>549.17</u>	<u>315.05</u>



Summary of significant accounting policies and other explanatory information for the year ended 31st March 2020 (cont'd)

All amounts are in ₹ lakhs, unless otherwise stated

Disaggregate revenue information

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

	<u>Year ended</u> <u>31 March 2020</u>	<u>Year ended</u> <u>31 March 2019</u>
Revenue by timing of transfer of services		
Transfer at a point of time	528.68	277.36
Transfer over time	20.49	37.69
	<u>549.17</u>	<u>315.05</u>

Trade receivables and Contract Balances

The company classifies the right to consideration in exchange for deliverables as either as receivable or as contract assets. Billings in excess of revenues is recorded as deferred revenue and is classified under other current liabilities.

A receivable is a right to consideration that is unconditional upon passage of time. Revenue from data conversion, Installation Cost and AMC are recognized as and when the related performance obligations are satisfied. Revenue from royalty is a sales-based royalty which is recognized on subsequent sales by customer. Revenue in excess of billings is recorded as contract assets and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time.

	<u>As at</u> <u>31 March 2020</u>	<u>As at</u> <u>31 March 2019</u>
Trade receivables	512.27	79.41
Contract asset - unbilled revenue	-	5.16
Contract liabilities - unearned revenue	13.03	24.64

Performance obligation

Information about the Company's performance obligations are summarised below:

Data conversion

Revenue from data conversion service is recognized at a point in time when the requested data is successfully converted by the Company.

Integration and AMC

Revenue is recognized as follows:

Mobility integration: Control is transferred when the solution is integrated with the customer's new cell phone model. Thus revenue is recognized upfront upon integration.

SDK Integration: Service of data translation through captive means is rendered over the period of contract. Thus a straight line basis of revenue recognition is adopted.

Annual Maintenance Contract: Revenue is recognized on a straight line basis over the period of contract.

	<u>Year ended</u> <u>31 March 2020</u>	<u>Year ended</u> <u>31 March 2019</u>
Note 20		
Other income		
Income from current investments		
Net profit on sale/redemption of current investments	58.69	31.29
Net fair value gains on current investments	5.52	4.82
Interest income on fixed deposits	0.51	0.59



Summary of significant accounting policies and other explanatory information for the year ended 31st March 2020 (cont'd)

All amounts are in ₹ lakhs, unless otherwise stated

	Year ended 31 March 2020	Year ended 31 March 2019
Interest on income tax refund	-	5.79
Profit on sale of fixed assets	5.64	-
Infringement compensation	-	15.00
Miscellaneous income	0.76	2.64
Provisions no longer required written back	-	13.40
Exchange difference on forex (net)	-	0.44
	<u>71.12</u>	<u>73.97</u>

	Period ended 31 March 2020	Year ended 31 March 2019
Note 21		
Employee benefits expense		
Salaries, wages and bonus	196.46	506.22
Contribution to provident and other funds	4.34	16.80
Gratuity	1.37	13.85
Compensated absences	0.33	4.68
Share based payment expense	-	450.00
Staff welfare expense	1.46	2.03
Project Development Expenditure - Employee Benefits	-	-
	<u>203.96</u>	<u>993.58</u>

	Period ended 31 March 2020	Year ended 31 March 2019
Note 22		
Other expenses		
Legal and professional fees	709.09	149.75
Advertisement and business promotion	76.26	21.46
Software expenses	4.27	1.27
Rent	174.13	25.15
Travelling and conveyance expenses	48.29	37.56
Subscription expenses	191.04	31.34
Communication expenses	10.01	17.69
Recruitment expenses	41.92	18.58
Insurance	29.51	4.66
Office maintenance and Housekeeping	3.27	5.14
Repairs and maintenance	3.07	2.84
Rates and taxes	6.75	24.28
Electricity charges	1.35	1.99
Engineering expenses	201.33	5.20



Summary of significant accounting policies and other explanatory information for the year ended 31st March 2020 (cont'd)

All amounts are in ₹ lakhs, unless otherwise stated

	Period ended 31 March 2020	Year ended 31 March 2019
Fund raising expenses	-	337.20
Loss due to change in fair value of compulsorily convertible preference shares	-	4,148.60
Bad debts written off	26.75	1.07
Loss on sale/discarding of assets	-	0.05
Remuneration to Auditors		
a) Statutory Auditor Fees	11.50	11.50
b) Tax Auditor Fees	0.60	0.90
c) Out of pocket expenses	0.59	-
Bank charges	0.69	0.69
Printing and stationery	1.98	1.33
Exchange difference on forex (net)	0.47	-
Interest on other statutory dues	0.05	1.26
Interest on tax deducted at source	0.31	0.07
Miscellaneous expenses	0.53	0.43
	<u>1,543.76</u>	<u>4,850.01</u>
Project Development Expenditure - Other Expenses	1,142.28	-
	<u><u>401.48</u></u>	<u><u>4,850.01</u></u>

Note 23

Current Tax

Income tax recognised in profit or loss

	Period ended 31 March 2020	Year ended 31 March 2019
Current tax	-	-
Deferred tax	-	-
Total income tax expenses recognised	<u>-</u>	<u>-</u>
The income tax expenses for the year can be reconciled to the accounting profit as follows:		
Profit before tax	(37.64)	(5,637.52)
Applicable Tax Rate	25.17%	25.17%
Computed Tax Expense	(9.47)	(1418.85)
Tax effect of:		
Carried forward losses utilised for tax purpose	9.47	1,418.85
Tax expenses recognised in Statement of Profit and Loss	<u>-</u>	<u>-</u>
Advance tax (net of provision)		
At start of year	85.53	57.83
Income tax refund received	-	(22.04)
Tax paid during the year	9.80	49.74
At end of the year	<u><u>95.33</u></u>	<u><u>85.53</u></u>



Summary of significant accounting policies and other explanatory information for the year ended 31st March 2020 (cont'd)

All amounts are in ₹ lakhs, unless otherwise stated

Deferred Tax Assets

In the absence of reasonable certainty that sufficient taxable profits will be available against which the deductible temporary differences and the carry forward of unused tax credit and unused tax losses can be utilised. The Company has not recognized the deferred tax assets (net) amounting to ₹ 406.29 lakhs (PY ₹ 334.29 Lakhs) arising out of tangible assets, intangible assets, financials assets, unabsorbed depreciation, brought forward tax losses and other items. The same shall be reassessed at subsequent balance sheet date.

Note 24

Earnings per share

Net loss after tax	(37.64)	(5,625.05)
Weighted average number of equity shares outstanding (nos.)	16,969	10,982
Basic loss per share	(221.82)	(51,219.48)
Diluted loss per share	(221.82)	(51,219.48)
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 10 years 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 2020 amounted to ₹ 174.13 lakhs (31 March 2019: ₹ 25.15 lakhs).

Note 26

Segment information

The Managing 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:

	Period ended 31 March 2020	Period ended 31 March 2019
Revenues from external customers for each product or each group of similar services		
Sale of services	549.17	315.05
	<u>549.17</u>	<u>315.05</u>
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	545.28	259.05
Outside India	3.89	56.00
	<u>549.17</u>	<u>315.05</u>
Non-current assets (other than financial instruments and deferred tax assets) located in the Company's country of domicile and in all foreign countries in which the Company holds assets		
India	3,237.70	449.23
Outside India	-	-
	<u>3,237.70</u>	<u>449.23</u>



Summary of significant accounting policies and other explanatory information for the year ended 31st March 2020 (cont'd)

All amounts are in ₹ lakhs, unless otherwise stated

	Period ended 31 March 2020	Period ended 31 March 2019
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	355.72	93.01
Percentage	64.77%	29.52%
Revenue from customers contributing 10% or more to the Company's revenues from product sale	355.72	168.34
Percentage	64.77%	53.43%

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. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade payables, less cash.

	As at 31 March 2020	As at 31 March 2019
Trade payables (refer note 18)	204.43	48.61
Less: Cash and cash equivalents (refer note 10)	59.07	133.83
Net debt (A)	145.36	(85.22)
Equity	1.76	1.67
Other Equity	3,820.03	2,402.03
Total Equity (As per Balance Sheet) (B)	3,967.15	2,318.49
Net Gearing Ratio (A/B)	4%	(4)%

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

Ultimate holding company *
Holding Company *

Fellow Subsidiaries

Key managerial personnel (KMP)

Relative of Key management personnel (KMP)

Name of related parties

Reliance Industries Limited
Reliance Industrial Investments and Holding Limited
(Till 1-Apr-2020 to 30-Mar-2020)
Jio Platforms Limited (31st Mar 2020)
Reliance Retail Limited
Surajya Services Private Limited
Saavn Media Private Limited
Mr. Arvind Pani - Chief Executive Officer and Director
Mr. Vivekananda Pani - Chief Technical Officer and Director
Mr. Sachindra Kumar Mohanty - Director
Mrs. Subhashree Mishra
Mr. Ritwik Mohanty



Summary of significant accounting policies and other explanatory information for the year ended 31st March 2020 (cont'd)

All amounts are in ₹ lakhs, unless otherwise stated

Details of related parties transactions for the year ended 31 March 2020 and 31 March 2019 are as follows :

Nature of transactions/ Name of related party	Description of the relationship	Year ended 31 March 2020	Year ended 31 March 2019
Remuneration			
Mr. Arvind Pani	KMP	93.43	29.21
Mr. Vivekananda Pani	KMP	93.43	29.21
Mr. Sachindra Kumar Mohanty	KMP	12.79	29.21
Mrs. Subhashree Mishra	Relative of KMP	48.82	11.60
Mr. Ritwik Mohanty	Relative of KMP	2.45	-
Staff advances			
Mr. Vivekananda Pani	KMP	-	12.37
Issue of Equity Share Capital			
Reliance Industrial Investments and Holding Limited	Holding Company	0.09	0.17
Revenue from operations			
Reliance Retail Limited	Fellow Subsidiary	33.20	93.01
Surajya Services Private Limited	Fellow Subsidiary	31.54	-
Saavn Media Private Limited	Fellow Subsidiary	0.20	-

Details of amounts outstanding from related parties are as follows :

Nature of transactions/ Name of related party		As at 31 March 2020	As at 31 March 2019
Staff advances			
Mr. Arvind Pani (KMP)	KMP	-	0.07
Mr. Vivekananda Pani (KMP)	KMP	-	0.50
Trade receivables			
Reliance Retail Limited	Fellow Subsidiary	25.15	4.07
Surajya Services Private Limited	Fellow Subsidiary	37.22	-

Note 29

Defined benefit obligations

The Company has provided for the gratuity liability and leave encashment (defined benefit plan), as per actuarial valuation carried out by an independent actuary on the Balance Sheet date.

A Defined benefit 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 ₹ 4.34 lakhs (31 March 2019: ₹ 16.80 lakhs) for provident fund contributions in the Statement of Profit and Loss and capitalise ₹ 34.49 Lakhs under Product Development cost. 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 has provided for gratuity and leave encashment liability, for its employees as per actuarial valuation carried out by an independent actuary on the balance sheet date. The valuation has been carried out using the Project Unit Credit Method as



Summary of significant accounting policies and other explanatory information for the year ended 31st March 2020 (cont'd)

All amounts are in ₹ lakhs, unless otherwise stated

per Ind AS 19 to determine the present value of defined benefit obligations and the related current service cost. This is a defined benefit plan as per Ind AS 19.

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.

	As at 31 March 2020	As at 31 March 2019
Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows :		
Current service cost	9.19	10.87
Net interest cost	3.05	2.98
Capitalised -Intangibles for Development	(10.87)	-
Components of defined benefit costs recognised in Statement of Profit or Loss	1.37	13.85
Re-measurement on the net defined benefit liability :		
Actuarial gains and losses arising from change in financial , demographic adjustments	3.24	0.84
Actuarial gains and losses arising from change in experience adjustments	33.50	(3.74)
Components of defined benefit costs recognised in other comprehensive income	36.74	(2.90)
Current portion of above asset/(liability)	11.64	10.39
Non-current portion of above asset/(liability)	71.48	32.72



Summary of significant accounting policies and other explanatory information for the year ended 31st March 2020 (cont'd)

All amounts are in ₹ lakhs, unless otherwise stated

	As at 31 March 2020	As at 31 March 2019
Change in defined benefit obligations (DBO) during the year :		
Present value of DBO at the beginning of the year	43.10	39.78
Current service cost	9.19	10.87
Interest cost	3.05	2.98
Past service cost		
Benefits settled	(8.95)	(7.62)
Actuarial (gain) / loss due to financial assumptions	3.23	0.84
Actuarial (gain) / loss due to experience adjustments	33.50	(3.74)
Present value of DBO at the end of the year	83.12	43.11
Actuarial assumptions :		
Discount rate	6.25%	7.07%
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 2020	As at 31 March 2019
Impact of change in the discount rate		
Impact due to increase of 0.5% (31-03-2019: 1%)	(2.01)	(1.91)
Impact due to decrease of 0.5% (31-03-2019: 1%)	2.12	2.14
Impact of change in the salary growth rate		
Impact due to increase of 0.5% (31-03-2019: 1%)	1.46	2.07
Impact due to decrease of 0.5% (31-03-2019: 1%)	(1.40)	(1.91)
Impact of change in the attrition rate		
Impact due to increase of 0.5% (31-03-2019: 1%)	(0.01)	(0.14)
Impact due to decrease of 0.5% (31-03-2019: 1%)	0.01	0.16

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:



Summary of significant accounting policies and other explanatory information for the year ended 31st March 2020 (cont'd)

All amounts are in ₹ lakhs, unless otherwise stated

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

	As at 31 March 2020	As at 31 March 2019
1 year	11.64	10.48
2 - 5 years	40.84	18.22
6 - 10 years	30.88	15.45
More than 10 years	38.13	22.54

	As at 31 March 2020	As at 31 March 2019
Compensated absences		
Charge in the Statement of Profit and Loss	0.33	4.68
Capitalised -Intangibles for Development	9.47	-
Liability as at the year end	12.83	3.95

Amounts recognised in comprehensive income in respect of these compensated absences are as follows :

Current service cost	2.69	4.68
Net interest cost	0.28	-
Capitalised -Intangibles for Development	(2.64)	-
Components of compensated absences recognised in Statement of Profit or Loss	0.33	4.68

Re-measurement on the net defined benefit liability :

Actuarial gains and losses arising from change in financial , demographic adjustments	0.43	-
Actuarial gains and losses arising from change in experience adjustments	6.23	-
Components of Compensated absence recognised in other comprehensive income	6.67	-

Current portion of above asset/(liability)	2.07	3.95
Non-current portion of above asset/(liability)	10.76	-

Change in Compensated absence during the year :

Present value of Compensated absence at the beginning of the year	3.95	
Current service cost	2.69	4.68
Interest cost	0.28	
Past service cost		
Benefits settled	(0.75)	(0.73)
Actuarial (gain) / loss due to financial assumptions	0.43	-
Actuarial (gain) / loss due to experience adjustments	6.23	-
Present value of DBO at the end of the year	12.83	3.95

Actuarial assumptions

Discount rate	6.25%	7.07%
Salary escalation	8.00%	8.00%
Attrition	15.00%	15.00%

The discount rate is based on the prevailing market yields of government of India securities as at the balance sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.



Summary of significant accounting policies and other explanatory information for the year ended 31st March 2020 (cont'd)

All amounts are in ₹ lakhs, unless otherwise stated

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 2020 were as follows:

Particulars	Notes	Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVOCI
Assets:				
Investments	8	-	525.46	-
Trade receivables	9	512.27	-	-
Cash and cash equivalents	10	59.07	-	-
Bank balances Other than cash and cash equivalents above	10	9.50	-	-
Total		580.84	525.46	-
Liabilities:				
Trade payables	16	204.43	-	-
Other financial liabilities	17			
Payable to employees		381.31	-	-
Accrued expenses		42.38	-	-
Creditors for capital goods		8.48	-	-
Total		636.60	-	-

The carrying value and fair value of financial instruments by categories as of 31 March 2019 were as follows:

Particulars	Notes	Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVOCI
Assets:				
Security deposits	7	7.83	-	-
Investments	8	-	2,405.07	-
Trade receivables	9	79.41	-	-
Cash and cash equivalents	10	133.83	-	-
Bank balances Other than cash and cash equivalents above	10	9.04	-	-
Total		230.11	2,405.07	-
Liabilities:				
Borrowings				
Trade payables	16	48.61	-	-
Other financial liabilities	17			
Payable to employees		649.03	-	-
Accrued expenses		20.89	-	-
Total		718.53	-	-



Summary of significant accounting policies and other explanatory information for the year ended 31st March 2020 (cont'd)

All amounts are in ₹ lakhs, unless otherwise stated

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 2020	Notes	Level 1	Level 2	Level 3	Total
Assets measured at fair value					
Current investments	8	525.46	-	-	525.46
Liabilities measured at fair value					
As at 31 March 2019					
Assets measured at fair value					
Current investments	8	2,405.07	-	-	2,405.07
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.

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:



Summary of significant accounting policies and other explanatory information for the year ended 31st March 2020 (cont'd)

All amounts are in ₹ lakhs, unless otherwise stated

Assets under credit risk	As at	As at
	31 March 2020	31 March 2019
Cash and cash equivalents	59.07	133.83
Security deposits	-	17.66
Trade receivables	512.27	79.41
Other financial assets	10.33	16.87
	581.67	247.78

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 2020	31 March 2019
Balance at the beginning	3.64	38.94
Impairment loss recognised	26.75	3.64
Impairment loss reversed	-	(38.94)
Balance at the end	30.39	3.64

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.

Financial assets that are neither past due nor impaired

Cash and cash equivalents, advances to employees, security deposit and other financial assets are neither past due nor impaired.

Financial assets that are past due but not impaired

There is no other class of financial assets that is past due but not impaired.

(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.



Summary of significant accounting policies and other explanatory information for the year ended 31st March 2020 (cont'd)

All amounts are in ₹ lakhs, unless otherwise stated

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 2020	Less than 1 year	1 year to 5 years	More than 5 years	Total
Trade payables	204.43	-	-	204.43
Other financial liabilities	432.17	-	-	432.17
Total	636.60	-	-	636.60

As at 31 March 2019	Less than 1 year	1 year to 5 years	More than 5 years	Total
Trade payable	48.61	-	-	48.61
Other financial liabilities	669.92	-	-	669.92
Total	718.53	-	-	718.53

(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.

Foreign currency sensitivity

The Company operates internationally and consequently the Company is exposed to foreign exchange risk through its sales and purchases from overseas suppliers in various foreign currencies. The exchange rate between the rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations are adversely affected as the rupee appreciates/ depreciates against these currencies.

Foreign currency denominated financial assets and liabilities which expose the Company to currency risk are disclosed below. These include outstanding derivatives contracts entered into by the Company and unhedged foreign currency exposures.

Included In	Currency	As at 31 March 2020		As at 31 March 2019	
		Amount in foreign currency	Amount in ₹	Amount in foreign currency	Amount in ₹
Financial assets					
Trade receivables	USD	-	-	-	-
Financial liabilities					
Trade payables	USD	-	-	-	-
Conversion rates					USD
As at 31 March 2020					74.88
As at 31 March 2019					69.17

Sensitivity

The following table details the Company's sensitivity to a 1% increase and decrease in the ₹ against the relevant foreign currencies. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 1% change in foreign currency rates, with all other variables held constant. A positive number below indicates an increase in profit or equity where ₹ strengthens 1% against the relevant currency. For a 1% weakening of ₹ against the relevant currency, there would be a comparable impact on profit or equity, and the balances below would be negative.



Summary of significant accounting policies and other explanatory information for the year ended 31st March 2020 (cont'd)

All amounts are in ₹ lakhs, unless otherwise stated

into one equity share. The exercise price of the options is ₹ 0.1 lakhs. Set out below is a summary of options granted under the plan: The following table illustrated the number and weighted average exercise prices of, and movements in, share options during the year:

	Year ended 31 March 2020		Year ended 31 March 2019	
	Shares arising out of options (in numbers)	Weighted average exercise price (in ₹)	Shares arising out of options (in numbers)	Weighted average exercise price (in ₹)
Options outstanding at the beginning of the year	-	-	573	0.10
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
Forfeited / expired during the year	-	-	573	0.10
Outstanding at the end	-	-	-	-

There is no ESOP Plan in existence in the current year

Fair value of the options (₹ 0.51 lakhs/option) has been calculated using Binomial Model. The following inputs were used to determine the fair value for 661 options granted on 3 October 2017:

Expected Option Life	8 years
Exercise price	₹ 0.1 lakhs
Expiry date	3 October 2025
Share price at grant date	₹ 0.56 lakhs
Expected Volatility	46.25%
Expected Dividend Yield	Nil
Risk Free Rate	6.92%

The expected life of the stock is based on current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

Modification to Share based payment arrangements

The Company pursuant to the special resolution passed by the Board, dated 15 February 2019 has modified the Employees Stock Option Plan 2017 (ESOP 2017) to acquire the equity shares from the eligible employees. Accordingly, the Company may terminate all options and pay each option grantee a sum equal to the value of the options less exercise price.

The fair value at termination date of options with an exercise price of ₹ 0.1 lakhs per option was ₹ 1.62 lakhs per option. The company has terminated the 435 options outstanding as at the termination date.

Note: All the employees have surrendered the options granted under the ESOP Plan (including both the Vested Options and the Accelerated Stock Options) and relinquished any all rights with respect to the grant options (including both the Vested Options and the Accelerated Stock Options) in accordance with the ESOP Plan.

Employee Stock Option Plan (Reverie Employees Stock Option Plan 2016)

The Company had instituted "Reverie Employees Stock Option Plan 2016" (ESOP 2016) for eligible employees and Directors as per Board Approval on 28 September 2016 to create, grant, offer, issue and allot, to or for the benefit of such person whether working in India or out of India, who are in permanent employment of the Company not exceeding 1,143 options, such options being 10% of the Issued Equity Share Capital of the Company as on 31 March 2015.

Under the plan, the options granted under ESOP 2016 would vest not less than one year and not more than four years from the date of grant of such Options. The options shall however be exercised within a period of eight years from the date of grant subject to the performance indicators as approved by the Board of Directors.

Options are granted under the plan carry no dividend or voting rights. When exercisable, each option is convertible into one equity share. The exercise price of the options is ₹ 0.56 lakhs.



Summary of significant accounting policies and other explanatory information for the year ended 31st March 2020 (cont'd)

All amounts are in ₹ lakhs, unless otherwise stated

The following table illustrated the number and weighted average exercise prices of, and movements in, share options during the year:

	Year ended 31 March 2020		Year ended 31 March 2019	
	Shares arising out of options (in numbers)	Weighted average exercise price (in ₹)	Shares arising out of options (in numbers)	Weighted average exercise price (in ₹)
Options outstanding at the beginning of the year	-	-	-	-
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
Forfeited / expired during the year	-	-	-	-
Outstanding at the end	-	-	-	-

Fair value of options granted

The fair value at grant date (1st October 2016) of options granted during the year ended 31 March 2017 was ₹ 0.35 lakhs per share. The fair value at grant date is determined using the Binomial model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the share, the expected dividend yield and the risk free interest rate for the term of the option.

Fair value of the options (₹ 0.35 lakhs/option) has been calculated using Binomial Model. The following inputs were used to determine the fair value for 953 options granted on 1st October 2016:

Expected Option Life	8 years
Exercise price	₹ 0.56 lakhs
Expiry date	1 October 2024
Share price at grant date	₹ 0.56 lakhs
Expected Volatility	48.61%
Expected Dividend Yield	Nil
Risk Free Rate	7.00%

The expected life of the stock is based on current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

Note 33

Impact of COVID-19 in the Financial Statements

With regard to COVID – 19 impact in Financials of Reverie Language Technologies Pvt Ltd , We don't foresee any challenges and the business is going as usual. With Reliance Industries Limited being our Ultimate holding company and have majority stake in company we don't foresee any risk which will impact the financial statement as on date.

Hence we don't foresee any impact because of COVID-19 in the current situation for Reverie Language Technologies Pvt Ltd

Note 34

Previous Year comparatives

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

As per the Report of even date

For Chaturvedi & Shah LLP
Chartered Accountants
Firm Registration No 101720W/W100355

Vijay Napawaliya
Partner
Membership No: 109859

Mumbai
Dated: 03rd Apr 2020

For and on behalf of the Board of Directors of Reverie Language Technologies Private Limited

Arvind Pani
Director
DIN: 00936914

Bengaluru
Dated: 03rd Apr 2020

Vivekananda Pani
Director
DIN. 01012763

Bengaluru
Dated: 03rd Apr 2020

